

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Supplementary Budget Estimates 2011-2012, 19 October 2011

Question: E11-187

OUTCOME 2: Access to Pharmaceutical Services

Topic: PHARMACEUTICAL BENEFITS SCHEME SAVINGS

Written Question on Notice

Senator Adams asked:

The Government's announcement on 30 September 2011 about the listing of previously deferred medicines on the PBS noted the following:

Budget savings created by price reductions arising from more competitively priced medicines, as well as a number of recent Pharmaceutical Benefits Advisory Committee (PBAC) recommendations, mean that it is now possible to list these medicines.

- a) Please provide the total amount of PBS savings to date, including a breakdown of the savings from more competitively priced medicines.
- b) Please provide a breakdown of the savings achieved under the 2007 PBS reforms and the savings achieved under the MOU.

Answer:

a) – b)

The 2007 Reforms have achieved \$158.5 million in savings since they came into effect. The 2010 reforms as outlined in the Memorandum of Understanding with Medicines Australia are expected to deliver \$1.9 billion in savings over five years, which, with the announcement of the new prices associated with Expanded and Accelerated Price Disclosure on 16 December 2011 will be realised. This includes \$30 million in savings in 2010-11.

The price reductions referred to in the Government's announcement of 30 September 2011 relate to the following medicines:

- clopidogrel tablets;
- dexamethasone injection;
- fluticasone with salmeterol inhalation;
- irbesartan tablets;
- irbesartan with hydrochlorothiazide tablets;
- pravastatin tablets;
- risperidone injection; and
- temozolomide capsules.