

FAQs

Discounting the PBS Patient Co-Payment and new data requirements

Until 1 January 2016, the National Health Act 1953 requires that community pharmacies and dispensing medical practitioners charge a patient no less than the legislated amount as the co-payment for a PBS supply.

From 1 January 2016, community pharmacies and dispensing medical practitioners are able to discount the relevant patient co-payment by up to a maximum of \$1.00 for each supply of a PBS medicine.

From this date, both the general patient co-payment and the concessional patient co-payment can be discounted.

General information

What does “Discounting the PBS Patient Co-Payment” mean?

- The pharmacist or dispensing medical practitioner can choose to offer a discount on the patient co-payment, up to a maximum of \$1.00.
- The pharmacist or dispensing medical practitioner may choose to offer a discount in some circumstances but not others.
- The discounted co-payment amount will count towards the patient’s safety net threshold.

When can the PBS patient co-payment be discounted?

- From 1 January 2016, community pharmacies and dispensing medical practitioners can discount general and concessional patient co-payments for each PBS supply by up to a maximum of \$1.00.
- Co-payments cannot be discounted for prescriptions subject to the ‘early supply rules’. The usual full co-payment will apply for these supplies.

Who can discount the PBS patient co-payment?

- All community pharmacies, friendly society pharmacies and dispensing medical practitioners can choose to discount the general or concessional patient co-payment for a PBS supply.
- There are no changes to the existing arrangements for the supply of PBS prescriptions by hospitals.

What is the maximum discount that can be applied to a PBS patient co-payment?

- The maximum discount is \$1.00 per patient co-payment.

Can the patient co-payment be discounted for any PBS supply?

- Yes, unless the supply of the medicine is subject to the ‘early supply rules’.

Is it mandatory to discount the PBS patient co-payment?

- No, discounting of the PBS patient co-payment is not mandatory.
- The decision whether or not to discount a PBS patient co-payment up to the maximum allowable discount of \$1.00, rests solely with the pharmacist or dispensing medical practitioner.
- The pharmacist or dispensing medical practitioner may choose to offer a discount in some circumstances but not others.

Can I refuse a request from a patient for a discount to the PBS patient co-payment?

- Yes, the decision whether or not to discount a PBS patient co-payment rests solely with the pharmacist or dispensing medical practitioner. The amount of the discount (up to the maximum allowable discount of \$1.00) is also the decision of the pharmacist or dispensing medical practitioner.

When I provide a discount to the PBS patient co-payment, does the discount affect the payment I receive from the Commonwealth?

- No, a pharmacist will be paid the same amount by the Commonwealth, whether or not a discount is applied to the patient co-payment.

Will I be reimbursed for a discount I provide to a patient co-payment?

- No, any discount provided is not reimbursed by the Commonwealth.

Does the discounted patient co-payment count towards the patient's Safety Net threshold?

- Yes, the actual co-payment paid by the patient will count towards the patient's Safety Net. The pharmacist is required to record the actual co-payment paid by the patient on the patient's prescription record form (PRF).
NOTE: Whilst the existing Safety Net arrangements still apply and any additional patient contributions are not recorded against the Safety Net, the safety net threshold for concessional patients is no longer linked to the number of prescriptions.
- Where a prescription is subject to the 'early supply rules', a discount cannot be offered and the co-payment paid by the patient will not count towards the patients Safety Net threshold.

What happens to patients who change between general and concessional status during a calendar year?

- Both concessional and general patients may reach their respective safety net thresholds within the calendar year based on both the relevant co-payments, and any eligible payments for supplies of PBS medicines where the cost to the patient is less than the general co-payment.
- For concessional patients who were previously general patients, any pharmaceutical benefits previously supplied at the general co-payment rate, or the general co-payment amount less any allowable discount, in that calendar year, will attribute to the safety net at the full concessional rate per item.
- For general patients who were previously concessional patients, any pharmaceutical benefits previously supplied at the concessional rate, or the concessional rate less any allowable discount applied, in that calendar year, will attribute to the safety net as per the co-payment amount actually paid.

