CENTRE FOR COMMUNITY-DRIVEN RESEARCH

E Engage

L Listen

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PBS CHALLENGES

Fact Sheet 010

Access and Affordability

The Pharmaceutical benefits scheme (PBS) is an important aspect of Australian healthcare [1]. PBS however does face a number of challenges, mostly in the process of listing new medications, affordability and access. The pharmaceutical benefits advisory committee (PBAC) recommends which medicines should be listed to the Minister of Health by using a 'value for money' system [2].

Pharmaceutical pricing is currently governed by an agreement between Department of Health and pharmaceutical industry body, Medicines Australia. Due to increased costs of PBS, 'price disclosure' was introduced to reduce costs [3]. Price disclosure requires pharmaceutical companies to disclose to the government, the sell price of medication to pharmacies. Prices are then set through the weighted average of these disclosed prices[4]. Although price disclosure does allow for some reduction in price, the process for price adjustment takes a minimum of 12 months[5].

Timely access

Additional challenges apply to the process of listing new medicines. The processing time involved prior to submission to PBAC can take up to 17 months [6]. For a new drug to be considered it must first be reviewed for safety through Advisory Committee on Prescription Medicines (ACPM) which then advises the Therapeutic goods administration (TGA). It is only after approval from TGA that a new drug can be submitted to the PBAC [6]. While these steps are necessary, the time that it takes for approval often prohibits timely access to therapeutics.

TRANSPARENCY

The decision-making process and reason for acceptance or decline of specific medicine listings is not always clear and needs to be communicated to the public [7]. There is also a need for more meaningful community involvement including providing feedback to the community about decisions that are made [7].

Biology of disease

As we learn more about the biology of disease, the PBS is being asked to subsidise higher costing drugs [8]. For example, as new subtypes of cancer are recognised, different drugs will be needed to be effective. This means that there will be more and more drugs that are effective for smaller populations and not the wider population [9]. It is also a challenge because there are some drugs that improve quality of life without providing a cure. These drugs may be extremely valuable to patients but they do not always demonstrate the same economic value.

References

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