

# Inquiry into administration of the Pharmaceutical Benefits Scheme 2011

Submission by SANE Australia, July 2011

**SANE Australia is a national charity  
working for a better life for Australians affected by mental illness.**

SANE Australia recognises the importance of the Australian public health system to people living with a mental illness and their carers, in particular the affordable access provided by the Pharmaceutical Benefits Scheme (PBS) to the medications which have been prescribed. SANE does not advocate for any particular treatment, but for a choice of access by doctors and their patients to all evidence-based treatments which are proven safe and effective.

This submission has particular reference to para b) the impact on people with a mental illness and their carers of the recent deferral of listing PBAC-approved medications on the PBS, para f) financial impact on the Commonwealth budget, and para i) other related matter: the broader implications of this action for the approval process and the future limitation of access to effective treatments.

## *para b) consequences for patients*

One of the medications deferred for PBS approval is paliperidone (Invega Sustenna), a treatment for schizophrenia administered via a monthly long-acting injection to the arm. While acting in a pharmacologically similar way to a related antipsychotic medication – risperidone – it differs to all other antipsychotics in being taken via a monthly injection rather than in daily tablet or liquid form, or a fortnightly injection to the buttock.

For someone living with schizophrenia, this difference in administration has very great benefits which should not be underestimated. A monthly injection makes adherence much more likely and reduces by half or more the number of visits to a doctor. For people whose symptoms include reduced cognitive ability and motivation, it increases the likelihood that they will attend the appointment; it also halves the attendant trouble and cost of a journey to the doctor's surgery or clinic. This in turn benefits the carer as well as freeing up the clinician's time and administration costs. A monthly injection to the arm is also more easily given, more dignified and less traumatic than a fortnightly injection to the buttock (especially where the person is being treated involuntarily).

*para f) financial impact on the Commonwealth budget*

Where one monthly dose of paliperidone would replace two fortnightly injections of risperidone, it is difficult to understand the reasons for deferral of PBS listing, as the cost difference to the Commonwealth would be minimal. The costs to patients would be substantially reduced by listing of paliperidone, however, because of fewer prescription charges and costs associated with attendance to receive the injection. Even the concession card rate of \$5.60 for filling a script acts as a disincentive for many people on low incomes; around one in eight scripts (12.8%) are not filled because of the cost. Reduced costs of PBS listing associated with longer-term adherence and reduced relapse would also accrue to the Commonwealth.

At a broader level, medicines recommended by the PBAC for listing on the PBS have been independently assessed to represent a cost-effective expenditure of tax payer funds. The PBAC is required under the National Health Act 1953 to consider the effectiveness and cost of a proposed benefit and ensure that the improvements in health outcomes justify the additional costs to the Scheme. This involves a thorough independent evaluation of evidence and an assessment of the therapeutic benefits and costs of medicines, including comparisons with other treatments where appropriate. The Government has not challenged the PBAC's assessment of the cost-effectiveness of these medicines.

The PBS is an important investment in maintain the current and future health of Australians that may reduce the need for more costly acute care services long term. The Australian Government PBS website acknowledges that, *Spending on the PBS may reduce the cost of the wider health system by helping to prevent serious conditions developing thereby reducing hospital stays and other demands on hospitals and other health services.* The short-term cost savings of deferring the listings may therefore be mitigated by the longer term negative financial impact on the budget.

*para i) other related matter: broader implications*

The decision to defer the recommendation of the Pharmaceutical Benefits Advisory Council (PBAC) to list medications jeopardises the integrity of the PBS process. The PBAC is an independent statutory body established to provide expert advice to the Minister. Its advice is based on independent assessment made in the best interests of the community in terms of health, safety and cost.

We do not believe that the Government has demonstrated sufficient cause to ignore the PBAC's recommendations. As the PBAC is an independent expert body, there must be exceptional circumstances for the Government not to act on the PBAC's advice. We do not believe that such circumstances currently exist. We believe that the health of Australians, particularly those low income and disadvantaged people who are at greater risk of poor health outcomes, has been compromised by this deferral and we urge the Commonwealth Government to reconsider this decision which introduces uncertainty and short-term political expediency into what has been for decades an objective process, rationally based on the best evidence of clinical and cost-effectiveness.

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