Where more than one medicine is supplied under Regulation 24, is each patient co-payment eligible for discount?

- Yes, if Regulation 24 applies, the pharmacist can offer a discount for each individual patient co-payment up to the maximum allowable discount of \$1.00.

Are co-payments for prescriptions subject to the 'early supply rules' eligible for a discount?

- No, discounting of the PBS patient co-payment for prescriptions subject to the 'early supply rules' is not permitted, the full patient co-payment will apply for these prescriptions. Prescriptions that are subject to the 'early supply rules' that receive a discount will be rejected.

Are all prescriptions eligible for discounting?

- Provided the medicine being supplied is covered by the Pharmaceutical Benefits Scheme and the supply of the prescription is not subject to the 'early supply rules', the concessional or general patient co-payment (whichever is applicable to the patient) may be discounted (by up to the maximum allowable discount of \$1.00).

- **Regulation 25:** Where a PBS medicine has been supplied under Regulation 25 as the supplier believes that immediate supply is necessary, then:
 - where the supply is of a PBS medicine that **is not** subject to 'early supply rules', and the supply occurs at an interval that would be classified as early supply the supply can be made on the PBS. The price paid by the patient will count towards the patient's Safety Net threshold and the approved supplier is able to discount the PBS patient co-payment (by up to the maximum allowable discount of \$1.00); or
 - where the supply is of a PBS medicine that **is** subject to 'early supply rules' and the supply occurs at an interval that would be classified as early supply the supply can be made on the PBS. The full patient co-payment will apply and will not count towards the patient's Safety Net threshold. The supplier is not permitted to offer a discount to the patient co-payment.
- **Closing the Gap (CTG):** Discounting of the PBS patient co-payment is allowed for CTG prescriptions where the supply would otherwise have been at the full general co-payment amount. The pharmacist is required to provide the actual price paid by the CTG patient and the discount amount (if applied). There will be no other change to current agreed CTG policies. If a general CTG patient pays a discounted co-payment, the full general co-payment amount will be recorded on the patient's PRF.

Where the supply of a medicine is an under co-payment supply, and the patient is a CTG patient, the script is still recognised as an under co-payment supply. The CTG co-payment cannot be discounted, and the actual under co-payment amount of the supply will be recorded on the patient's PRF.

Patient Type	Standard Script Price	Script Type	CTG Price	Can Discount
General	\$38.30 +	General	\$6.20	Yes
General	< \$38.30	UnderCo General	\$6.20	No
Concessional	\$6.20	Concessional	\$0.00	No

- **Regulation 24:** Discounting is allowed on prescriptions endorsed with 'Regulation 24' or 'hardship conditions apply'. A discount (up to the allowable maximum discount \$1.00) can be applied to each patient co-payment for a prescription supplied under Regulation 24 (repeats supplied at the same time as the original prescription).
For example, a patient presents a prescription for one original and five repeat supplies, endorsed as regulation 24 by the prescriber. The pharmacist can choose to provide a discount to the patient co-payment for the original and for each repeat quantity; that is, six supplies multiplied by the allowable maximum discount \$1.00, a maximum of \$6.00 discount can be offered.
- **Workers compensation:** Discounting of the PBS patient co-payment is allowed for workers compensation prescriptions.

Are there any drug categories where discounting of the patient co-payment is not permitted?

- No, a discount to the patient co-payment may be offered on all eligible PBS prescriptions.

Can the co-payment for a supply made under the Continued Dispensing arrangements be discounted?

- Yes, the patient co-payment for a supply made under the Continuing Dispensing arrangements can be discounted.

Can I advertise that my pharmacy provides discounts to the patient co-payment?

- Yes, provided you comply with the relevant requirements regarding advertising and promotion. Pharmacists must continue to comply with existing legislation, including the *National Health Act 1953* and the *Therapeutic Goods Act*.

Can I offer a gift, a rebate or a reward such as loyalty points or vouchers in lieu of a discount to the patient co-payment?

