

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Supplementary Budget Estimates 17 & 19 October 2012

Question: E12-176

OUTCOME 2: Access to Pharmaceutical Services

Topic: CHEMOTHERAPY DRUGS

Type of Question: Written Question on Notice

Number of pages: 2

Senator: Senator Boyce

Question:

- a) Given the significant cuts to chemotherapy drugs on Dec 01, (for e.g. 76.2% price reduction on docetaxel etc) how does the Government propose to maintain the viability of the chemotherapy supply chain to ensure cancer patients continue to receive their chemotherapy?
- b) Is the Government aware that cancer patients will have to pay the bill themselves for these life saving drugs?
- c) As private pharmacies who provide cancer services will not be able to cover the cost of cancer drugs come December 1, how does the Government propose to handle the additional resources this will bring on already stretched public hospital cancer services?

Answer:

- a) Transparent Pharmaceutical Benefit Scheme (PBS) pricing arrangements support the sustainability of the PBS inclusive of the chemotherapy supply chain. PBS price disclosure arrangements in place since December 2010 support this sustainability.

The PBS price reductions for docetaxel reflects manufacturer discounts on brands of docetaxel since the first generic brand was PBS-listed on 1 March 2011. Under the PBS, market forces determine the cost of medicines in the market and therefore the appropriate cost to Government.

The Department of Health and Ageing is in ongoing discussions with a broad range of stakeholders including pharmacists, the Pharmacy Guild of Australia, consumers, the Society of Hospital Pharmacists of Australia, medical oncology groups and representatives from the public and private sector and chemotherapy reconstitution services. The focus of these discussions is to agree on a sustainable way forward for all stakeholders, with a primary focus on meeting the needs of cancer patients.

- b) Prices paid by cancer patients for PBS cancer medicines will not be affected by the price reduction for Docetaxel, and pharmacists and hospitals cannot charge patients extra for PBS medicines.

- c) The Government continues to support and resource public hospital cancer services by means of PBS medicine subsidisation arrangements for outpatient and community-based cancer centres under PBS Reform, and chemotherapy-activity based public hospital funding. Private hospitals access to PBS-subsidised chemotherapy remains in place and ongoing since 1 Dec 2012. The choice of a private pharmacy service provider by a hospital provider (public and private) is a commercial decision independent of the Australian Government.