



National Health Amendment (Pharmaceutical and Other Benefits—Cost Recovery) Bill 2008 [No. 2]

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National Health Amendment (Pharmaceutical and Other Benefits—Cost Recovery) Bill 2008 [No. 2]

Date introduced: 12 May 2009

House: House of Representatives

Portfolio: Health and Ageing

Commencement: Sections 1-3: on Royal Assent.

Schedule 1: 1 July 2008.

Links: The *relevant links* to the Bill, Explanatory Memorandum and second reading speech can be accessed via BillsNet, which is at <http://www.aph.gov.au/bills/>. When Bills have been passed they can be found at ComLaw, which is at <http://www.comlaw.gov.au/>.

Purpose

The purpose of the National Health Amendment (Pharmaceutical and Other Benefits—Cost Recovery) Bill 2008 [No. 2] (the Bill) is to amend the *National Health Act 1953* (the Act) by introducing provisions that will authorise the Commonwealth Government to impose fees, and thereby recover costs associated with the services and activities related to listing medicines on the Pharmaceutical Benefits Scheme (PBS) or designating vaccines for the National Immunisation Program (NIP).¹

The fees, which would generally be paid by the pharmaceutical industry, will be prescribed in the regulations under the Act.

Background

It is noted that the provisions in the Bill are identical to those proposed in the National Health Amendment (Pharmaceutical and Other Benefits—Cost Recovery) Bill 2008 (the

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1. Senator Joe Ludwig, ‘Second Reading Speech: National Health Amendment (Pharmaceutical and Other Benefits – Cost Recovery) Bill 2008 [No. 2], Senate, *Hansard*, 14 May 2009, p. 2808. See also Nicola Roxon, Minister for Health and Ageing, ‘Second Reading Speech: National Health Amendment (Pharmaceutical and Other Benefits – Cost Recovery) Bill 2008, House of Representatives, *Hansard*, 29 May 2008, p. 65.

Warning:

This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.

This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.

No. 1 Bill) that was introduced on 29 May 2008, but was not passed by the Senate in August 2008.

Consequently, for information about the background, key issues, financial implications and commentary on the main provisions of this Bill, please refer to the Bills Digest for the No. 1 Bill.²

Please note also that the proposed cost recovery measures were reviewed by the Senate Standing Committee on Community Affairs (the Committee) in 2008, which inquired into both the No. 1 Bill and subsequent draft regulations.³ It is noted that the Committee recommended that the Senate pass the Bill⁴ and subsequently concluded that the draft regulations satisfactorily addressed issues raised during the Committee's earlier inquiry into the No. 1 Bill.⁵

The peak lobby group for the pharmaceuticals industry, Medicines Australia (MA), has reiterated its opposition to the proposal. MA has continued to argue that it is 'fundamentally inappropriate' for the industry to pay for government procurement.⁶ However, since the Bill was re-introduced, there has not appeared to be any additional comment from stakeholders appearing before the Committee during its inquiries in 2008, such as the Australian Medical Association and Palliative Care Australia.

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2. Rebecca de Boer, *National Health Amendment (Pharmaceutical and Other Benefits—Cost Recovery) Bill 2008*, Bills Digest, no. 125, 2007-2008, Parliamentary Library, Canberra, viewed 5 June 2009, <http://www.aph.gov.au/library/pubs/bd/2007-08/08bd125.pdf>
 3. See Senate Standing Committee on Community Affairs, *National Health Amendment (Pharmaceutical and Other Benefits – Cost Recovery) Bill 2008*, Report, 25 August 2008, viewed 5 June 2009, http://www.aph.gov.au/senate/committee/clac_ctte/nat_hth_pharm_cost_recover_08/report/index.htm; Senate Standing Committee on Community Affairs, *Draft National Health (Pharmaceutical Benefits – Charges) Regulations 2008*, Report, 2 October 2008, viewed 5 June 2009, http://www.aph.gov.au/senate/committee/clac_ctte/draft_regs_nat_hth_pharm_benefits_charges/report/index.htm
 4. Senate Standing Committee on Community Affairs, *National Health Amendment (Pharmaceutical and Other Benefits – Cost Recovery) Bill 2008*, p. 18
 5. Senate Standing Committee on Community Affairs, *Draft National Health (Pharmaceutical Benefits – Charges) Regulations 2008*, p. 9
 6. Medicines Australia (MA), *Industry asked to fund govt purchasing*, media release, 12 May 2009, http://www.medicinesaustralia.com.au/pages/view_news.asp?id=133.

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