



PBS GENERAL CO-PAYMENT REDUCTION

CONSUMER FREQUENTLY ASKED QUESTIONS

What is the Pharmaceutical Benefits Scheme (PBS)?

The PBS is an Australian Government program that subsidises a range of medicines to make them more affordable for Australians. This means you can get access to medicines when you need them most. From 1 January 2023, for the first time in the 75-year history of the PBS, the maximum amount people pay for PBS medicines will fall.

Who is eligible?

If you are an Australian resident and have a current Medicare card, then you are automatically eligible to receive benefits under the PBS. It is dependent on you getting a script for a PBS medicine.

Am I a General or a Concessional Patient? And what does it mean to the cost of my medicines?

You will receive medicines under the PBS as either a general or concessional patient. This status will determine which co-payment level you are required to pay for PBS prescriptions.

If you are a concessional patient, you will have one of the following cards:

- Pensioner Concession Card
- Australian Seniors Health Card
- Health Care Card
- Department of Veterans' Affairs (DVA) Gold, Orange, or White Card

What is the co-payment?

A 'co-payment' is the amount of money you pay for your PBS medicines. This amount is usually a small proportion of the cost of the medicine and the Australian Government pays the rest. Many PBS medicines can cost hundreds or even thousands of dollars per script. Some medicines on the PBS can also cost less than the co-payment, in which case you pay the full cost. In some cases, you may also pay a special patient contribution, brand premium or therapeutic group premium, if it applies to your medicine. These co-payment amounts are indexed on 1 January every year in line with Consumer Price Index (CPI).

What are the changes to the co-payment?

In 2022, the maximum co-payment for general (non-concessional) patients for a PBS medicine was \$42.50. From 1 January 2023, the co-payment will reduce from \$42.50 to \$30.00. This reduction will mean that if you are a non-concessional patient, you will save \$12.50 when you are prescribed medicines that are priced at or above the current general co-payment. Indexation of the general co-payment will recommence on 1 January 2024.

What is the PBS Safety Net?

If you spend a lot on PBS medicines, the PBS Safety Net can further reduce your costs. The PBS Safety Net helps you pay less for medicines after you've spent a certain amount on PBS medicines in a calendar year.

What are the Safety Net thresholds?

The PBS Safety Net thresholds were updated on 1 January and 1 July 2022. From 1 July 2022 the thresholds were lowered to:

- \$244.80 for concession card holders
- \$1,457.10 for general patients.

You and/or your family only need to meet the threshold once in a calendar year. If you already met the threshold in the first half of the year, your medicines will still be discounted. You can't get a refund for the difference between the previous threshold and the new threshold. However, if you had not reached the safety net threshold prior to 1 July 2022, you will now reach it sooner (after fewer PBS prescriptions).

The PBS Safety Net thresholds will be updated on 1 January 2023 in line with the CPI Indexation. The Safety Net thresholds will increase to:

- \$262.80 for concession card holders
- \$1,563.50 for general patients.

What do I need to do when I reach the threshold?

Once you reach the threshold, you'll need to apply for a PBS Safety Net card to get cheaper medicines. To apply for the PBS Safety Net Card, visit servicesaustralia.gov.au/pbssafetynet

With the card, for the remainder of the calendar year your medicine will either:

- be free for concession card holders, or
- cost up to \$7.30 for general patients.

When there are two or more brands of the same medicine, they may have different prices. If you choose a more expensive brand, it may cost you more.

For more information, visit servicesaustralia.gov.au/pbssafetynet

Will the co-payment reduction impact the Safety Net thresholds?

The changes will not impact the PBS Safety Net thresholds. You may need to fill a larger number of scripts to reach the general PBS Safety Net threshold. In practice though, patients will not have any additional out-of-pocket costs as they will not pay more to reach the PBS Safety Net and will receive a higher number of scripts for the same amount.

How will patients from the Closing the Gap program be impacted by the co-payment reduction changes?

Patients who are part of the Closing the Gap program won't have to pay any more out of pocket costs to reach the general PBS Safety Net threshold.

Closing the Gap scripts priced at or above \$30 will continue to count toward the PBS Safety Net at the current amount of \$42.50, rather than at a reduced amount after the co-payment is lowered to \$30.00.

How will concessional patients be impacted by the general co-payment reduction changes?

Concessional patients won't be affected by the co-payment reduction changes for general patients.

Concessional patients are already receiving benefits from reductions to the PBS Safety Net. From 1 July 2022, the PBS Safety Net threshold for concession card holders lowered by \$81.60 to \$244.80. This means concession card holders receive their PBS medicines for free when they reach the lowered threshold.

From 1 January 2023, the PBS Safety Net threshold for concession card holders will increase to \$262.80. The co-payment amount will increase to \$7.30 per script, in line with CPI indexation.

New discretionary discount

From 1 January 2023, general patient medicines with a dispensed price between \$30.00 and \$45.60 may be discounted to any price (including a price below \$30.00). The amount charged to the patient will continue to count toward the patient's general patient PBS Safety Net threshold. This new discretionary discount (referred to as an 'increased discount' under the *National Health Act 1953*) is not compulsory and is a choice of the pharmacy. This discretionary discount is a separate measure to the general co-payment reduction of \$12.50.

PBS medicines can vary in price depending on the pharmacy.

Allowable \$1 discount

Since 1 January 2016, pharmacists have had the option to discount the PBS co-payment by up to \$1.00. This means that pharmacists can reduce the co-payment cost for each script filled. From 1 January 2023, for concessional patients, the co-payment can be discounted from \$7.30 to \$6.30. For non-concessional patients, the co-payment can be discounted from \$30 to \$29. There will be no change to this optional discount.

More information

For more information, please visit pbs.gov.au