



Australian Government

# Reforms Meet Challenge ***OF AFFORDABLE ACCESS TO MEDICINES***





*Since October 2013,  
around **1000** new or  
amended **PBS listings**  
have occurred*

As Australians, we have one of the highest life expectancies in the world – 80.1 years for men and 84.3 years for women. One of the key reasons for this is our access to quality medicines and medical devices. With ongoing clinical and technological advances, the ever-present challenge for government is to ensure that we continue to have affordable access to the very latest medicines and medical devices – for instance, the latest cancer drugs, or the newest developments in pacemakers and joint replacements.

The Australian Government's reforms to the Pharmaceutical Benefits Scheme (PBS), the newly-signed Sixth Community Pharmacy Agreement (6CPA) and recent changes following the Medicines and Medical Devices Regulation review, are meeting this challenge. Together, these represent very significant reforms to medicines and medicines pricing and supply. As a result, Australians will get even better access to the health and medical care they need, when they need it and at a price they can afford.

### **PBS listings**

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The Government continues to list new medicines on the PBS without fear or favour so that

Australians can have timely and affordable access. Since October 2013, around 1000 new or amended PBS listings have occurred, with more to come in 2016–17. This means the Government has averaged 31 new and amended listings per month at an overall cost of more than \$4.4 billion. It's also triple the number of listings that occurred in the three years before.

A breakthrough new PBS listing involving a combination of drugs for all adult Australians with chronic hepatitis C, costing the Government more than \$1 billion, aims to see the disease all but eradicated as a public health threat within a generation. Other new and amended medicine listings funded on the PBS through the 2016–17 Budget include medicines to treat type 2 diabetes, prostate cancer, breast cancer, melanoma, lymphoma, arthritis and asthma.

### **PBS reform**

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The Government's PBS reform package includes the option for pharmacists to offer a discount of up to \$1 on PBS co-payments, reducing costs for many patients and helping increase competition. Data shows that nearly 80 per cent of pharmacies are already offering some form of discount to consumers since it started on January 1 2016.



The reform package also includes a five per cent price reduction to on-patent medicines where they have been listed for five years or more and flow-on price disclosure reductions to combination medicines. These price reductions took effect on 1 April 2016, along with ongoing price reductions through normal price disclosure, delivering savings to both consumers and taxpayers.

Medicine price reforms will continue to roll out in 2016–17 with the cost of everyday medicines for thousands of Australians expected to drop by as much as half from October 2016.

These reforms make the PBS more sustainable, and create headroom for the Government to continue investing in new medicines that prevent illness and disease, improve quality of life and save lives.

### ***New processes for medicines and medical devices***

Before entering our market, medicines and medical devices must meet the highest standards to ensure they are safe. This is the case for breakthrough prescription medicines, devices and complementary medicines.

The Government will bring life-saving medicines and medical devices, such as the latest cancer drugs and state-of-the-art medical technology, onto the market faster, having completed a comprehensive streamlining of inefficient processes and regulations. At the same time, it will uphold the safety of products.

Changes following the Medicines and Medical Devices Regulation review will increase competition and innovation in the Australian medicines and medical devices market. The changes are estimated to reduce the regulatory burden on industry by around \$75 million a year through removing unnecessary duplication and cutting red tape.

Having efficient and effective processes to bring medicines and medical devices into Australia is important. For suppliers, it helps them do business more easily. For the nation, it contributes to the growth of the economy and participation in the global market. For Australians, it may well mean new hope for better quality life through better health.

Reforms saving  
Australians as much as  
\$20 per script

## *The **Government is investing \$18.9 billion** working in partnership with community pharmacies*

### **6CPA**

The Agreement is a sound blueprint for the pharmacy sector for the next five years. It provides a platform for the sector to position itself for the next phase of pharmacy and health care reform. The Agreement is driving value throughout the medicines supply chain ensuring that taxpayers are getting value for money.

The Government is investing \$18.9 billion working in partnership with community pharmacies to continue a sustainable supply of medicines to the community. This includes reforms expanding their role as part of a patient's 'medical team', such as a doubling of funding for community pharmacy primary care initiatives.

### **Immunising Australia**

Through the National Immunisation Program, the Australian Government provides free vaccines to protect children and the community from serious diseases. On 1 January 2016, it introduced new measures to encourage families to immunise their children, and therefore the population, against deadly and debilitating viruses. This includes incentives for GPs to catch up overdue children, a national all-age vaccination register and 'no-jab, no-pay' deterrents.

### **Investing in community pharmacy**

A new pharmacy trial program will enable more primary care services to be delivered through community pharmacies. This is important as community pharmacies are well distributed across Australia, so can help boost access to services outside capital cities. The focus of the trials will be on services for people with complex and chronic conditions, Aboriginal and Torres Strait Islander people and rural and remote consumers. The first trial, to begin shortly, will fund pharmacists to screen people for diabetes, and then refer people at high risk to GPs.

Community pharmacies across Australia boost access to health services outside capital cities

### **Medicinal cannabis**

An historic reform is the recent enactment of legislation to allow the controlled commercial cultivation of cannabis for medicinal or scientific purposes through a single national licensing scheme.

This legislation opens the way for Australian doctors and patients to access medicinal cannabis safely, legally and reliably to manage some conditions.