

**SUBMISSION TO THE SENATE
COMMITTEE ON COMMUNITY AFFAIRS**

Inquiry into Supply of Chemotherapy Drugs
such as Docetaxel

**SOUTH AUSTRALIAN GOVERNMENT
SUBMISSION
APRIL 2013**

Introduction

The Government of South Australia (SA Government) welcomes the opportunity to make the following submission to the Senate Standing Committee on Community Affairs inquiry into supply of chemotherapy drugs such as Docetaxel.

The Terms of Reference that the Committee will consider are:

- (a) the supply of chemotherapy drugs such as Docetaxel, particularly in relation to:
 - (i) patient access to treatment,
 - (ii) cost to pharmacists and suppliers, and
 - (iii) cost to the private and public hospital systems;
- (b) any long-term sustainable funding models for the supply of chemotherapy drugs, including Docetaxel; and
- (c) any related matters.

Key Messages

The key messages that the SA Government would like the Senate Standing Committee on Community Affairs to note is the potential impact on South Australian public hospital services are:

- The changes to subsidies for chemotherapy drugs such as Docetaxel may potentially increase the costs to private chemotherapy providers, making some services unviable and resulting in increased demand (pressure) on public sector services.
- The changes to subsidies for chemotherapy drugs such as Docetaxel will impact on the amount of Pharmaceutical Benefit Scheme (PBS) subsidy that the South Australian public health sector receives from the Commonwealth and will potentially impact on the delivery of pharmacy services.

Addressing the Terms of Reference

A. The supply of chemotherapy drugs such as Docetaxel, particularly in relation to:

- (i) patient access to treatment,**
- (ii) cost to pharmacists and suppliers, and**
- (iii) cost to the private and public hospital systems.**

The average price paid by private pharmacies for an 80mg vial of Docetaxel in the six months to September 2012 was \$275 with the PBS subsidy for this being \$1,210. It is anticipated that the subsidy will be reduced by approximately 76%.

The changes to subsidies for chemotherapy drugs such as Docetaxel will reduce the revenue to private chemotherapy providers and shift the costs of providing these services to patients and/or impact on the viability of the services.

This may result in the private sector not offering some forms of chemotherapy treatment (those seen as unprofitable) and more patients accessing treatment from the public sector, increasing pressure on public hospitals.

The changes will potentially impact on the amount of PBS reimbursement that the South Australian public sector receives from the Commonwealth. Initial estimates based on current usage of Docetaxel, indicate a reduction of \$1.8 million per annum to the SA Government which will potentially impact on the delivery of pharmaceutical services such as medication reviews and expert clinical advice on medication to doctors, nurses and patients.

The public and private sectors are already experiencing resource pressures due to the increasing number and complexity of chemotherapy medicines. Unlike some other states the majority of chemotherapy provided to South Australian public hospital patients is prepared on-site by the public sector. The ability to sustain on-site production may be affected by the changes to subsidies for chemotherapy drugs.

B. Any long-term sustainable funding models for the supply of chemotherapy drugs, including Docetaxel.

The SA Government would like to note that the Commonwealth indicated it may take advice on the cost of chemotherapy services but nevertheless advised that the ongoing reduction in PBS subsidy in line with market prices must continue to ensure more new treatments can be introduced.