

OPENING STATEMENT FROM CONSUMERS HEALTH FORUM OF AUSTRALIA TO SENATE ECONOMICS LEGISLATION COMMITTEE INQUIRY INTO NATIONAL HEALTH AMENDMENT (PHARMACEUTICAL BENEFITS) BILL 2015

I would like to start off by thanking the Committee for the opportunity to present to you on the proposals which are designed to ensure Australians have equitable access to medicines, now and into the future. CHF has put in a submission which details our views on the proposals so I will just briefly outline four key issues we want to comment on.

CHF welcomes the provisions in Schedule 1 of the Bill which are designed to bring down the prices on some drugs and list some new drugs. We have been calling for a long time for measures to bring Australian drug prices into line with the international market.

We are disappointed with the extensions of the sunset provisions for pharmacy location rules until 30 June 2020. These protect existing owners from competition. We believe that opening up the sector to competition will be of benefit to consumers. We also believe there are alternative measures that could be put in place to sustain community pharmacies in areas where viability was at risk. Evidence from overseas strongly suggests that competition can lead to the better provision of patient services in areas such as after hours services and a wider range of professional services.

We do, however, welcome the independent review of location rules and other aspects of the 6CPA but are concerned that under the terms of the new agreement the Pharmacy Guild is to be the only party to be consulted on the scope of the review. This is simply not good enough and we urge the Committee to recommend that consultation over these terms of reference should include a broader group of stakeholders including a consumer representative, and the conduct of the review must be a public process.

We welcome the proposal in Schedule Three (3) to introduce the option for pharmacists to offer a \$1 discount off the copayment for PBS medications as anything which has the potential to reduce out of pocket expenses for consumers is welcome. Whilst we know that no consumer will be worse off and the majority of people who are able to get the discount will be better off we are concerned that not all consumers will benefit equally from this proposal as it is at the discretion of the pharmacy to offer it. We are particularly concerned that it will contribute to a widening of the health inequality between urban and rural Australians as there is less competition amongst pharmacies in rural areas and so little or no incentive for the community pharmacy to offer the discount.

The last issue we want to raise relates to biosimilars. We welcome the introduction of biosimilars to the Australian market and the additional price competition that will arise from that – that's in the interests of more effective and targeting spending under the PBS. Like other consumer and clinician groups, our concern is the proposal to follow the Pharmaceutical Benefits Advisory Committee's recommendation to allow substitution of biosimilars at the pharmacy level where the data supports such substitution. This is a

premature move, given the cover the paucity of evidence on the safety of switching patients from a biologic to a biosimilar. We are also concerned that the proposition is that this could be done at the pharmacy level without the informed consent of either the consumer or the prescribing doctor.

This is a complex issue but the key point is that there is not sufficient evidence of the safety of switching patients and so any move to do so would lead to an unnecessary and unacceptable increased risk of adverse outcomes for Australian patients. Such a move is out of kilter with world best practice and so we recommend that the Government proceed with caution. We recognise this is an evolving area and would urge the Government and PBAC to revisit their policy and intended practices in this area.