



## THE SAFETY NET

Fact Sheet 008



### The PBS and Medicare Safety Net<sup>1</sup>

- \* There are two safety nets, the Medicare Safety Net and the Pharmaceutical Benefits Scheme (PBS) Safety Net.
- \* Under the Medicare Safety Net, Medicare will pay 100% of the out of pocket costs for medical services provided out of hospital after a threshold of \$453.20 is reached per calendar year. There are different thresholds depending on your circumstances (see [www.humanservices.gov.au](http://www.humanservices.gov.au))
- \* The PBS Safety Net entitles people to cheaper medicines if they spend more than a certain amount on PBS prescription medicines in a calendar year. The current Safety Net threshold as of 1 January 2017 is \$1,494.90. Once you spend this amount, you reach the 'Safety Net threshold' and your payments will be reduced to the concessional rate for the rest of the calendar year.
- \* If you combine your family's PBS amounts, you will possibly reach the PBS Safety Net threshold sooner.
- \* If your medicine isn't covered by the PBS, your doctor may write you a private prescription. These types of medicines don't count towards your PBS Safety Net threshold and you'll need to pay full price for the medication at the pharmacy.

#### PBS

There are two types of prescription record forms to record PBS prescription items. A blue form, used for items obtained at community pharmacies and available from community pharmacies, Medicare Service Centres and the Department of Human Services; and a grey form, used by out-patients who pay for items at public hospital pharmacies and available from hospital out-patient departments or the Department of Human Services.

1. <https://www.humanservices.gov.au>

### The safety net

The safety net is to prevent high overall costs of medication. Once the safety net has reached a specific threshold during the calendar year, the price of medications listed on PBS is reduced.

The PBS safety net for general patients is \$1,494.90 and \$378.00 for concession holders.

The MBS safety net for all Medicare card holders is \$453.20.

Before you can become eligible for free or cheaper medicines under the PBS Safety Net scheme, you must have a record of how much you have spent on PBS medicines that year.

If you always use the same pharmacy, ask your pharmacy to record your spending on their computer. You can ask for a print-out of your spending from the pharmacy at any time.

If you use different pharmacies, you can:

- \* obtain a print-out of your spending from each, or
- \* record all your spending on a prescription record form

The Safety Net applies to a calendar year, so ask for a form the first time you buy a PBS medicine in the new year. Hand your prescription record form to the pharmacist each time you have a prescription filled that year.

If you have a family, ask your pharmacy to combine the amounts spent on each person's medicines into one Safety Net total or use one prescription record form for the entire family.



## Brand Premiums

In an effort to limit the cost of PBS, the Australian Government introduced Brand Premiums on medications where cheaper generic brands were available. The Brand Premium is usually the price difference between the premium brand and the generic brand. The patient pays the Brand Premium in addition to the normal contribution if they prefer not to buy the generic brand. The Brand Premium doesn't count towards the safety net threshold.

## Therapeutic Group Premiums

Therapeutic Group Premiums (TGPs) was introduced by the government in 1998 to limit the cost of medications that were priced significantly higher than the cheapest medication in a defined therapeutic sub-group where the drugs were considered to be similar in safety and efficacy. The TGP is the price difference between the premium brand and the benchmark (base) price for drugs in the class. The patient must pay this TGP in addition to the normal patient co-payment contribution if they have been prescribed such a medication. The TGP paid does not count toward the Safety Net threshold.

## Medicare Safety Net

Individuals don't need to register for the Medicare Safety Net as out of pocket medical expenses are automatically kept. However, couples and families need to register for the Medicare Safety Net (even if all of your family members are listed on the same Medicare card), if you want to combine your total medical expenses (Register at [www.humanservices.gov.au](http://www.humanservices.gov.au))

The Medicare Safety Net covers a range of doctor visits and tests that you receive out-of-hospital. Some examples of services that count towards the Safety Net are:

- \* GP and specialist consultations
- \* Ultrasounds
- \* Pap tests
- \* Blood tests
- \* CT Scans
- \* X-rays