



The Royal Australasian
College of Physicians

From the President

26 July 2011

The Secretary
Senate Finance and Public Administration Committee
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Via email: fpa.sen@aph.gov.au

Dear Sir/Madam

Inquiry into the Government's administration of the Pharmaceutical Benefits Scheme (PBS)

The Royal Australasian College of Physicians (the College) welcomes the opportunity to provide a submission to this inquiry.

The College is very concerned by the Australian Government's recent decision to defer the PBS listing of medications and vaccines recommended by the Pharmaceutical Benefits Advisory Committee (PBAC), not just those greater than the \$10m threshold.

While recognising the need for fiscal responsibility by government in all areas of health care, many of the medications approved by PBAC will not only have quality of life benefits for the community but should also minimise hospital admissions, which would contain health care costs.

The College recommends that Cabinet develop an effective and efficient system to evaluate the relative merits of PBAC recommended medications and vaccines, apart from their cost implications. The revised process would allow an appropriate system to evaluate and rank these medications and, despite the obvious need for Cabinet confidentiality, this process should be transparent.

Whilst the College would be prepared to advise Government in the establishment of such a process, the College is not convinced that this process is in the public interest given it would add another bureaucratic layer to the established approval process which was working very well. Any such action would also appear to devalue the role of PBAC.

Fellows of the College provide an important evaluative role in the development of medicines in Australia particularly by participating in committees such as the PBAC and the TGA's Advisory Committee on Prescription Medicines. Furthermore, physicians play an important role in evaluating these products in the many clinical trials that occur before listing. In summary, all physicians wish to ensure that their patients have access to best practice medications.

As mentioned, the College and its Fellows are very mindful of the need to ensure that medicines and vaccines available on the PBS give value for money to both Government and the community and strongly support the current PBAC recommendation process which the College considers is producing such an outcome.

The College recommends that the Committee considers engaging clinical and consumer input into an urgent review and redevelopment of access arrangements for high-cost drugs.

The College would be pleased to further participate in the Senate Inquiry. Should the Committee wish to discuss any of the issues raised in this submission please contact Luke Clarke, Manager, Policy & Advocacy on 02 9256 9649 or email luke.clarke@racp.edu.au.

Yours sincerely

John Kolbe