

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Additional Estimates 2010-11, 23 February 2011

Question: E11-061

OUTCOME 2: Access to Pharmaceutical Services

Topic: PBS REFORMS

Written Question on Notice

Senator Boyce asked:

- a) When PBS Reforms were introduced in August 2008, wholesalers were broadly compensated for the collateral damage caused by reducing drug prices by way of an adjustment to the CSO. Is it true that further PBS reform price adjustments have been processed over the past two years without any additional compensation for the wholesalers?
- b) If that is correct, could the Department explain in detail why additional compensation for wholesalers has not been forthcoming?
- c) If the claim made in E10-060 is incorrect, could you provide a detailed answer as to why this is the case?

Answer:

- a) Under the Fifth Community Pharmacy Agreement, the CSO Funding Pool, to which eligible wholesalers have access, has been increased to almost \$950 million. This represents about an additional \$70 million a year or an additional \$350 million over the five-year Agreement to 30 June 2015.
- b) Not applicable – refer to response in part a).
- c) Not applicable – refer to response in E11-060.