

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Additional Estimates 2016 - 2017, 1 March 2017

Ref No: SQ17-000222

OUTCOME: 4 - Individual Health Benefits

Topic: Biologic Drugs

Type of Question: Written Question on Notice

Senator: Griff, Stirling

Question:

What strategies does the department have to continue to make innovative drugs available for Australians without impacting the federal budget further?

Answer:

The Department of Health is committed to ensuring that the Pharmaceutical Benefits Scheme (PBS) remains sustainable into the future. The Australian Government continues to invest significantly in the listing of important new medicines recommended by the independent Pharmaceutical Benefits Advisory Committee.

The Department continues to work closely with the pharmaceutical industry through Medicines Australia as part of the Access to Medicines Working Group (AMWG). The AMWG considers issues regarding timely and appropriate access to new medicines for the PBS.

The Department also works with the Generic and Biosimilars Medicines Association (GBMA) as part of the Generic Medicines Working Group (GMWG). The GMWG considers new policy approaches and implementation measures to support the uptake of generic and biosimilar medicines, consistent with the Government's commitments under its Strategic Agreement with GBMA.

The Department recognises that generic and biosimilar medicines are a means to achieve the objectives of the National Medicines Policy; enhancing access to medicines and by maintaining a competitive market. A key to realising savings is support for the uptake of generic and biosimilar medicines, which flows through to price disclosure reductions based on increased competition on price. These measures deliver significant savings which can be reinvested into other areas of the Australian health system and improve access to innovative medicines.

In addition, the Government is implementing the 2015/16 Biosimilar Awareness Initiative to increase awareness of, and confidence in, biosimilar medicines. The Initiative is providing factual, evidence-based information on biosimilar medicines to both healthcare professionals and consumers. Biosimilar medicines are projected to cost at least 20%-30% less than reference biological medicines, however there are examples internationally where they have reduced costs by up to 70%.