

## Removal of PBS Subsidy for certain Low-Cost, Over-The-Counter Medicines

From 1 January 2016, some medicines that are also available over-the-counter will be delisted from the Pharmaceutical Benefits Scheme (PBS). Over-the-counter medicines can be sold directly to a consumer without a prescription from a healthcare professional. Some relieve aches, pains and itches. Others treat conditions such as athlete's foot.

In general, over-the-counter medicines are inexpensive but after applying the pharmacy remuneration charges for dispensing, the cost of these products to the Government when accessed via the PBS is disproportionately inflated. For example:

- Paracetamol 500mg tablets can be purchased over-the-counter for less than two dollars (\$2) for a pack of 100 tablets. However, the price to the PBS is \$5.97.

This measure is based on the April 2015 recommendations of the Pharmaceutical Benefits Advisory Committee (PBAC), which considered the effect of removing a PBS subsidy for certain medicines costing less than \$6.10.

PBS subsidies will continue for: emergency drugs; nicotine replacement therapy; palliative care listings; nutritional products; intravenous drugs; listings relevant for Aboriginal and Torres Strait Islander peoples and Paraquad programme; enzyme replacements; and vitamin supplements.

The availability of over-the-counter medicines will not change, and consumers can continue to buy them from pharmacies or other retailers.

While it is recognised some consumers will not be able to access some of these over-the-counter medicines for free, once they reach their safety net, there are a range of other measures that will make medicines more affordable. These include the discounting of the PBS co-payment and price changes that encourage greater access to lower cost generics.

This is one part of a balanced package of measures and will help to ensure medicines, which carry a high cost to consumers and would otherwise be unaffordable, can continue to be listed on the PBS as quickly as possible. For example, savings on subsidised paracetamol alone would fund the drug ipilimumab for late stage melanoma.

The proposed final list was considered by the PBAC in July 2015 and the final list of products to be delisted was published in November 2015.