



## Medicines Partnership of Australia

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### **No case for further cuts to Pharmaceutical Benefits Scheme**

The latest analysis of the Pharmaceutical Benefits Scheme undertaken by the Medicines Partnership of Australia shows that there is no case for additional cuts to PBS expenditure.

The pharmaceutical industry and community pharmacy have already agreed to extensive savings, worth several billion dollars, some of which are yet to kick in. Now is not the time to impose new measures that could threaten the viability of parts of the industry.

Recent PBS data shows that growth remains low and is continuing to trend downwards.

Growth in government expenditure on the PBS in the year ended 30 September 2011 was 5.7%. After adjusting for inflation, this represents growth of approximately 2% in real terms. This is a sustainable level of growth, and existing arrangements such as price disclosure will ensure expenditure remains well under control.

A major round of PBS Reform price reductions is due to take effect on 1 April 2012. The April reductions will average 23% across more than 200 drugs.

On all the evidence, PBS growth is running at a completely acceptable rate, and continues to provide huge health benefits for the nation.

The PBS actually represents the most cost-effective element of health expenditure, and should not be subjected to further savings measures which could threaten the best subsidised medicines scheme in the world.

*The Medicines Partnership of Australia is: The Pharmacy Guild, Medicines Australia, the Generic Medicines Industry Association, the Australian Self-Medication Industry, the Pharmaceutical Society of Australia and the National Pharmaceutical Services Association.*

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