

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Additional Estimates 13 & 15 February 2013

Question: E13-256

OUTCOME 2: Access to Pharmaceutical Services

Topic: High Cost Drug Listings

Type of Question: Hansard Page 117, 13 February 2013

Senator: Senator Di Natale

Question:

Based on a report by PharmaDispatch on 28 November 2012, it appears that in relation to the listing of High Cost Drugs, the time from Ministerial announcement to listing date has increased under the MoU. Can the Department comment on the validity of the report?

Answer:

As outlined in the Memorandum of Understanding (MoU) with Medicines Australia, for those high cost medicines requiring approval by the Cabinet, the Government uses its best endeavours to implement a maximum time frame of six months for consideration and decision by Cabinet. The six months commences from the date of notification by the Department of Health and Ageing to the sponsor that pricing is agreed.

Since entering this MoU agreement, the average time taken for Cabinet to consider high cost drugs following pricing agreement is around 4.4 months.

Once a medicine has been approved by Cabinet for listing, other steps need to be taken before a listing can be achieved such as risk share arrangements, finalisation of the conditions for listing, quality and availability checks of the medicine.

The average length of time (as an aggregate) between the Pharmaceutical Benefits Advisory Committee (PBAC) recommendations to the commencement of funding (Pharmaceutical Benefits Scheme (PBS) listing) for high cost medicines (those that cost more than \$10 million in any of the forward estimate years) from 2005 to date is approximately ten months (based on calendar years).