

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Supplementary Budget Estimates 2011-2012, 19 October 2011

Question: E11-356

OUTCOME 2: Access to Pharmaceutical Services

Topic: PHARMACEUTICALS AND PHARMACEUTICAL SERVICES

Written Question on Notice

Senator Fierravanti-Wells asked:

It has been stated that "the Government, industry and consumer groups agreed to work together to discuss ways to manage deferrals into the future," (PM & Health Minister, Press Release, 30 September 2011).

- a) What is the timeline on the new arrangement - when will the new deferral process be announced?
- b) How much was saved by deferring the listing announcement of the affected medicines from February to September?

Answer:

- a) As announced on 30 September 2011, the Government committed to not defer any drugs that cost under \$10 million a year for a period of 12 months, while it works with all parties to achieve longer-term Pharmaceutical Benefits Scheme sustainability. This 12 month timeframe allows an appropriate period for stakeholders and government to work together to develop options on how deferrals are managed going forward.

Consistent with the 30 September 2011 announcement, the stakeholders also committed to enter a long-term process to discuss savings and any other measures that could be pursued following the expiry of the Memorandum of Understanding between the Government and Medicines Australia in 2014. Meetings are expected to commence in June 2012, with a paper due to Government by June 2013.

- b) The four year cost of listing the deferred medicines is not altered by the date of commencement.