

SENATE STANDING COMMITTEE ON COMMUNITY AFFAIRS

LEGISLATION COMMITTEE

Inquiry into the National Health Amendment (Pharmaceutical Benefits Scheme) Bill 2010

SUBMISSION

SUBMISSION NUMBER: 15

SUBMITTER

Bristol-Myers Squibb Australia

Bristol-Myers Squibb Australia Pty. Ltd.

A.B.N. 33 004 333 322

P.O. Box 39 556 Princes Highway Noble Park, Victoria 3174 Australia Tel: (03) 9213 4000

20 October 2010

Senator Claire Moore
Chairperson
Senate Standing Committee on Community Affairs
Parliament House
CANBERRA ACT 2600

Attention
Naomi Bleaser
Committee Secretary

NATIONAL HEALTH AMENDMENT (PHARMACEUTICAL BENEFITS SCHEME) BILL 2010

Dear Senator Moore

I write in support of Medicines Australia's submission to the Community Affairs Committee in relation to legislation amending the National Health Act. The *National Health Amendment (PBS) Bill 2010* is intended to give effect to PBS pricing arrangements that are part of a broader package of measures contained in the Commonwealth's Memorandum of Understanding (MoU) with Medicines Australia.

As a global biopharmaceutical company, our medicines help millions of people around the world in their fights against cancer, cardiovascular disease, diabetes, viral hepatitis, HIV/AIDS, rheumatoid arthritis and psychiatric disorders. The company has a long and proud history of developing and delivering innovative medicines to help Australian patients prevail over serious diseases.

Bristol-Myers Squibb (BMS) endorses the MoU which will deliver cheaper medicines for patients and taxpayers and enhance patients' access to new medicines by reducing the time it takes for a new medicine to be listed.

The MoU, when fully implemented, will provide our company with a more predictable and stable policy environment in which to plan for the medium term. By building on the package of PBS reforms implemented in 2007, and specifically the price disclosure policy, the MoU will give all stakeholders more certainty about the sustainability of the PBS and remove any need for ad hoc Government intervention in medicines pricing.

The proposed increased statutory price reductions to off patent medicines will be difficult for BMS. We believe, however, that the stability promised by the MoU together with PBS listing improvements will enable us to plan and invest with greater confidence in the Australian market.

We trust that the Committee's review of the legislation will share our conclusion that the legislation to amend the National Health Act PBS provisions is important for the long term sustainability of the system.

Yours sincerely

James W. Cain
Managing Director



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