- No, it is an offence under the *National Health Act 1953* for an approved pharmacist to offer a gift, rebate or reward (such as loyalty points or vouchers) as an inducement to a person to present a prescription for the supply of a medicine on the PBS.
- The presentation of PBS prescriptions, including payment for the supply of a medicine on the PBS, should not be linked to loyalty cards or points systems, vouchers or any other gift, rebate, reward or inducement.
- This situation has not changed with the introduction of the \$1.00 discount co-payment measure on 1 January 2016.
- It is not an offence under the Act for an approved pharmacist to simply charge a patient the statutory co-payment, and nor is it an offence for an approved pharmacist to simply choose to decrease a patient's statutory co-payment by up to \$1.00.

My pharmacy is a friendly society pharmacy which already provides discounts to eligible members.

How does this affect me?

- Friendly Society Pharmacies will continue to be permitted to provide discounts to members of the Friendly Society who are eligible for discounted PBS medicines. Members who joined the Friendly Society before 24 April 1964 that have maintained that membership continuously may be eligible to receive a discount greater than the allowable discount of \$1.00.
- When a Friendly Society Pharmacy provides a discount to an eligible member that exceeds the maximum allowable discount of \$1.00, the pharmacy is required to provide the actual price paid by the patient and the actual discount amount applied when submitting the claim.
- Friendly Society Pharmacies are also permitted to continue to offer discounts to eligible members where the supply is of a PBS medicine that is subject to 'early supply rules' and the supply is occurring at an interval that would be classified as early supply. However, the supply will not count toward the patient's Safety Net threshold.
- The National Health Act 1953 requires that Friendly Society Pharmacies maintain records of their members' details. The Friendly Society Pharmacy may be required to confirm eligibility of members to whom a discount greater than the maximum allowable discount is provided.
- The Department of Health will provide Friendly Society Pharmacies with further information on discounting and claiming arrangements for supplies of PBS medicines to eligible members.

Provision of data by approved suppliers to the Department of Human Services (DHS)
Changes to PBS Online claiming and under co-payment prescription data collection will include the requirement for approved suppliers of PBS medicines to report the actual price paid by the patient.

This information will be required to ensure transparent reporting on the full cost of medicines as required under the current Community Pharmacy Agreement, not just the proportion paid for by the Commonwealth.

For community pharmacies and dispensing medical practitioners

From 1 January 2016, what data do I need to provide to DHS when submitting PBS claims?

- If you discount a patient's co-payment, the following data must be included in the PBS claim:
 - the actual price paid by the patient, including all additional fees and premiums (if applicable); and
 - the actual amount of the discount applied to the patient's co-payment.

NOTE: When a Friendly Society Pharmacy provides a discount to an eligible member that exceeds the maximum allowable discount of \$1.00, the pharmacy is required to provide the actual price paid by the patient and the actual discount amount applied when submitting the claim.

- If you don't discount the patient's co-payment, the following data must be included in the PBS claim:
 - the actual price paid by the patient, including all additional fees and premiums (if applicable); and
 - the value of the discount to the patient's co-payment in the PBS claim is to be recorded as 'zero' or the field is to be left blank.

Under co-payment data

What additional data do I need to supply to DHS for under co-payment prescriptions?

- In addition to existing requirements, from 1 January 2016 all approved suppliers of PBS medicines are required to provide DHS with the actual price paid by a patient for each supply below the maximum co-payment.

What is meant by 'actual price paid by the patient'?

- The 'actual price paid by the patient' includes all additional fees and premiums applicable to the PBS supply, for example, special patient contributions and safety net recording fees etc. This is different to the actual co-payment paid by the patient, which does not include additional fees to the co-payment amount.

Who needs to supply this information?

- All suppliers, including community pharmacies, Friendly Society Pharmacies, dispensing medical practitioners and hospital pharmacies, approved to supply pharmaceutical benefits are required to provide the under co-payment data to DHS.

What happens if my pharmacy software isn't updated by 1 January 2016 to include the new fields?

