



Submission to the Senate Standing Committee on Finance and Public Administration Inquiry into the Government's administration of the Pharmaceutical Benefits Scheme

Joint submission from Cancer Council Australia, the Clinical Oncological Society of Australia and the Medical Oncology Group of Australia.

About the submitting organisations

Cancer Council Australia is Australia's peak national non-government cancer control organisation.

The Clinical Oncological Society of Australia is the peak multidisciplinary organisation for health care professionals working in cancer control.

The Medical Oncology Group of Australia is the peak representative body for medical oncologists in Australia.

Cancer Council Australia, the Clinical Oncological Society of Australia and the Medical Oncology Group of Australia welcome the opportunity to provide a joint submission to this Inquiry as we are very concerned about the impact on patients and the health system of the government's decision to defer the listing of medicines on the Pharmaceutical Benefits Scheme (PBS) that have been recommended by the Pharmaceutical Benefits Advisory Committee (PBAC).

This submission focuses on the key areas of interest of the submitting organisations.

(1) The deferral of listing medicines on the PBS that have been recommended by the Pharmaceutical Benefits Advisory Committee

The PBAC is an independent expert committee that is internationally respected for its rigorous and evidence based approach to assessing drugs for their efficacy and cost-effectiveness. In recent years, the PBAC has done much to improve the transparency of its assessment and listing processes and to ensure that the views of consumers and prescribers are incorporated into its deliberations. The deferral of listings, subject to Cabinet consideration, has effectively added a new opaque element – a political filter - to the process for listing drugs, undermining PBAC's expertise and processes and reversing recent improvements in transparency.

Timely and affordable access to cancer drugs through the PBS has been a critical factor in helping Australia to achieve one of the best cancer survival rates in the world. Changes to the PBS listing process which indefinitely delay access to drugs that have been assessed by the PBAC to be effective and cost-effective may jeopardise these results.

(2) Any consequences for patients of such deferrals

The major consequence for patients of deferred PBS listings is that affordable access to new drugs that have been assessed to be effective and cost-effective is delayed. As a result patients may not receive the best available treatment for their condition. Inequities in cancer treatment and outcomes will be exacerbated as access to new drugs will be limited to those who can afford to pay for them privately. This is untenable, especially as many cancer patients already face a heavy financial burden as a result of loss of income and out-of-pocket expenses associated with their treatment. In the case of life-saving or life-prolonging drugs for cancer treatment, the delay for some patients may be tragic.

Prescribers are also placed in a difficult position in discussions with patients about treatment options that the patient may not be able to afford.

(3) Any consequences for the pharmaceutical sector of such deferrals and

(4) Any impacts on the future availability of medicines in the Australian market due to such deferrals.

The indefinite deferral of PBS listings for drugs that have been recommended by the PBAC creates additional uncertainty for the pharmaceutical industry which may affect decisions by drug sponsors regarding whether to seek PBS listing for new drugs in the future. The PBAC evaluation process is already rigorous, complex and expensive for drug sponsors and this can sometimes act as a disincentive to seek listing, especially for relatively inexpensive drugs or drugs for less common conditions where the patient population is relatively small. Adding additional uncertainty to the listing process is likely to increase this disincentive, with the potential to reduce the future availability of medicines in the Australian market.

If the deferrals are prolonged there may also be an impact on industry decisions regarding future investments in clinical research within Australia.

(5) The criteria and advice used to determine medicines to be deferred.

One of the key problems created by subjecting decisions regarding PBS listings to the Cabinet process is that there is no transparency around the criteria, advice or processes used to arrive at these decisions.

This is a backward step when so much has been done in recent years to improve the transparency of the PBAC listing process.

(6) The financial impact on the Commonwealth Budget of deferring the listing of medicines

The deferral of PBS listings to achieve financial savings for the Commonwealth can best be described as false economy.

Drugs that the PBAC recommends for PBS listing have been assessed as both effective and cost-effective against existing treatments so they represent equivalent or better efficacy and value than existing drugs. If the new drugs are not listed on the PBS then medical practitioners will need to continue prescribing existing medications. This means that costs will still accrue to the PBS. In addition, if the existing drugs are less effective or more toxic than the new drugs, then cost savings from the new drugs will not be realised, such as reduced medical or hospital costs through better management of side-effects.