

**Senate Community Affairs Committee**

**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**

**HEALTH AND AGEING PORTFOLIO**

**Supplementary Budget Estimates 17 & 19 October 2012**

**Question: E12-177**

**OUTCOME 2:** Access to Pharmaceutical Services

**Topic:** PRICE DISCLOSURE

**Type of Question:** Written Question on Notice

**Number of pages:** 1

**Senator:** Senator Boyce

**Question:**

- a) Since the start of PBS price Disclosure, what savings have been estimated to be achieved from the application of Price Disclosure to chemotherapy drugs each financial year?
- b) What savings have actually been achieved from Price Disclosure on chemotherapy drugs each financial year and what savings are now estimated to be achieved over the current forward estimates?

**Answer:**

- a) The projection of savings that were expected as a result of price disclosure was not originally broken down into specific treatment categories. As a result there was no forecast on the specific savings estimated to be achieved from the application of price disclosure to chemotherapy drugs nor any other class of drugs.
- b) Price disclosure first came into effect on 1 July 2009. As at 31 December 2012, the program has reduced the price the Government has paid for chemotherapy drugs by a total of around \$165 million. This includes price reductions that came into effect on 1 August and 1 December 2012.

Over the current forward estimates (2012-13 to 2015-16) the estimated reduction in the total price the Government pays for chemotherapy drugs will be around \$640 million. This includes price reductions coming into effect on 1 April 2013. This figure also includes around \$60 million of the price reductions reported above.