

## Discounting PBS Patient Co-Payment

### What will the measure do?

From 1 January 2016, pharmacists will be given the option to discount the Pharmaceutical Benefits Scheme (PBS) patient co-payment, providing access to cheaper medicines for consumers.

Community pharmacies will be allowed (but not mandated) to discount the co-payment by a maximum of \$1.00 (for example, discounting the current maximum concessional co-payment to as low as \$5.10 from \$6.10, and the maximum general co-payment to \$36.70 from \$37.70).

This initiative will:

- enable competition between pharmacies and drive value for consumers;
- support increased substitution of generic medicines (which are generally less expensive to consumers);
- reduce an inequity where PBS concessional scripts can be discounted consistently with general scripts; and
- provide immediate benefits to patients through the reduction of out-of-pocket costs.

### What is the impact?

This measure will increase competition in the pharmacy sector and provide all Australians the ability to negotiate a reduction to the price of their PBS co-payment.

The existence of a maximum discount level will support a continued price signal for consumers, while offering pharmacies a choice as to what discount they may elect to provide.

Many general patients already benefit from discounting practices in the pharmacy sector, and this measure will enable concessional patients to also benefit from potential discounts. This provides the opportunity for concessional patients to access cheaper medicines, with up to \$1 off every script where a pharmacy offers a discount.

The average concession card holder uses 17 scripts per year, and most do not reach their safety net. Therefore, these consumers could save \$17 per year.

High volume users will benefit from upfront lower costs, and as safety net arrangements will continue, will still receive medicines for free after reaching the safety net.

General patients who use medicines that cost more than \$37.70 will also be eligible for the \$1 discount.