



## **THE HON SUSSAN LEY MP**

Minister for Health  
Minister for Sport

### **MEDIA RELEASE**

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#### **Consumers big winners from medicines deals**

The price of common medicines could be slashed for millions of Australians – potentially saving them over \$100 per year – with the Abbott Government striking two landmark deals benefiting consumers.

Minister for Health Sussan Ley announced the Government had signed five year agreements with the Generic Medicines industry Association (GMiA) and the Pharmacy Guild of Australia as part of a broader package of measures across the pharmaceutical supply chain to be unveiled later today.

In one of the biggest reforms of the Pharmaceutical Benefits Scheme (PBS) proposed in the last decade, the Abbott Government has come to an agreement with GMiA that will significantly reduce the price of generic medicines for patients and taxpayers.

This could see some of Australia's most common medicines for cholesterol, heart conditions and depression halve in price – in some cases by as much as \$10 per script for general patients – saving chronic users upwards of \$120 or more each year from October next year.

Ms Ley said the GMiA agreement would also see the Government improve rules around incentives for pharmacists to offer patients the option of cheaper generic versions of medicines, as well as \$20 million for a campaign to increase consumer confidence in the use of 'biosimilar' medicines.

The GMiA agreement will also complement measures secured in the Sixth Community Pharmacy Agreement, including a doubling of investment in pharmacy primary care support programmes for patients to \$1.26 billion over five years, and the option for pharmacists to offer a \$1 discount, per script, on the patient co-payment.

This will particularly benefit concessional patients, who could see the upfront amount they pay drop from \$6.10 to \$5.10 per script, potentially saving many patients about \$40 per year.

Ms Ley said both agreements were a "big win for consumers" and backed the Government's decision to include consumer representatives in the negotiations from the beginning.

"We want to ensure Australians continue to have affordable access to the medicines they need now and into the future," Ms Ley said.

"When you have a life-threatening disease or chronic condition requiring ongoing medication, any dollars you can save per script quickly add up to make a big difference at the end of the year.

"Throughout the Government's negotiations with the entire pharmaceutical supply chain we have had consumers at the core of our negotiations and I think this shines through in the sensible measures we're delivering."

Ms Ley said in another example of sensible health policy, a number of the measures saving patients money were also set to "pay dividends" for taxpayers by driving efficiencies that could then be reinvested back into the health system, including the listing of new medicines.

"For example, removing 'originator' brands from price calculations for everyday medicines could see the price of common generic drugs halve for some patients whilst also saving taxpayers \$2 billion over five years.

"The proposal to allow pharmacists to discount the price of medicines by up to \$1 per script could save some pensioners about \$40 per year, whilst also introducing greater competition into the pharmacy sector and delivering the Government about \$400 million worth of efficiencies over five years."

Ms Ley said the Abbott Government had doubled the number of medicine listings since coming to office to more than 650 – a significant investment of almost \$3 billion in just over 18 months – and the demand on the PBS for new listings was expected to continue to grow over the next five years.

Ms Ley said the Government was also delivering stronger protections and transparency for consumers and taxpayers through the agreements, with all new and existing pharmacy programmes to be evaluated by the Government's expert Medical Services Advisory Committee for clinical and cost effectiveness. This is in addition to an independent public review of pharmacy location rules and remuneration, to be conducted over the first two years of the agreement.

Ms Ley said those elements from both agreements requiring legislative approval would be introduced into Parliament today as one balanced package of measures.

Ms Ley said she was committed to working constructively with her parliamentary colleagues to pass these important measures improving access to more-affordable medicines for all Australians over the coming weeks and months.

**ENDS**

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