

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Supplementary Budget Estimates 2015 - 2016, 21 October 2015

Ref No: SQ15-000692

OUTCOME: 2 - Access to Pharmaceutical Services

Topic: Administration, Handling and Infrastructure (AHI) Fee

Type of Question: Hansard Page 81, 21 October 2015

Senator: McLucas, Jan

Question:

- a) As to the AHI fee, can the Department provide us with figures on the change in price for general consumers of the 10 most commonly prescribed medicines as a result of the move to the new Administration, Handling and Infrastructure fee, please?
- b) Can we have a list of the DPMQ for the 10 most commonly prescribed medicines before and after the introduction of the new pricing arrangement?

Answer:

- a) Pharmaceutical Benefits Scheme (PBS) medicines priced under the general co-payment in 2015 of \$37.70 are subject to price competition and the cost of medicine is often discounted by pharmacists when dispensed. As a result many general patients do not pay the full Dispensed Price for Maximum Quantity (DPMQ), and it is difficult for the Department of Health to provide advice on the change in price seen by consumers for particular medicines.

The price for medicines is driven down by PBS pricing mechanisms, including the price disclosure arrangements. For reductions applying from 1 October 2016 onward the originator brand will be removed from price disclosure calculations for drugs that have been in price disclosure for three years. This will allow prices to fall more quickly as they will be linked to generic grand market behavior, thus continuing to benefit consumers and taxpayers.

- b) A list of the ten most commonly prescribed medicines in the 2014-15 year by volume is set out in the table below:

10 most commonly prescribed medicines by volume (2014/15)

TOP 10 MEDICINES BY VOLUME 2014/15*	TOP ITEM BY VOLUME (WITHIN TOP 10 MEDICINES)	FORM or STRENGTH
ATORVASTATIN	8215J	Tablet 40 mg (as calcium), 30 pack
ROSUVASTATIN	9043Y	Tablet 10 mg (as calcium), 30 pack
ESOMEPRAZOLE	8600P	Tablet (enteric coated) 20 mg (as magnesium trihydrate), 30 pack
PARACETAMOL	8814X	Tablet 665 mg (modified release), 96 pack
PANTOPRAZOLE	8008L	Tablet (enteric coated) 40 mg (as sodium sesquihydrate), 30 pack
PERINDOPRIL	3051N	Tablet containing perindopril erbumine 4 mg, 30 pack
METFORMIN	9435N	Tablet (extended release) containing metformin hydrochloride 500 mg, 120 pack
FLUTICASONE + SALMETEROL	8519J	Pressurised inhalation containing fluticasone propionate 250 micrograms with salmeterol 25 micrograms (as xinafoate) per dose, 120 doses (CFC-free formulation), 1 pack
SALBUTAMOL	8288F	Pressurised inhalation 100 micrograms (as sulfate) per dose, 200 doses (CFC-free formulation), 1 pack
IRBESARTAN	8248D	Tablet 300 mg, 30 pack

*Top 10 medicines by volume sourced from PBS Statistics team in the Pharmaceutical Benefits Division.

DPMQ amounts change regularly, as ex-manufacturer prices change. Current and historical DPMQ amounts are publicly available through ex-manufacturer pricing spreadsheets on the PBS website, available at the following address:

<http://www.pbs.gov.au/info/industry/pricing/ex-manufacturer-price>