

**SENATE STANDING COMMITTEE ON
COMMUNITY AFFAIRS**

LEGISLATION COMMITTEE

**Inquiry into the National Health
Amendment (Pharmaceutical Benefits
Scheme) Bill 2010**

SUBMISSION

SUBMISSION NUMBER: 28

SUBMITTER

Janssen-Cilag Pty Ltd



Submission to the
Senate Community Affairs Committee
Inquiry into the National Health Amendment
(Pharmaceutical Benefits Scheme) Bill 2010

20 October 2010

Our Credo

We believe our first responsibility is to the doctors, nurses and patients,
to mothers and fathers and all others who use our products and services.

In meeting their needs everything we do must be of high quality.

We must constantly strive to reduce our costs

in order to maintain reasonable prices.

Customers' orders must be serviced promptly and accurately.

Our suppliers and distributors must have an opportunity
to make a fair profit.

We are responsible to our employees,
the men and women who work with us throughout the world.

Everyone must be considered as an individual.

We must respect their dignity and recognize their merit.

They must have a sense of security in their jobs.

Compensation must be fair and adequate,

and working conditions clean, orderly and safe.

We must be mindful of ways to help our employees fulfill
their family responsibilities.

Employees must feel free to make suggestions and complaints.

There must be equal opportunity for employment, development
and advancement for those qualified.

We must provide competent management,
and their actions must be just and ethical.

We are responsible to the communities in which we live and work
and to the world community as well.

We must be good citizens – support good works and charities
and bear our fair share of taxes.

We must encourage civic improvements and better health and education.

We must maintain in good order
the property we are privileged to use,
protecting the environment and natural resources.

Our final responsibility is to our stockholders.

Business must make a sound profit.

We must experiment with new ideas.

Research must be carried on, innovative programs developed
and mistakes paid for.

New equipment must be purchased, new facilities provided
and new products launched.

Reserves must be created to provide for adverse times.

When we operate according to these principles,
the stockholders should realize a fair return.

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1. Submission Information

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Type of Organisation: Proprietary Limited Company

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Declaration of Interest:

Janssen is engaged in business located in Australia and is the sponsor of a number of medicines listed on the Pharmaceutical Benefits Schedule.

2. Janssen Overview

“Caring for the world, one person at a time”.

Driven by our Statement of Caring, Janssen embraces research and science - bringing innovative ideas, products and services to advance the health and well-being of people. Janssen is a leading research-based pharmaceutical company, employing more than 300 staff across Australia.

Janssen provides prescription medicines for a range of conditions including mental health, neurology, women's health, haematology, gastroenterology, and pain management. Four Janssen medicines are included in the World Health Organisation's Essential Drug list.

The research conducted by Janssen has resulted in a number of critical medicines being developed and made available to the Australian public.

3. Janssen and Health Care Systems

*We believe our first responsibility is to the doctors, nurses and patients,
to mother and fathers and all others who use our products and services...*

As reflected in our Credo, we believe our first responsibility is to patients. Ensuring continued research and development of, and sound community access to, safe, efficacious and cost effective new medicines is fundamental to this.

In order to continue to develop new and innovative products, companies such as Janssen, seek strong, clear and effective regulatory and reimbursement systems.

We therefore welcome the opportunity to contribute to this Inquiry that relates to some proposed changes to the operations of the Pharmaceutical Benefits Scheme.

In this submission we comment briefly on the Bill and its implications.

We have not raised every issue related to the Bill that interests us. It is not feasible to do so and other submissions will address further issues.

We have noted, contributed to and broadly support the two submissions of Medicines Australia (MA).

4. Janssen's Position

Janssen supports the measures proposed in the National Health Amendment (Pharmaceutical Benefits Scheme) Bill 2010 ("the Bill").

We do so on the basis that the related changes to the Pharmaceutical Benefits Scheme (PBS), in their entirety, are ultimately sound, balanced and of net benefit to consumers, taxpayers, policymakers and medicine suppliers.

The measures contained in the Bill will, initially and inter alia, cost Janssen considerably (a confidential dollar impact has been modelled and is in the tens of millions of dollars).

However Janssen takes a long-term view, a holistic view and a patient oriented view which collectively and ultimately support the merits of the proposed changes to the PBS (of which the legislation is part and indeed partly enabling).

We note that the provisions of the Memorandum of Understanding (MoU) executed by Medicines Australia and the Minister for Health & Ageing are not contingent upon the passing of the Bill. However we recognise the important role that the legislative measures play in this regard.

The reforms proposed to the PBS broadly and appropriately expand on those previously announced (in 2006/07) and do not compromise the principles of PBS reform agreed by all stakeholders at the time.

More importantly, these reforms are in line with principles and practice of the *National Medicines Policy* (2000) which seeks to ensure and uphold the interests of all medicines stakeholders in Australia. Its central objectives are:

- timely access to the medicines that Australians need, at a cost individuals and the community can afford;
- medicines meeting appropriate standards of quality, safety and efficacy;
- quality use of medicines; and
- maintaining a responsible and viable medicines industry.

These objectives are advanced through the present reforms set out in the MoU (to which the contents of the Bill relate).

5. Janssen's Recommendation

We recommend that the Bill be passed in its current form before 1 December 2010.

6. Conclusion

Janssen supports strong, clear and effective regulatory and reimbursement systems for medicines. Our foremost concern in this regard is appropriate patient access.

We are deeply committed to working with governments and other stakeholders towards high standards of healthcare for all Australians and ensuring that companies in Australia can continue to provide innovative healthcare solutions.

In this spirit, we thank the Committee for the opportunity to submit and we are pleased to provide this submission for consideration.

Janssen would be pleased to assist and work with the Committee and the Parliament more broadly to:

- (a) amplify and/or clarify these submissions;
- (b) attend hearings to speak to these submissions;
- (c) provide expert advice in relation to these submissions; and
- (d) otherwise contribute to the further development and implementation of an effective and balanced framework for medicines regulation and reimbursement in Australia.