

18 July 2011

Level 18, 215 Adelaide Street | P: 1300 76 50 50
Brisbane QLD 4000 | F: 07 3211 9339
GPO Box 1450 | E: general@nationalseniors.com.au
Brisbane Qld 4001 | W: www.nationalseniors.com.au

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

Dear Committee Secretary,

Re: Submission to the Senate Finance and Public Administration Committee's Inquiry into the Government's administration of the Pharmaceutical Benefits Scheme (PBS)

National Seniors Australia welcomes the opportunity to provide input into the Senate and Public Administration Committee's Inquiry into the Government's administration of the Pharmaceutical Benefits Scheme (PBS).

With a quarter of a million members Australia wide, National Seniors Australia (NSA) is the largest organisation representing the views of Australians aged 50 and over. NSA operates for the social and economic benefit of its members and represents the interests of older Australians in a broad range of community, business and government forums.

NSA has the following concerns about the recent changes to the PBS listing process.

The consequences for patients

By subsidising the cost of prescription medicines through the PBS, the Government aims to provide timely, reliable, and affordable access for the Australian community to necessary and cost-effective medicines, acknowledging that affordable and timely healthcare is an important public good.

While every Medicare card holder benefits from the subsidies provided under the PBS, holders of Pensioner Concession Cards (PCC), Commonwealth Seniors Health Cards (CSHC), and Health Care Cards (HCC) receive further concessions on the already subsidised medicines. This acknowledges that while older people often have the biggest need for medicines, some have very limited financial capacity, especially as those on fixed incomes struggle with increasing costs of living.

We believe that the Government's decision to defer the listing of new medicines on the PBS, despite their inclusion being recommended by the independent Pharmaceutical Benefits Advisory Committee, will have a negative impact on older people. Anecdotal evidence from our members suggests that already there are some older people, including concession card holders, who defer buying prescription medicines subsidised under the PBS because of the co-contribution they have to make. Presumably, those people would not be able to access

any medications not listed on the PBS, thus fostering inequity in accessing affordable healthcare.

In this regard, NSA agrees with similar comments provided by the Consumer Health Forum and the Council of Social Service Network to this Inquiry, and shares their concerns about the impact the deferral decision has on consumers, especially low income and disadvantaged Australians whose ability to access medicines and health care services heavily depends on Government assistance.

The financial implications of the deferral

We understand that the Government's deferral decision earlier this year was made for budgetary reasons and that it is the first time recommendations made by the PBAC have not been immediately implemented. However, we are mindful that cost-effectiveness has always been an important and central criterion in the PBAC's deliberation process, both from the point of a new medicine being included and the costs incurred should this new medicine not be included.

As the cost effectiveness of new medicines has been assessed by the PBAC, there is a distinct possibility that deferring the listing of these new medicines on the PBS may be counterproductive. If consumers are not able to afford the most effective medications, it can be expected that there will be additional pressure on health care services as their health conditions become more complex or deteriorate.

NSA would be pleased to assist the Senate Finance and Public Administration Committee further with its Inquiry into the PBS. To expand on any of the issues addressed in this letter, please do not hesitate to contact Kathrin Stroud, Policy Advisor, on (02) 6230 4588 or k.stroud@nationalseniors.com.au.

Yours sincerely,

Michael O'Neill
Chief Executive