

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Supplementary Budget Estimates 2011-2012, 19 October 2011

Question: E11-349

OUTCOME 2: Access to Pharmaceutical Services

Topic: PHARMACEUTICALS AND PHARMACEUTICAL SERVICES

Written Question on Notice

Senator Fierravanti-Wells asked:

Outside savings from PBS price disclosure and the price cuts to F2 medicines agreed in the Memorandum of Understanding with industry, please detail what other pricing policy measures are being applied, what medicines are impacted and what PBS savings are being achieved?

Answer:

In accordance with long standing administrative and legislative practices, the Department of Health and Ageing administers other pricing policies, such as the weighted average monthly treatment cost policy, the therapeutic group policy and the F1 reference pricing policy among drugs in the F1 formulary.

In addition, sponsors of medicines listed on the Pharmaceutical Benefits Scheme (PBS) can request price changes to existing PBS listed medicines. These requests are considered by the Pharmaceutical Benefits Pricing Authority, which then makes recommendations to the Government.

All price changes are reflected in the Schedule of Pharmaceutical Benefits.