

Improved Market Access for Generic Medicines

What will the measure do?

The measure will support the ongoing sustainability of the Pharmaceutical Benefits Scheme (PBS) by increasing the number of dates on which the price of a PBS medicine can change from the current three dates per year, to six per year.

The listing of the first generic brand of a medicine triggers a statutory price reduction of 16 per cent. Under previous arrangements, only three price changes per year would occur. Under new arrangements, this measure will expand the number of times a new generic brand can be listed per year.

This will allow some, first to market, generic brands of medicines to list and trigger statutory price reductions earlier than currently possible, resulting in reduced prices for medicines flowing to both the consumer and the Government earlier and more frequently.

This change is part of a balanced package of reforms being applied across the PBS and will enable price changes to occur on 1 February, 1 April, 1 June, 1 August, 1 October and 1 December each year.

What is the impact?

Consumers will directly benefit through the ability to access generic medicines sooner. These medicines will deliver the same health benefits, but be at a lower cost. The changes will be implemented administratively through the Department of Human Services payment systems.