

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Additional Estimates 2016 - 2017, 1 March 2017

Ref No: SQ17-000224

OUTCOME: 4 - Individual Health Benefits

Topic: Biosimilar Drugs

Type of Question: Written Question on Notice

Senator: Griff, Stirling

Question:

What cost savings do the biosimilar drugs provide?

Answer:

The first listing on the Pharmaceutical Benefits Scheme (PBS) of a biosimilar medicine results in a 16% price reduction to all brands of the relevant biological medicine, and movement of the relevant biological medicine to the F2 formulary on the PBS.

Medicines on the F2 formulary, including those with biosimilar brands, become subject to price disclosure arrangements which achieve price reductions for Government.

Uptake of biosimilar and generic medicines is key to price reductions because both the volume of brands offering lower prices and the size of discounts associated with market competition drive reductions in the Government subsidised price under the price disclosure arrangements.