

June 2023

## **Bold PBS reform is needed for access to the best medicines for all Australians**

A new report, 'Funding Innovative Medicines', commissioned by Medicines Australia, compares Australia's performance on timely, equitable medicines access with similar OECD countries and shows we are falling significantly behind. This report demonstrates that the more governments expedite affordable access to new therapies through modernised assessment and funding systems, the better the return on investment through savings from avoided costs and improved economic and social outcomes.

Bold Health Technology Assessment (HTA) reform is a once-in-a-generation opportunity to reform the 75-year-old Pharmaceutical Benefits Scheme (PBS). The HTA review is an opportunity for government, industry, patients and patient organisations, clinicians and anyone in our community with an interest in Australia's medicines policy to work together to build a 21st Century PBS, as a pillar of universal healthcare, that will meet the needs of the Australian population and economy, for the next generation and beyond.

## **Funding new medicines will improve the wellbeing and prosperity of our society and our economy**

*Australia is a wealthy country and can afford to provide immediate access to the best available medicines, however access timelines lag in Australia compared to similar countries. The review of Australia's HTA System – the first of its kind in 30 years – is an opportunity to ensure the PBS delivers the world's best health for all Australians.*

- Australia is on the cusp of adopting a new range of remarkable medical innovations such as cell and gene therapies and mRNA technologies that have the potential to provide new treatments, cures, and preventative strategies for a range of diseases.
- The PBS needs to be able to accommodate these new technologies for the benefit of Australians.
- The Australian Government, working with industry over the past two decades, has reformed the PBS to deliver considerable savings in the quest to keep the PBS sustainable due to fears about an aging population. The PBS is now at a tipping point with no real growth in expenditure over the last decade and a system incapable of funding the new medicines Australians need.
- Australia now has an opportunity to invest in the PBS and lock-in the benefits of these reforms to ensure that Australians do not have to wait any more for new medicines and vaccines.

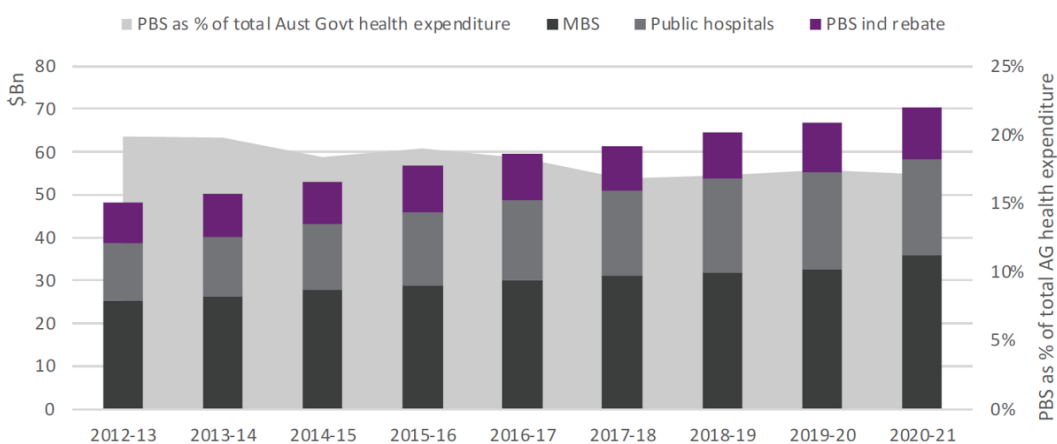
## Other countries are already speeding up access

COVID has shown us the importance of being first in the queue to obtain new medicines and vaccines. Australians wait three to four times as long for access as people in similar countries – many of which have found ways to manage costs while ensuring people do not have to wait.

- Japan balances expenditure control with promoting innovation. All medicines are subject to price-evaluations, and for products that offer greater value to patients and the healthcare system, price reductions are deferred until after patent expiry.
- Germany and Japan both introduced HTA with the intention this would not delay access. Funded access to new technologies is provided while HTA is being conducted.
- France provides early funded access to new medicines before marketing authorisation, in areas of high unmet need.
- England’s Cancer Drugs Fund and Innovative Medicines Fund provide funded access to new therapies under managed access agreements.

## Decades of reform means there’s headroom to increase PBS spending

The following shows that PBS expenditure remains stagnant, shrinking as a proportion of total Australian Government healthcare expenditure from 20% in 2012-13 to 17% in 2020-21. This is despite investment in new technologies and better treatments.



Source: Australian Government Final Budget Outcome 2012-13 to 2020-21; Department of Health Annual Reports 2012 to 2021. AG=Australian Government; MBS=Medicare Benefits Schedule; PBS=Pharmaceutical Benefits Scheme.

A renewed commitment to invest in new medicines and vaccines will help improve Australians’ health outcomes and drive productivity and growth in the economy in the post-pandemic development of the health system.

## Feedback

Do you have any thoughts on the policy ideas in these papers? We’d love to hear your feedback! Please scan the QR code to complete our short survey.

Otherwise you can let us know at this email address:  
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