

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Budget Estimates 2015 - 2016, 1 – 2 June 2015

Ref No: SQ15-000347

OUTCOME: 2 - Access to Pharmaceutical Services

Topic: Pharmacy Agreement

Type of Question: Written Question on Notice

Senator: Di Natale, Richard

Question:

DoH included patient co-payments in cost estimates, which had the effect of significantly overstating the cost to Government of the 5CPA by approximately \$2.2 billion. What is DoH's explanation for overstating the Agreement by over \$2 billion?

Answer:

While the cost of patient co-payments was included in the Budget Paper No. 2 commentary, these costs were not factored into the Budget and forward estimates as a Commonwealth expense. The forward estimates reflected the agreed savings from the various components of the 5CPA.

The ANAO has recommended that the Department of Health presents in key documents estimated government payments and patient payments for both subsidised and unsubsidised Pharmaceutical Benefits Scheme and Repatriation Pharmaceutical Benefits Scheme medicines. Health has agreed with this recommendation. Table 2 at clause 3.6 in the Sixth Community Pharmacy Agreement separates out the Commonwealth and patient contributions.