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28 July 2008

08/20

Mr Elton Humphery  
Committee Secretary  
Community Affairs Committee  
Department of the Senate  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

Sent by email to [community.affairs.sen@aph.gov.au](mailto:community.affairs.sen@aph.gov.au)

Dear Mr Humphery

I wish to clarify some of the responses made by the AMA earlier today to the Senate Community Affairs Committee inquiry into the National Health Amendment (Pharmaceutical and Other Benefits – Cost Recovery) Bill 2008.

*Hynd study*

I attached a copy of the abstract of the study by Hynd et al presented to the National Prescribing Service National Medicines Symposium 2008.

*AMA nominees for the Pharmaceutical Benefits Advisory Committee (PBAC)*

According to the regulations that underpin the National Health Act, the AMA may nominate individuals for the general practitioner and specialist categories to serve as members on the PBAC. The AMA nominates individuals with the appropriate expertise to serve as a member on the PBAC in the required category.

Once a nominee is appointed to PBAC, his or her obligation is to the processes and confidentiality requirements of PBAC. The AMA nominees cannot provide the AMA with information about PBAC deliberations.

*AMA representations for specific medicines*

The AMA supports the independence of PBAC to determine which medicines should be subsidised, and to provide advice to the Minister for Health and Ageing based on the evidence before them.

Ordinarily, the AMA does not lend its support, or endorse applications to PBAC for listing of particular medicines. However, this does not prevent the AMA putting forward its own opinion from time to time on access to medicines, once a Government decision has been made. As an example, I attach a copy of the AMA press release on Gardasil (November 2006).

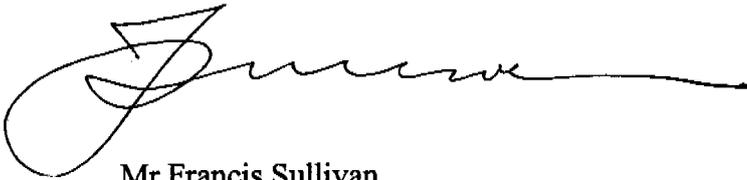
*AMA involvement in consultation on the cost recovery*

The Department of Health and Ageing asked the AMA for its views on an initial PBS cost recovery discussion paper on 5 April 2007. The AMA provided comments to the Department on this document on 2 May 2007, but did not receive any refined proposal from the Department for further comment.

The AMA was not consulted on the specifics contained in the Bill or on the announcement made in the 2008-09 Budget.

I hope this clarifies my responses to the Committee this morning. Please do not hesitate to contact my office if you require any further detail.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Francis Sullivan', with a long horizontal flourish extending to the right.

Mr Francis Sullivan  
Secretary General

fs:sc

## 125. Increased patient co-payments and changes in PBS-subsidised medicines dispensed in Western Australia

Hynd A<sup>1</sup>, Roughead L<sup>2</sup>, Preen D<sup>1</sup>, Glover J<sup>3</sup>, Bulsara M<sup>1</sup>, Semmens J<sup>4</sup>

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**Objective:** Patient co-payments for medicines subsidised under the Australian Pharmaceutical Benefits Scheme (PBS) increased by approximately 24% in January 2005. This study investigated whether the January 2005 increase in co-payments was associated with reduced dispensings of selected essential and discretionary prescription medicines in Western Australia (WA).

**Method:** We analysed whole-population, aggregate monthly prescription volume and defined daily dose per 1000 population per day (DDD/1000/day) for overall dispensings and four specific medicine categories; i) atypical antipsychotics, ii) combination asthma medicines, iii) proton-pump inhibitors (PPIs) and iv) HMGCoA reductase inhibitors (statins). Trends in medication dispensings from 1st January 2000 - 31st December 2004 were compared with those from 1st January 2005 - 31st January 2007 (i.e. after the co-payment increase) using segmented regression analysis.

**Results:** Following the rise in co-payments, DDD/1000/day decreased significantly for antipsychotics (RR=0.82, 95%CI=0.77-0.87, P<0.001), combination asthma medicines (RR=0.60, 95%CI=0.51-0.72, P<0.001), PPIs (RR=0.76, 95%CI=0.69-0.85, P<0.001), and statins (RR=0.90, 95%CI=0.83-0.97, P=0.007). Compared with the dispensings before the co-payment increase, prescription volumes decreased significantly for combination asthma medicines (15%), PPIs (15%) and statins (4%) but not for antipsychotics (+2%) (i.e. essential medicines used to treat symptomatic conditions). Decreases in dispensings to concessional beneficiaries were consistently larger than for general beneficiary patients following co-payment increase. For example, dispensing of statins decreased by 5.7% for concessional beneficiaries and 0.4% for general beneficiaries after the co-payment increase.

**Conclusion:** The reduction in dispensings of combination asthma medicines, PPIs and statins, all of which remained above co-payment thresholds, suggests that the January 2005 rise in PBS co-payments may have affected utilisation. The changes in dispensings associated with the co-payment increase differed depending on medication type and patient beneficiary status, with the greatest decreases observed for concessional beneficiaries. Future research which examines the implications of such medication dispensing changes on patient health outcomes is warranted.

Paper Abstract

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## GOVERNMENT DOES RIGHT THING ON GARDASIL

AMA President, Dr Mukesh Haikerwal, said today that the Government has done the right thing by putting the cervical cancer vaccine, Gardasil, on the National Immunisation Programme, but warns that cervical cancer screening for older women must be stepped up.

The Government will from next year fund Gardasil for girls and women aged 12 to 26.

Dr Haikerwal congratulated the Prime Minister and the Health Minister, Tony Abbott, on showing confidence in the Pharmaceutical Benefits Advisory Council (PBAC) process by requesting a revised submission after the original Gardasil submission was rejected.

“The Government has put the health of Australian women ahead of the Budget bottom line,” Dr Haikerwal said.

“It has also shown faith in the PBAC process to ensure that an important and proven vaccine is available to reduce the risk of cervical cancer occurring in the community.

“The PBAC process ensures that all Australians will have access to the latest innovations in medicines and vaccines into the future, and we are pleased that this process has not been sidestepped.

“However, today’s funding decision does not remove or lessen the need for normal checks and screening programs for women up to 70 years of age.

“In fact, we must step up cervical cancer screening for the higher risk 45-plus age group through regular Pap smears.”

Dr Haikerwal welcomed the Government’s funding of a two-year catch-up program for 13 to 18 year old girls in schools and 18 to 26 year old women to be delivered through GPs, and also noted the responsible action of vaccine maker, CSL, in reducing the price of Gardasil in its revised PBAC submission.

“The AMA looks forward to working with the Government in implementing delivery of the vaccine and looking at ways to increase cervical screening rates among older Australian women,” Dr Haikerwal said.

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29 November 2006

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