

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Supplementary Budget Estimates 2011-2012, 19 October 2011

Question: E11-341

OUTCOME 2: Access to Pharmaceutical Services

Topic: PHARMACEUTICAL BENEFITS SCHEME DEFERRALS

Written Question on Notice

Senator Fierravanti-Wells asked:

The Government signed a Memorandum of Understanding with the medicines industry less than 18 months ago that was about providing predictability for the medicines industry and Australian patients.

- a) How is there any predictability if the Government defers medicines without consultation and then tries to force industry back to the table to provide even more PBS savings?
- b) How much confidence can industry and patients have that the government will honour any agreement it makes, given their track record of breaking their word and continuing to pressure industry and delay patients access to new treatments?

Answer:

a) – b)

The Government is committed to the Memorandum of Understanding (MoU) with Medicines Australia as well as to a sustainable Pharmaceutical Benefits Scheme (PBS) and better health services for all Australians. The Government will continue to consider all new PBS listings and how these listings compare with other health spending priorities. It is the Government's long standing and continuing right to accept or not accept the recommendations made by its advisory committees.

On 30 September 2011, the Government announced that it had reached an agreement with industry and consumer groups to improve the certainty around the PBS listing process, while working to ensure the PBS remains sustainable. This builds on the Government's strong track record of working productively with stakeholders to deliver a sustainable PBS that provides Australians with access to affordable medicines.

The Government has continued to meet its commitments under the MoU. The Pharmaceutical Benefits Advisory Committee (PBAC) recommendations have been considered within the agreed timeframes, with the last five major listings all considered within six months of the pricing agreement, including two that were considered within one month of the price agreement.

In addition, the new policies of Parallel Processing and the Managed Entry Scheme, in

relation to applications to the PBAC, commenced from 1 January 2011 as committed to by the Government. Around one third of applications to the PBAC are now being considered under Parallel Processing.