

**Senate Community Affairs Committee**

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

**Supplementary Budget Estimates 2014 - 2015, 22 October 2014**

**Ref No:** SQ14-001184

**OUTCOME:** 2 - Access to Pharmaceutical Services

**Topic:** Payments for Wholesalers and Pharmacy Programs

**Type of Question:** Hansard Page 89, 22 October 2014.

**Senator:** McLucas, Jan

**Question:**

The payment for wholesalers and pharmacy was forecast to be \$216 million in 2014-15, which was in the 2013-14 budget. The 2014-15 budget reveals that the payment has increased to \$406 million. Can someone explain to the Committee what happened?

**Answer:**

Budget Paper No. 1 is a publication prepared by the Department of Finance and the Department of the Treasury (Treasury). These Agencies have advised the Department of Health that the differences between the 2013-14 and 2014-15 publications are a result of a reclassification of activities. This was done for two reasons:

- to better align Statement 6 with the classification of activities in the Department of Health's Portfolio Budget Statement; and
- to increase transparency and reduce the quantum of the "other" category.

While the two categories changed in value, the net total did not change significantly between the years.

The Committee may wish to note that there has been a \$5 million increase from the 2013-14 total of \$401 million and the 2014-15 total of \$406 million for the "*payments for wholesalers and pharmacy programmes*" category reflecting the introduction of the "*Pharmaceutical Benefits Scheme - medication charts in public and private hospitals*" and "*Transfer of Payment Administration Functions for Professional Pharmacy Programmes*" measures as announced in the 2014-15 Budget.