

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Additional Estimates 13 & 15 February 2013

Question: E13-059

OUTCOME 2: Access to Pharmaceutical Services

Topic: Chemotherapy Drugs

Type of Question: Written Question on Notice

Senator: Senator Boyce

Question:

What is the shortfall that you expect the public pharmacy sector to sustain as a result of these Price Disclosure impacts on chemotherapy drugs?

Answer:

The Department has sought evidence of the expected impact of price disclosure changes on chemotherapy services. To date, the Department has not received any specific data on the expected impact of price disclosure on public sector pharmacies, although it is understood that the cost structures of PBS claiming public sector pharmacies closely mirror those of private pharmacies with respect to chemotherapy.

It should be noted that the public sector operates under different arrangements to the private sector. Only those states and territories that have signed up to Pharmaceutical Reforms are able to claim PBS funding for the provision of chemotherapy medicines. In those jurisdictions that have signed reform agreements, there are some hospitals that do not participate in the reforms. Any public hospital that is not providing chemotherapy under the reform agreements will not be affected by price disclosure on chemotherapy medicines, as those hospitals are funded on an activity basis for medical oncology and chemotherapy services through prices set by the Independent Hospital Pricing Authority.

From 1 July 2013, the Australian Government is providing interim additional funding of \$60 per infusion for the preparation of PBS chemotherapy medicines. This funding will be in place until 31 December 2013.

During this time a review will be undertaken to identify options for a sustainable funding model for chemotherapy services. The Review will include investigation of the provision, practices and costs for the preparation of PBS chemotherapy medicines in public hospitals. The Review will report back to Government by October 2013.