



Fact Sheet – PBS Price Disclosure

What is the PBS?

The Pharmaceutical Benefits Scheme (PBS) provides timely, reliable and affordable access to necessary prescription medicines for Australians. Under the PBS, the government subsidises the cost of prescription medicines for most medical conditions. Most of the listed prescription medicines are dispensed by pharmacists, and used by patients at home.

The PBS Schedule lists all of the prescription medicines available to be dispensed under the PBS to patients at a Government-subsidised price.

This Schedule is online and updated on a monthly basis. The online searchable version contains:

- All of the medicines listed on the PBS
- Information on the conditions of use for prescribing PBS medicines
- Detailed consumer information for medicines that have been prescribed by your doctor or dentist
- What patients can expect to pay for medicines.

To view the schedule click [here](#).

PBS Price Disclosure

The Government manages the price of each medicine on the PBS and has policies to help ensure that the PBS remains affordable for taxpayers while also maintaining commercially viable prices for the pharmaceutical industry.

The price disclosure policy benefits taxpayers and patients in a number of ways:

- It continues to reduce the price of medicines with savings passed on to some patients.
- It supports the capacity to list new and innovative medicines on the PBS.
- It increases the transparency of pricing to ensure that Government reimbursement for PBS listed medicines is based on a market price, so Australians get value for money.

Some medicines cost hundreds or even thousands of dollars and would be unattainable to a lot of Australian families if they were not subsidised. The government subsidises these costs so patients who are not concession card holders currently only pay up to \$38.30 (\$6.20 for concessional patients). The cost above the co-payment amount for medicines supplied to patients by pharmacies is reimbursed by the Government using the PBS price. However, a lot of medicines have a PBS price less than \$38.30, so non-concessional patients pay the whole cost. If pharmacies are buying medicines at a price that is lower than the PBS price, they make a profit when reimbursed by government or paid by patients. Without price disclosure, this practice would go undetected and the Government and patients would continue to pay too much for medicines. If Government pays too much the taxpayer would be paying more than necessary.

The price disclosure calculation compares the weighted average disclosed price for sales of a drug by pharmaceutical companies, to the PBS price. When the difference is 10% or greater the PBS price for the medicine is reduced based on market sale prices.

Ongoing price disclosure reductions are the result of continued discounting behaviour by companies, where on average, relevant medicines are sold at prices that are lower than the PBS price.

Price increase requests are routinely considered by the Department to ensure essential medicines remain listed on the PBS at a reasonably viable price for pharmaceutical companies.