

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Supplementary Budget Estimates 2011-2012, 19 October 2011

Question: E11-348

OUTCOME 2: Access to Pharmaceutical Services

Topic: PHARMACEUTICALS AND PHARMACEUTICAL SERVICES

Written Question on Notice

Senator Fierravanti-Wells asked:

- a) Given the Minister says the billions of dollars of savings from PBS reform creates headroom" for new medicines, why are further offsets required?
- b) Where are the savings from PBS reform going? Do those savings go to the PBS, to the Health Department or into the Government's budget black hole?
- c) Doesn't requiring offsets for each new medicine on the PBS mean that the PBS has been capped?

Answer:

- a) The Pharmaceutical Benefits Scheme (PBS) is a significant program which will cost the Government around \$9.4 billion in the 2011-12 financial year. The Government has added almost 500 new medicines or brands of medicines to the PBS over the last four years, at a cost of around \$4 billion, including over \$933 million in listings in 2011.
- b) The \$1.9 billion has already been factored into the PBS forward estimates.
- c) No.