

Chapter 1

Pharmaceutical Benefits Pricing Authority

The Pharmaceutical Benefits Pricing Authority is an independent non-statutory body established in 1988 which is required to:

- * review the prices of products supplied under the Pharmaceutical Benefits Scheme;
- * recommend prices for new items that are recommended for listing on the Pharmaceutical Benefits Scheme;
- * assess suppliers proposals for inclusion in the Factor (f) Scheme of the Pharmaceutical Industry Development Program; and
- * monitor the performance of suppliers approved for inclusion in the Factor (f) Scheme.

Membership

The Authority's membership for the 1997-98 financial year was:

Chairman	Mr Graham Glenn - appointed with effect from 1 June 1992.
Industry nominee	Mr Pat Clear - appointed with effect from 27 September 1995, as the nominee of the Australian Pharmaceutical Manufacturers' Association.
Consumer nominee	Mr Robin Brown - appointed with effect from 22 November 1991 as the nominee of the Consumers' Health Forum.
Department of Health and Family Services representative	Dr David Graham - appointed with effect from 18 May 1992.
Department of Industry, Science and Tourism representative	Mr Alan Coleman - appointed with effect from 13 February 1995 to 21 April 1998.
	Ms Patricia Kelly - appointed with effect from 22 April 1998

Secretariat Support

The Authority is serviced by two secretariats, viz:

* PBS pricing matters

Mr Alan Stevens
Secretary

Pharmaceutical Benefits
Pricing Authority
GPO Box 9848
CANBERRA ACT 2601

Telephone: 02 6289 8583
Facsimile: 02 6289 8633

* Industry development matters

Ms Catherine Farrell
Executive Officer
Factor (f) Scheme
Pharmaceutical Benefits
Pricing Authority

GPO Box 9839
CANBERRA ACT 2601

Telephone: 02 6213 7237
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The Authority supports best management practice in communicating with suppliers and other interested parties to make the Authority's decisions and decision making processes as transparent as possible, subject to the confidences in which certain commercially sensitive information must be held.

Consultation with respective secretariat staff on the interpretation of the Authority's guidelines, practices and procedures is encouraged to ensure that all interested parties gain a clear understanding of those matters and have the maximum opportunity to make their views known to the Authority.

Technical support

Technical advice to assist the Authority in its deliberations is provided by the Pharmaceutical Benefits Advisory Committee (PBAC). This includes information on drug relativities and their cost effectiveness provided by the PBAC's Economics Sub-committee.

Co-ordination to achieve timely outcomes

Pricing Authority meetings are carefully co-ordinated with meetings of the PBAC, so that PBAC outcomes can be dealt with as soon as possible consistent with the need to collect pricing information.

Financial arrangements

The Department of Health and Family Service's budget, in addition to financing the Pharmaceutical Benefits Scheme, provides funds for:

- * the fees and expenses incurred by the Chairman, industry and consumer nominees, in accordance with determinations made from time to time by the Remuneration Tribunal;
- * the day to day operations of dealing with pricing matters under the Scheme; and
- * the costs of associated meetings, seminars and other related expenses.

The Department of Industry, Science and Tourism's budget, in addition to financing the Pharmaceutical Industry Development Program, provides funds for running costs associated with industry development matters under the Program, including the Factor (f) Scheme.

For the year ended 30 June 1998 the Authority operating costs were:

Authority operating costs 1997-98	Health portfolio \$	Industry portfolio \$	Total costs \$
Direct costs including Chairman's, industry and consumer nominees' expenses	12,171	2,208	14,379
Salaries	241,748	71,057	312,805
Members & secretariat travel and allowances	15,214	1,226	16,440
Administrative and property costs	193,398	66,000	259,398
Total costs	462,531	140,491	603,022