



Remove Originator - Fact Sheet

What is the “originator brand”?

The Minister (or delegate) may determine an “originator brand” in circumstances where there is more than one brand of a pharmaceutical item listed on F2.¹

The Department undertook consultations with Industry to determine the “originator brand” for drugs already on F2, up to and on 31 March 2016.

An “originator brand” will usually be the first brand of a pharmaceutical item listed on F1 of the Pharmaceutical Benefits Scheme.

How does the “originator brand” affect price disclosure reductions?

Broadly, the intention of the policy is to ensure that the Government pays the average market price for a medicine. This may mean leaving or removing “originator brand” data from the price disclosure calculation depending on which results in the lowest new price. The Department will not know which approach (ie. keeping or removing the “originator” data) will be applied until it has received the outcomes of both calculations from the Price Disclosure Data Administrator.

Removal of the “originator brand” from the calculation does not mean that that brand becomes exempt from price disclosure. The “originator brand” of a medicine will receive the same price reduction as calculated for the generic brands.

What are some of the exceptions to the policy?

The “originator brand” policy is not applied:

- if the originator is the only brand of pharmaceutical item on F2; or
- if the originator has not been on F2 for at least three years at time of calculation; or
- for the purposes of calculating “no reduction items”; those drugs that are low volume / low discount.

This is a simplified Factsheet which excludes the legal requirements for the purposes of simplicity. Further information can be found at <http://www.pbs.gov.au/info/industry/pricing/price-disclosure-spd/pbs-pricing-fact-sheet-2015-price-disclosure-changes> or please consult the *National Health Act 1953*.

¹ Refer to the requirements of section 99ADB of the *National Health Act 1953*.