

6 April 2016

The PBS Post Market Review team

By email to: PBSPostmarket@health.gov.au

To whom it may concern

Re: Public Consultation on the draft revised Pharmaceutical Benefits Advisory Committee (PBAC) Guidelines

The Royal Australian and New Zealand College of Psychiatrists (RANZCP) welcomes the opportunity to respond to the public consultation on the draft revised Pharmaceutical Benefits Advisory Committee (PBAC) Guidelines.

The incidence and prevalence of mental ill health in Australia is increasing and it now ranks as one of the leading causes of burden of disease. This has significant impact in the community and incurs substantial costs on individuals, families, communities and the economy. There is a need for new medicines to treat mental illnesses as those already on the market often show limited efficacy, may not be well tolerated and patients may become resistant to them.

Therefore, the RANZCP would like to make particular comments regarding the sections on 'Justification for selection of the main comparator' and 'Multiple comparators' (pages 16–18). Consultation with RANZCP members has identified two issues.

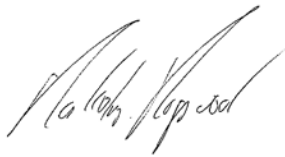
The first concern is that the addition of these measures has the potential to make it difficult to bring new medicines to Australia. This is because the guidelines state that 'Where multiple alternative therapies could be used for the majority of patients, the PBAC cannot recommend a new medicine at a price that is substantially higher than the least expensive alternative medicine unless it is satisfied that the new medicine provides a significant improvement in efficacy and/or reduction in toxicity over that alternative medicine.' As it is unlikely that new medicines will be launched at the same price as generic medicines, there will likely be an impact on accessing new mental health medicines. In addition, there is concern that reliance on generic medicines may lead to medicine shortages, which presents a danger to consumers.

However, the other issue raised is that the current preferential use of branded medicines over equally effective generics and other less costly alternatives adds a significant cost to a health care system. Therefore, the requirement in the guidelines for careful scrutiny as to whether new branded medicines are good value for money compared to existing generic medicines should lead to cost savings, which would be of benefit to the health system and consumers.

Overall, the RANZCP believes that there needs to be a balance between the cost of medicines and the range of medicines that are available, and therefore recommends that the new guidelines should take into account not only cost and efficacy but also clinical need. This is particularly important for medicines used in the treatment of mental illnesses, where access to a wide range of medicines, including new medicines is needed due to limited efficacy, low tolerance and the common occurrence of relapse and treatment resistance.

If you would like to discuss any of the issues raised in the submission, please contact Rosie Forster, Senior Manager, Practice, Policy and Partnerships via rosie.forster@ranzcp.org or by phone on (03) 9601 4943.

Yours sincerely



Prof Malcolm Hopwood
President

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