

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Additional Estimates 2011-2012, 15 February 2012

Question: E12-120

OUTCOME 2: Access to Pharmaceutical Services

Topic: GROWTH OF THE PBS

Written Question on Notice

Senator Boyce asked:

The growth of the Pharmaceutical Benefits Scheme (PBS) in 2011 has been reported to be below the projected growth rate. The Mid Year Economic and Fiscal Outlook stated that the growth rate of the PBS was 5.7% in 2010/11 – a full 2% lower than the estimated PBS growth rate yielding a \$265 million budget reduction in 2011/12 and driving a total budget reduction of \$1.8 billion over 4 years.

- a) Have the forward expenditure projections for the PBS been adjusted to reflect the significantly lower than expected growth of the PBS in 2011?
- b) Have the forward growth rate projections for the PBS been adjusted to reflect the significantly lower than expected growth of the PBS in 2011?
- c) What is the projected growth rate of the PBS and what is the projected growth rate of the F2 formulary?

Answer:

- a) Yes.
- b) Yes.
- c) The growth rate of the Pharmaceutical Benefits Scheme (PBS) in 2011-12 is projected to be 6.1 per cent. In 2012-13 PBS growth is expected to slow to around 3.7 per cent due to Expanded and Accelerated Price Disclosure and as the full impact of the 2010 PBS Reforms measures comes into effect. Over the later years of the forward estimates growth is expected to return to around 7 per cent as the effects of prescription growth and new medicine listings reassert themselves.

The projected growth rate of the F2 formulary is not available as growth rate projections for the PBS are not disaggregated by formulary.