



## 30% Unadjusted Price Reduction - Fact Sheet

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### Changes to PBS Price Disclosure Arrangements

The agreements with Medicines Australia and the Generic and Biosimilar Medicines Association include changes to PBS Price Disclosure Arrangements intended to ensure the viability of medicines that have been through two price disclosure calculations with originator brand data removed. This is generally after being subject to price disclosure for the equivalent of seven cycles.

In these circumstances the Unadjusted Price Reduction (UPR) for a drug and manner of administration (MoA) will increase from 10% to 30%.

### *When is a drug subject to a 30% Unadjusted Price Reduction?*

Drug/MoAs that meet the 42 month clock will be subject to a 30% UPR.

Once a drug/MoA has met the 42 month clock, it will be subject to a 30% UPR in each price disclosure cycle thereafter.

### *How do I know if my drug/MoA meets the 42 month clock?*

A list of drug/MoAs meeting the 42 month clock for the most recent cycle is available [on the PBS website](#).

### *What are the exceptions to the timing of the 42 month clock?*

Any single branded drug moving to F2 due to being in a therapeutic group with a multi-branded drug will not start the 42 month clock on its entry to F2.

The same applies for single branded manners of administration that enter F2 as a result of another manner of administration that has the same drug becoming multi-branded.

The 42 month clock starts when the drug/MoA meet BOTH of the following:

- the drug moves to F2; AND
- there are two or more brands of a pharmaceutical item that contain the same drug/MoA (brands with the same drug/MoA are called related brands in the Act & Regulations); OR
- two or more bioequivalent or biosimilar brands that contain the same drug/MoA.

Illustrated examples can be found on the Price Disclosure (SPD) web page under [Reference documents](#).

### *What if there is no originator brand determined for my drug/MoA?*

The 42 month clock captures drug/MoAs that do not have an originator brand determined.

### *How long will my drug/MoA be subject to a 30% UPR?*

Once becoming subject to a 30% UPR, drug/MoAs will continue to be monitored through normal price disclosure data capture processes.

Where a brand of a pharmaceutical item is subject to a price disclosure price reduction at the 30% UPR in two consecutive cycles, the UPR will revert to 10% for every cycle thereafter for that brand of pharmaceutical item. The 30% UPR is scheduled to be repealed on 1 July 2022. The last cycle a 30% UPR will apply is the April 2022 cycle.

### *As an Authorised Representative, do I need to do anything differently?*

No. Data collection periods and disclosure timeframes remain the same.

### *What legislation provides for the 30% UPR?*

[National Health Amendment \(Pharmaceutical Benefits—Budget and Other Measures\) Act 2018](#)