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HIGH COST MEDICINES

COMMUNITY PHARMACY STAKEHOLDER FORUM
15 November 2016



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PBS listing of high cost medicines for hepatitis C

- From 1 March this year, a new generation of hepatitis C medicines was listed on the Pharmaceutical Benefits Scheme (PBS) for patients with chronic hepatitis C.
- The Government allocated more than \$1 billion to fund these new medicines through the PBS over the next five years.
- Australia - one of the first countries in the world to subsidise these medicines for all people over the age of eighteen who have chronic hepatitis C, regardless of their disease severity or genotype.
- PBS listing of treatment supports the Government's broader *Fourth National Hepatitis C Strategy*.



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Background – hepatitis C

- Hepatitis C is the most prevalent blood-borne virus in Australia and is estimated to affect around 230,000 people.
- 700 deaths per year in Australia are attributable to hepatitis C.
- New generation of medicines is expected to cure the disease in over 90 per cent of patients after just 12 weeks of treatment, making them significantly more effective than previous treatment options.
- Less complex to administer with fewer side effects than other hepatitis C medications.



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New medicines listed for the treatment of hepatitis C

- Daklinza® (daclatasvir)
- Harvoni® (ledipasvir with sofosbuvir)
- Sovaldi® (sofosbuvir)
- Ibavyr® (ribavirin)
- Viekira Pak® (paritaprevir with ritonavir with ombitasvir and dasabuvir)
- Viekira Pak–RBV® (paritaprevir with ritonavir with ombitasvir and dasabuvir and ribavirin).
- Zepatier® (elbasvir and grazoprevir) has been recommended for listing but is yet to be listed



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PBS listing of high cost medicines for melanoma

- From 1 July last year, a new treatment was listed on the PBS for patients with BRAF-positive metastatic melanoma.
- Targeted therapies for melanoma delay progression of the disease and may improve patient survival.
- At the time of listing the government allocated \$437 million to fund this new medicine over four years.
- Trametinib (Mekinist®) was made available for the treatment of BRAF-positive metastatic melanoma, and for people with stage III or IV malignant melanoma who are also being treated with dabrafenib (Tafinlar®).
- Dabrafenib (Tafinlar®) was already available for the treatment of stage III or IV malignant melanoma who have tested positive to a particular genetic mutation.



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Effective treatments made affordable through the PBS

\$6.20 for concessional patients.

\$38.30 for general patients.

Co-payments can now be discounted by community pharmacies by a further \$1, which could reduce the cost to just \$5.20 or \$37.30, per prescription.



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Costs without PBS subsidy

Hepatitis C

- The cost of a month's treatment with the new hepatitis C medicines ranges between \$8,000 and \$22,000.
- 25,000 Australians have accessed the new hepatitis C medicines since they became available on the PBS in March 2016.

Melanoma

- The cost of a month's treatment with trametinib and dabrafenib is approximately \$17,000.
- 10,700 scripts have been subsidised for treatment with trametinib and dabrafenib in the last 12 months.



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Availability through community pharmacy

- The new oral hepatitis C and melanoma medicines are available through PBS General Schedule ('Section 85') to improve access
- Community pharmacies can dispense PBS General Schedule prescriptions
- Pharmacies generally receive up to \$77.94 for dispensing high cost medicines over \$2,089.71
 - Dispensing fee - \$7.02
 - Administration, Handling and Infrastructure fee - \$70.92



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- Pharmacies stock high cost medicines on an as needed basis
- Delivery can be arranged within 24 hours if required
- Department of Human Services (DHS) actively monitors daily payment caps for PBS online claims to ensure high cost medicines can be dispensed without triggering the \$20,000 daily limit.
- To limit impacts on pharmacy cash flow:
 - Medicines are reimbursed via the PBS online payment system within the 9 to 16 day timeframe agreed through the 6CPA.
 - Australian Tax Office has provided advice on reducing delays in processing GST refunds.



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Shaping the future

- New curative and/ or targeted treatments may be associated with a high unit cost.
- The Government is committed to ensuring Australian patients have affordable access to medicines when and where they need them.
- Are there better ways of achieving patient access to very high cost medicines through community pharmacy?
- The Government is considering future options in the Review of Pharmacy Remuneration and Regulation