

PBS Price Disclosure Requirements

PBS Price Disclosure Assurance Activities

PBS Price Disclosure Calculations and Price Reductions

Assurance Activities

It is proposed that the Department will perform the following activities to assure the accuracy of pricing calculations and, if applicable, price reductions on items affected by the Pharmaceutical Benefits Scheme (PBS) Price Disclosure requirements. This will ensure that the Weighted Average Disclosed Price (WADP) is calculated in accordance with the National Health (Pharmaceutical Benefits) Regulations 1960.

The Price Disclosure Assurance activities will be undertaken by the Pricing Section of the Pharmaceutical Evaluation Branch in the Pharmaceutical Benefits Division of the Department.

Three stages of Assurance

- **Stage One Assurance – Pre-Calculation Check**

After receipt of the Responsible Person's data, it will be checked by the Pricing section for accuracy and completeness.

As each Responsible Person's data submission is uploaded into the Price Disclosure System:

- The Department will conduct a review to ensure that the information uploaded to the system is identical to the data submitted by the relevant Responsible Person.
- The Department will provide a confirmation report to the Responsible Person after each submission of data is uploaded. This will provide Responsible Persons with an opportunity to review the data entry and upload of their own data on to the Department's systems.
- If errors are identified, Responsible Persons are required to re-submit their data and the above checks are repeated.
- Every submission and resubmission is recorded within the Price Disclosure System Activity Log.

Departmental staff will not modify the data contained in the submissions received from Responsible Persons. If necessary, Responsible Persons are required to correct and resubmit their data.

- **Stage Two Assurance – Post-Calculation Review**

Prior to the notification of calculations to Responsible Persons, the calculations are reviewed as follows:

- The Department will conduct a review to ensure that the information uploaded to the system is identical to the data submitted by the relevant Responsible Person.
- Each calculation will be reviewed by a minimum of two members of the Pricing Section.
- A calculation cannot be undertaken and approved by the same officer.
- The calculation and, if applicable, price reduction, must then be approved by the Assistant Secretary of the Pharmaceutical Evaluation Branch prior to the notification of outcomes to Responsible Persons.

If appropriate, the Department will perform a manual calculation to ensure the integrity of the price calculation process. Due to confidentiality reasons such calculations can only be used to check the accuracy of calculations for internal assurance purposes.

Responsible Persons are sent a 'Notice of Price Disclosure Calculation Outcome' providing details of the weighted average percentage difference and the resultant Weighted Average Disclosed Price (WADP).

- **Stage Three Assurance – Post-Notification enquiries by affected Responsible Persons**

If a Responsible Person makes an enquiry on the Notice of Price Disclosure Calculation Outcome, the Department will, as appropriate, conduct assurance checks on data and the resulting calculations.

As appropriate:

- The Department will conduct a review to ensure that the information uploaded to the system is identical to the data submitted by the relevant Responsible Person.
- Calculations undertaken as part of this Assurance process will be reviewed by a minimum of two members of the Pricing Section.
- A calculation cannot be undertaken and approved by the same officer.
- The Assurance calculation and, if applicable, the resulting price reduction, must be approved by the Assistant Secretary of the Pharmaceutical Evaluation Branch prior to the notification of outcomes to Responsible Persons.

If appropriate, the Department will perform a manual calculation to ensure the integrity of the price calculation process. Due to confidentiality reasons such calculations can only be used to check the accuracy of calculations for internal assurance purposes.

The Department will provide Responsible Persons affected by Price Disclosure with a calculation demonstration tool which can be used with hypothetical or actual data to test the calculation model used by the Pricing section. This tool will also be available at the Department's website.