



**THE HON NICOLA ROXON MP**  
**Minister for Health and Ageing**

**MEDIA RELEASE**

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**Agreements Ensure Sustainable Access to Medicines**

The Rudd Government will save taxpayers \$2.5 billion over five years through the negotiation of health agreements that will deliver better value for money and continue to provide Australians access to essential medicines.

These savings will help to fund the Governments \$7.3 billion investment in our health and hospital system, as part of the National Health and Hospitals Network.

**Pharmacy Agreement**

The Pharmacy Agreement with the Pharmacy Guild will save taxpayers money, provide better pharmacy services for consumers, and give stability to Australia's 5000 community pharmacies.

Key features of the Fifth Community Pharmacy Agreement include:

- a gross saving to taxpayers of \$1.0 billion over five years, including a freeze on the pharmacy dispensing fee indexation in 2010-2011 and 2011-2012;
- \$968.7 million to ensure all PBS medicines will be made available within 24 hours no matter where people live;
- \$697.5 million to fund better services to consumers, including medication reviews, provision of dose administration aids, and to fund pharmacists to identify and resolve patients' medicine-related issues;
- a patient service charter that outlines the roles and responsibilities of the pharmacists and pharmacy, and the expected level of patient care;
- safer prescriptions, through \$82.6 million in e-prescription incentives; and
- a total investment of \$15.4 billion, to ensure pharmacies will continue to dispense medicines to all Australians and provide a range of programs and services.

**More value for money from the PBS**

The Memorandum of Understanding negotiated with Medicines Australia will ensure that taxpayers get a better deal on PBS medicines, and provide the pharmaceutical industry with certainty.

The MOU will save taxpayers about \$1.9 billion over five years, particularly by extending price disclosure to take advantage of discounting of off-patent medicines, including generics.

This means that when prices drop through competition, the price the Government pays for PBS medications will also drop.

This will help ensure that Australians can continue to have access to essential and innovative medicines on the PBS.

There will be no extra costs to patients, and more transparent pricing arrangements mean that some patients – particularly non-concessional patients – may pay less.

These reforms are in addition to other measures adopted by the Government that provide stability and policy predictability to the industry for the next four years, cut red tape and speed up the addition of new medicines to the PBS.

The Government will also fund a \$10.0 million generic medicine awareness campaign to assure consumers that different brands of the same medicine have the same clinical effect.

The Government appreciates the role which the Pharmacy Guild and Medicines Australia have played in constructively negotiating reforms that will result in better services for consumers, certainty for community pharmacy and the pharmaceutical industry, and a more sustainable PBS for the future.

The Government is not only delivering fundamental reform of our health and hospitals system, but delivering it in a fiscally responsible and sustainable way by achieving value for money from every dollar invested in health.

**For all media inquiries, please contact the Minister's Office on 02 6277 7220**