

**SUBMISSION TO THE AUSTRALIAN  
SENATE COMMUNITY AFFAIRS  
REFERENCES COMMITTEE**

**INQUIRY INTO CONSUMER ACCESS TO  
PHARMACEUTICAL BENEFITS**

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**GOVERNMENT OF SOUTH AUSTRALIA**

**April 2010**

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## Introduction

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The Government of South Australia welcomes the opportunity to make the following submission to the Inquiry into Consumer Access to Pharmaceutical Benefits.

The Government of South Australia would like to make comment on the following terms of reference:

- (g) the process and timing of consideration by Cabinet of high cost drugs and vaccines; and
- (h) any other related matters.

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## Key Messages

The Government of South Australia advocates equity of access to new high cost treatments for public sector patients across the country, by reducing the time it takes to list a high cost drug or vaccine through:

- streamlining measures to the process of consideration by Cabinet of high cost drugs and vaccines
- reviewing the application process for a major submission, to reduce the number of submissions made by companies.

The Government of South Australia believes public hospitals should have access to the community programs in place for Aboriginal and Torres Strait Islander peoples with chronic disease and those who present to our public hospitals from remote areas, to ensure improved access to health care and medications and continuity in medication management.

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## Addressing the Terms of Reference

### **(g) The process and timing of consideration by Cabinet of high cost drugs and vaccines**

#### **Background**

High cost drugs and vaccines present a significant cost pressure for public hospitals. This pressure has increased over the last decade and is unlikely to diminish in the face of development of new high cost drugs and the emergence of new indications for existing high cost drugs.

## **Issue**

For high cost drugs and vaccines, which are estimated to cost the Pharmaceutical Benefits Scheme (PBS) more than \$10 million per annum, the current process can take between three and 36 months for drugs to be approved for listing, with an average of 10 to 12 months. These delays can be compounded by companies often making two or three major submissions before a positive recommendation is obtained from the Pharmaceutical Benefits Advisory Committee (PBAC). Current figures (2008) on the PBAC website indicate that for major submissions 51 per cent are rejected on first submission. Of these, 58 per cent are approved on resubmission. Figures are not available for subsequent submissions.

The Government of South Australia advocates equity of access to new high cost treatments for public sector patients across the country.

## **Recommendations**

The Government of South Australia encourages:

- streamlining the process and timing of consideration by Cabinet of high cost drugs and vaccines with a view to reducing the time that it takes to list a high cost drug or vaccine
- the review of the application process for a major submission, possibly making the process more interactive between the PBAC and the company submitting the application, in order to reduce the number of submissions made by companies and ultimately reducing the time that it takes to list a high cost drug or vaccine.

### **(h) Any other related matters**

#### **Equity of access to subsidised pharmaceutical benefits from public hospitals for Aboriginal and Torres Strait Islander peoples.**

#### **Background**

Since 1999, Aboriginal and Torres Strait Islander people from remote areas have had access to pharmaceutical benefits through the s100 medicines scheme under s29 of the *National Health Act 1953*. These patients receive their medications, free of charge, directly from Aboriginal Community Controlled Health Services (ACCHS). Required PBS pharmaceuticals are ordered from selected community pharmacies, which are reimbursed by Medicare Australia. These arrangements only apply when the medicines are provided in the remote community, not when the patients attend a regional or urban health centre or hospital.

In July 2008, the Commonwealth introduced the Quality Use of Medicines maximised for Aboriginal and Torres Strait Islander people (QUMAX) program. The primary aim of QUMAX is to improve the health outcomes of

Aboriginal and Torres Strait Islander peoples that attend participating ACCHS in rural and urban areas of Australia. The ACCHS staff determine if a patient is in need of financial support for their PBS listed medication. The patient can then access their medication, free of charge, through an eligible community pharmacy.

From May 2010, the QUMAX program is to be replaced by a PBS co-payment measure under the Practice Incentives Program (PIP) for eligible patients. To be eligible, Aboriginal or Torres Strait Islander patients with, or at risk of, chronic disease must register with general practices participating in the PIP or with ACCHS. Prescribers will annotate PBS prescriptions in an approved manner to ensure eligible patients obtain PBS medicines at a reduced rate. Non-concession patients who would normally pay up to \$33.30 for each PBS benefit will pay the concession rate of \$5.40. Concession patients will pay no PBS co-payment. The community pharmacy will be reimbursed the full amount by Medicare Australia.

In August 2008, the South Australian and Australian Governments signed an agreement to introduce pharmaceutical reforms in public hospitals. The reforms comprise two main objectives:

- equity of access to medicines for patients through public hospital access to PBS
- improved safety and quality of medication management through implementation of the Australian Pharmaceutical Advisory Council's guiding principles to achieve continuity in medication management.

### **Issues**

The programs set up to improve access to health care and medications for Aboriginal and Torres Strait Islander peoples are not accessible from public hospitals.

Public hospital doctors cannot annotate prescriptions for patients to access the PBS co-payment measure under PIP. When hospital doctors write PBS prescriptions for eligible Indigenous patients on discharge or in outpatient clinics, the patients must pay the relevant co-payment whether the prescription is dispensed at the hospital or a community pharmacy. It is not always convenient for these patients to find a participating general practice to obtain a prescription. Consequently, continuity in managing their medicines is compromised.

Similarly, medicines supplied under the PBS by public hospitals to Aboriginal and Torres Strait Islander peoples from remote areas require a co-payment charge. These patients often do not return to their remote community for several weeks after leaving hospital and should be provided with enough medicine until they arrive home.

The National Medicines Policy acknowledges the substantial access barriers and evidence of under use of medicines in Aboriginal communities<sup>1</sup>.

## **Recommendations**

To assist Aboriginal and Torres Strait Islander peoples with chronic disease and those who present to our public hospitals from remote areas, the Government of South Australia believes public hospitals should have access to the community programs in place for these patients. This could be achieved by several means, including:

- expansion of the PBS co-payment measure under PIP to allow hospital doctors to annotate prescriptions for eligible patients
- allowing public hospitals to claim full reimbursement for medicines supplied to eligible patients from remote communities
- providing eligible patients with a specific Centrelink concession number that identifies them as being eligible for the schemes.

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<sup>1</sup> Australian Government. National Medicines Policy. Department of Health and Aged Care, 2000. Available at: [http://www.health.gov.au/internet/main/publishing.nsf/Content/1184A3544D5E9364CA2574FC0079DC1A/\\$File/nmp2000.pdf](http://www.health.gov.au/internet/main/publishing.nsf/Content/1184A3544D5E9364CA2574FC0079DC1A/$File/nmp2000.pdf) Accessed 23 March 2010