- A transition period for community pharmacies and dispensing medical practitioners will be provided until 1 March 2016, and for hospital pharmacies until 1 July 2016 (or, in exceptional circumstances, a later time yet to be determined), to allow sufficient time for dispensing and claiming software to be updated.

- During the transition period, payment of valid claims will continue and a warning message will be provided to pharmacists if the relevant data is not provided.
- From 1 March, the provision by community pharmacies and dispensing medical practitioners of all of the data in relation to the actual price paid by the patient, including for under co-payment supplies, and the amount of any discount provided, is mandatory, and claims that do not include the required data will be rejected by DHS.

For Hospital pharmacies

I'm a hospital pharmacist - what does this change mean for me?

- There are no changes to the payment arrangements for the supply of PBS medicines by hospitals for eligible patients.
- However, you will now be required to supply DHS with the price paid by the patient for each supply, in addition to existing claims information requirements.
- Whilst it is anticipated that many hospital pharmacies will have updated software from 1 July 2016 and will therefore be able to provide the required data, it is likely that the transition period for hospital pharmacies will be extended past this date.

What happens if my pharmacy software wasn't updated by 1 January 2016 to include the new fields?

- A transition period for hospital pharmacies will be provided until 1 July 2016 to allow sufficient time for hospital pharmacy software to be updated. It is likely that this transition period will be extended, however, those pharmacies with updated software should supply the additional data to DHS.
- During the transition period, payments of valid claims will continue, and a warning message will be provided to pharmacists if the relevant data is not provided.
- From 1 July 2016 (or, in exceptional circumstances, a later date yet to be determined), the provision of all data in relation to the actual price paid by the patient, including for under co-payment supplies, is mandatory, and claims that do not include the required data will be rejected.

Is the pharmacy required to discount my co-payment?

- No, the decision whether to discount the patient co-payment rests solely with the dispensing pharmacist.

Can I ask the pharmacist for a discount on my co-payment?

- Whilst you are able to request a discount, it is up to the pharmacist to decide whether to provide a discount on the patient co-payment, and the amount, up to a maximum of \$1.00.

How does the discount affect my Safety Net?

- The actual co-payment paid by you will be recorded against your Safety Net. For example, if a concessional patient receives a discount to the patient co-payment and pays \$5.50 as the patient co-payment, this is the amount that would be recorded against the patient's safety net.

I'm a member of a friendly society - how does the discount affect me?

- Members of a Friendly Society Pharmacy, who were members before 24 April 1964 and have continued to be a member since that time, may continue to receive discounted medicines in accordance with any arrangement that they may have had in place with the Friendly Society Pharmacy ('eligible member').
- If you are an 'eligible member' of a Friendly Society Pharmacy, that pharmacy may continue to offer you the same discount(s) that they have previously offered.

If I am a general patient and then become a concessional patient, what value will contribute to my Safety Net if I have received discounts to my general patient co-payments?

- There are no changes to the safety net recording process. The full concessional co-payment amount would be recorded against your safety net.

Can I decline a discount?

- Yes, if you do not wish to receive a discount on your patient co-payment, you can advise the pharmacist or dispensing medical practitioner.

If I am a general patient and reach my Safety Net threshold, can my co-payment continue to be discounted when I become a concessional patient?

- Yes, discounting is allowed for both general and concessional co-payments.

Note: Examples of co-payments and safety net thresholds based on 2016 figures

General Safety Net threshold is \$1,475.70.

Concessional threshold is \$372.00.

General co-payment amount is \$38.30.

Concessional co-payment amount is \$6.20.

From 1 January 2016 – General Patient

Example One:

- A patient's recordable Safety Net amount totals \$1, 445.70; \$30.00 under the general Safety Net threshold.
- The patient goes to the pharmacy to fill a new prescription.
- To calculate if the patient has reached the threshold, the pharmacist adds the patient's PBS payments total to the full co-payment amount: \$1,445.70 + \$38.30.
- The total of \$1, 484.00 is over the general Safety Net threshold.
- The pharmacist issues a PBS Safety Net concession card to the patient and charges a co-payment of \$6.20 or (\$6.20 less allowable discount).
- The pharmacist provides (as part of the claim) the actual co-payment amount the patient paid – either \$6.20 or (\$6.20 less allowable discount), and the discount amount to DHS.
- The pharmacist records what the patient actually paid on the patient's PRF - either \$6.20 or (\$6.20 less allowable discount).
- The patient's co-payment amount for all subsequent prescriptions for the calendar year is \$6.20 or (\$6.20 less allowable discount).

