

| Measure  | Description  |
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| One-off 5% statutory price reduction after an F1 drug has been listed for at least 5 years | <ul style="list-style-type: none"> <li>• One-off statutory price reduction of five per cent for all medicines in the F1 formulary (on patent drugs) after they have been listed on the PBS for at least five years.</li> </ul>   |
| Price Disclosure amendments:   | <ul style="list-style-type: none"> <li>• Remove the originator brand from the calculation of the weighted average disclosed price for drugs subject to brand competition (listed on F2) for three years or more. It means higher price reductions for those medicines still discounting but only after generic market share has been firmly established.</li> <li>• Flow-on price disclosure reductions from single ingredient medicines (e.g. atorvastatin) to combination items (e.g. amlodipine and atorvastatin) to ensure government pays the same price for a medicine.</li> </ul> |
| Allowing Discounting of the PBS Patient Co-Payment   | <ul style="list-style-type: none"> <li>• Pharmacists will be able to discount PBS general and concessional co-payments by up to \$1. The discount will be entirely at the pharmacist's decision and it will be at their cost.</li> </ul>   |
| Expansion of PBS early supply provision 'Safety-net 20 Day rule'                           | <ul style="list-style-type: none"> <li>• Extends the existing Safety Net 20 Day Rule to apply to a broader range of PBS medicines as recommended by the Pharmaceutical Benefits Advisory Committee (PBAC) as clinically appropriate.</li> <li>• Exclusions include treatments for cancer, palliative care listings, and individual treatments with high dosage variability.</li> </ul>   |
| Removing some OTC medicines from PBS,  | <ul style="list-style-type: none"> <li>• Remove certain over the counter (OTC) medicines from the PBS consistent with the advice of reflect advice by the PBAC.</li> <li>• Specific exclusions include high cost OTCs, particular patient populations and clinical needs (eg palliative care).</li> <li>• In general, OTC medicines are available at relatively low cost for consumers directly from the pharmacy or supermarket. But for the PBS, the cost of these products to the Government is disproportionately high due to dispensing fees.</li> </ul>                            |
| PBS Reimbursement for Biosimilar Medicines   | <ul style="list-style-type: none"> <li>• Recognises PBAC policy approach to use of biosimilar medicines as they enter the PBS market and the flow-on implications for pricing policy such as price disclosure.</li> <li>• Includes an education campaign for consumers and specialist clinicians on the safety and efficacy of biosimilar medicines.</li> </ul>  |
| Increasing PBS price change points from three to six a year                                | <ul style="list-style-type: none"> <li>• This increases the number of opportunities for the first new brand of an F1 medicine to be listed on the PBS, as this can only occur on a price change point.</li> </ul>  |
| Re-focusing premium-free dispensing incentive to only apply where is a brand premium       | <ul style="list-style-type: none"> <li>• The Premium-Free Dispensing Incentive will be targeted to only apply when there is a premium for another brand of the same medicine. Medicines that do not have any brands with a brand premium will no longer be eligible for the payment.</li> <li>• This will better support the uptake of generic medicines, and further reduce the cost of these medicines for consumers and the tax-payer.</li> </ul>   |
| Efficiencies in supply arrangements  | <ul style="list-style-type: none"> <li>○ Continue to support the PBS supply chain by maintaining current funding levels for the Community Services Obligation (CSO), with a freeze to current indexation;</li> <li>○ seek efficiencies in the supply and delivery of diabetes products to consumers through the established CSO distribution network;</li> </ul>   |

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|   | <ul style="list-style-type: none"> <li>○ review and relax the reporting requirements for specific obligations under the CSO, where appropriate; and</li> <li>○ ensure wholesaler remuneration and funding arrangements are comprehensively reviewed as part of the 6CPA review of pharmacy regulation and remuneration.</li> </ul>  |
| Pharmacy remuneration amendments; AHI and changing indexation factors       | <ul style="list-style-type: none"> <li>● This agreement will reduce the direct impact of PBS pricing policy on pharmacy, through the introduction of a fixed ‘Administrative, Handling and Infrastructure’ fee which will replace the previous retail ‘mark-up’ remuneration model for pharmacy. This will essentially delink pharmacy remuneration from PBS prices;</li> <li>● It will also link increases to remuneration under the Agreement to the Consumer Price Index. Consistent with other health programmes, this will recognise the business and retail realities of the community pharmacy environment.</li> </ul>         |
| Promoting innovative Pharmacy Through Trialling New Programmes and Services | <ul style="list-style-type: none"> <li>● Existing programmes and services will continue but will be evaluated by the Medical Services Advisory Committee (MSAC). Existing programmes will be completed in the first two years of the Agreement for government consideration.</li> <li>● Trials of pharmacy programmes and services will investigate an expanded role for pharmacists in a number of priority areas. Consultation with consumers, pharmacists, and other primary health clinicians will be undertaken to determine priority areas for trials. Trials will be undertaken in first two years of the Agreement</li> </ul> |
| Maintain and refocus fees for the Efficient Funding of Chemotherapy         | <ul style="list-style-type: none"> <li>● In addition to the existing fee of \$80.26 per chemotherapy infusion, a fee of: <ul style="list-style-type: none"> <li>○ \$60 per infusion will be paid to compounders that meet TGA licensing requirements; and</li> <li>○ \$40 per infusion will be paid to all other providers.</li> </ul> </li> <li>● The new fee structure will: <ul style="list-style-type: none"> <li>○ incentivise compounders to become TGA compliant; and</li> <li>○ ensure that high quality chemotherapy standards are maintained in Australia.</li> </ul> </li> </ul>   |
| Streamlining PBAC   | <ul style="list-style-type: none"> <li>● Expand the PBAC membership from 18 to 21 members, including a new Deputy Chair, and provide the opportunity for members to be nominated and appointed from industry.</li> <li>● Establish a PBAC Executive for triaging and considering certain applications.</li> </ul>   |