

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Additional Estimates 2016 - 2017, 1 March 2017

Ref No: SQ17-000420

OUTCOME: 4 - Individual Health Benefits

Topic: Biosimilars Awareness

Type of Question: Written Question on Notice

Senator: Watt, Murray

Question:

- a) How much of the \$20 million allocated has been spent on the Biosimilars Awareness Initiative?
- b) How much have you planned to spend between now and 2018?
- c) Do you expect to spend the allocated \$20m? Why/why not?
- d) Has the Initiative supported the awareness of and confidence in biosimilar medicines?
- e) How is the impact of the Initiative being evaluated?
- f) The project management plan states that one evaluation measure will be PBS cost savings, with a KPI of savings of to \$880m (2015-2020). How are you going against that KPI? What is the current value of PBS savings from biosimilars?

Answer:

- a) From July 2015 to February 2017 around \$3.1 million has been spent on activities under the Initiative, including baseline awareness surveys and research activities, consultation and governance, development of awareness materials and associated staff costs.
- b) and c)
The 2015/16 Budget included funding of \$20 million over three years for the Initiative. Spending will not be evenly spread over the course of the Initiative, due to the need to conduct research into consumer and prescriber awareness in the first stage of the initiative. This information, about the current level of awareness of biosimilars, is informing awareness raising activities in the later stages of the initiative.
- d) Survey and research activities have established a baseline for, and will continue to inform the conduct and evaluation of the Initiative. Evaluation of the activities will occur under stage three of the Initiative.
- e) Evaluation is planned as part of stage three of the Initiative, which will use key performance indicators including:
 - changes in awareness across healthcare providers and consumers (assessed via survey);
 - the number of biosimilar medicines dispensed on the Pharmaceutical Benefits Scheme (PBS), including switching between brands (assessed via PBS data); and
 - savings achieved to the PBS (PBS expenditure).

- f) PBS cost savings reflect reduced prices across the volume of scripts dispensed and claimed under the PBS. The value of savings over the relevant period will be calculated as part of the overall PBS savings, evaluated under stage three of the Initiative.

As an indicator of progress to date, price reductions have been achieved since 1 July 2015 (when the Initiative started) for four biological medicines that have biosimilar brands.

They are:

- Infliximab – 23.53%*
- Filgrastim – 45.69%*
- Follitropin alfa – 24.82%*
- Etanercept – 42.38%*.

** % relates to reduction in base PBS price (ex-manufacturer price).*