Example Two:

- A patient's recordable Safety Net amount totals \$1, 437.40; \$38.30 under the general Safety Net threshold.
- The patient goes to the pharmacy to fill a new prescription.
- To calculate if the patient has reached the threshold, the pharmacist adds the patient's PBS payments total to the full co-payment amount: \$1, 437.40 + \$38.30.
- The total of \$1, 475.70 equals the general Safety Net threshold.
- The pharmacist can charge a co-payment of \$38.30 or a discounted co-payment (\$38.30 less allowable discount).
 - a) If the patient pays the full co-payment of \$38.30 the general Safety Net threshold is reached. A Safety Net card can then be issued.
 - b) If the patient pays a discounted co-payment amount, the patient's PBS payments total remains less than the general Safety Net threshold so no Safety Net card can be issued. The patient will qualify for a Safety Net card with their next prescription.
- The pharmacist provides (as part of the claim) the actual co-payment amount the patient paid – either \$38.30, or discounted amount (\$38.30 less allowable discount) and the discount amount, to DHS.
- The pharmacist records what the patient actually paid on the patient's PRF - either \$38.30 or (\$38.30 less allowable discount).

1 January 2016 - Concessional Patient

Example One:

- A patient's recordable Safety Net amount totals \$366.80; \$5.20 under the concessional Safety Net threshold.
- The patient goes to the pharmacy to fill a new prescription.
- To calculate if the patient has reached the threshold, the pharmacist adds the patient's PBS co-payments total to the co-payment amount: \$366.80 + \$6.20.
- The total of \$373.00 is over the concessional Safety Net threshold.
- The patient is issued an Entitlement Safety Net card and there is no charge for this prescription. All subsequent prescriptions for the calendar year are free.
- The pharmacist provides (as part of the claim) the actual co-payment amount of \$0.00 to DHS. All subsequent prescriptions for the calendar year are free.

Example Two:

- A patient's recordable Safety Net amount totals \$365.80; \$6.20 under the concessional Safety Net threshold.
- The patient goes to the pharmacy to fill a new prescription.
- To calculate if the patient has reached the threshold, the pharmacist adds the patient's PBS co-payments total to the co-payment amount: \$365.80 + \$6.20.
- The total of \$372.00 equals the concessional Safety Net threshold.
- The pharmacist charges the patient a co-payment of \$6.20 or a discounted co-payment amount (\$6.20 less allowable discount).
 - a) If the patient pays the full co-payment of \$6.20 the threshold is reached and an Entitlement Safety Net card can be issued. All subsequent prescriptions for the calendar year are free.
 - b) If the patient pays a discounted co-payment amount (\$6.20 less allowable discount), the patient's PBS co-payments total remains less than the Safety Net so an Entitlement Safety Net card cannot be issued. The patient will qualify for an Entitlement Safety Net card with the next prescription.
- Pharmacist provides (as part of the claim) the actual co-payment amount the patient paid – either \$6.20, or discounted amount (\$6.20 less allowable discount) and discount amount to DHS.
- Pharmacist records what the patient actually paid on the patient's PRF - either \$6.20 or (\$6.20 less allowable discount).

In summary, if a pharmacist applies the full concessional patient co-payment amount of \$6.20 to the prescription, and that would take the patient over the Safety Net threshold, a Safety Net Entitlement card should be issued & the prescription dispensed at no charge.

However, if the pharmacist applies a discount to the concessional patient co-payment and the discounted co-payment brings the patient's safety net tally equal to or less than the threshold, the patient pays \$5.20, and the patient will qualify for an Entitlement Safety Net card with the next prescription.