



## National Health Act 1953 – Reduction of the PBS Safety Net Thresholds – Frequently Asked Questions

### When can patients expect to benefit from this change?

The Pharmaceutical Benefit Scheme (PBS) Safety Net thresholds will be reduced on 1 July 2022. As the PBS Safety Net applies across the calendar year, this change means more Australians will reach the threshold before the end of 2022.

### What does the change mean?

Patients will reach the PBS Safety Net threshold sooner each year.

From 1 July 2022, non-concessional (general) patients will only pay the general Safety Net price<sup>1</sup>, which is the concessional co-payment amount of \$6.80, for PBS medicines for the remainder of the 2022 calendar year, once they reach the lowered threshold of \$1,457.10.

From 1 July 2022, concessional patients will receive their PBS medicines for free (also referred to as the concessional Safety Net price<sup>2</sup>), for the remainder of the 2022 calendar year, after they reach the lowered threshold of \$244.80 (the equivalent of 36 full concessional co-payments).

### What occurs if a patient has reached the previous Safety Net threshold, prior to 1 July 2022?

General patients who have already reached the previous threshold for 2022 retain their eligibility for the PBS Safety Net and will continue to receive their PBS medicines at \$6.80 for the remainder of the 2022 calendar year.

Concessional patients who have already reached the previous threshold for 2022 retain their eligibility for the PBS Safety Net and will continue to receive their PBS medicines for free for the remainder of the 2022 calendar year.

### Will patients who reached the new Safety Net threshold prior to 1 July 2022 receive a refund?

No. To be eligible for the Safety Net price for PBS medicines, patients must have reached the threshold that is applicable at the time the medicine is dispensed.

This means that medicines which have been dispensed prior to 1 July 2022, where the patient's accumulated Safety Net eligible amount is above the new Safety Net threshold, but still below the old threshold, are not eligible for the Safety Net price and no refunds will apply.

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<sup>1</sup> Except for any applicable special patient contribution, brand premium or therapeutic group premium that may apply (see [Patient Charges – Patient Contribution on the PBS website](#))

<sup>2</sup> As above.



## What occurs if a patient reached the new Safety Net threshold, prior to 1 July 2022?

If a general patient reached the new Safety Net threshold of \$1,457.10 prior to 1 July 2022, but had not reached the previous threshold of \$1,542.10, then the date of the first PBS medicine dispensed on or after 1 July is considered to be the qualifying Safety Net eligible date. From this point, the qualifying PBS medicine, and any subsequent PBS medicines dispensed in 2022, will be charged to the patient at the general Safety Net price of \$6.80 for the remainder of the calendar year.

If a concessional patient reached the new Safety Net threshold of \$244.80 prior to 1 July 2022, but had not reached the previous threshold of \$326.40, then the date of the first medicine dispensed on or after 1 July is considered to be the qualifying Safety Net eligible date. From this point, the qualifying PBS medicine, and any subsequent PBS medicines will be provided free of charge for the remainder of the calendar year.

## How many patients will benefit from the changes to the Safety Net threshold?

It is estimated that around 2.4 million Australians will benefit from reducing the general and concessional PBS Safety Net thresholds. Last year 1.8 million Australians qualified for free or discounted medicines through the PBS Safety Net scheme.

## What will happen to the PBS Safety Net threshold in 2023?

On 1 January 2023, normal indexation of the general Safety Net threshold amount will resume. The concessional Safety Net threshold will continue to be determined as a multiple of the concessional co-payment amount (which, if increased as a result of indexation, will also result in an increase to the concessional Safety Net threshold).

However, the indexation calculations for both thresholds for the 2023 calendar year will be determined after applying indexation to the new reduced thresholds for 2022, meaning that patients will continue to save into the future.

## How will this change affect the PBS co-payment amounts?

This measure does not change the PBS co-payment amounts.