PBS GENERAL PATIENT CO-PAYMENT REDUCTION

Information for patients

# What is the change to the general patient co-payment?

The maximum general patient charge (co‑payment) amount will be reduced from $42.50 to $30.00. This means that the most a general patient will pay for a PBS medicine is $30.00 (excluding any applicable special patient contribution, brand premium or therapeutic group premiums).

**When does the reduction to the general patient co-payment come into effect?**

The reduction to the general patient co‑payment amount will take effect on
1 January 2023.

**Can PBS prescriptions that have a higher cost than the new general co-payment amount be further discounted?**

Currently pharmacists (and dispensing medical practitioners) have the option to discount the PBS patient co-payment amount by a maximum of $1.00.

A new discretionary discount, referred to as an ‘increased discount’ under the *National Health Act 1953*, will come into effect from 1 January 2023. Dispensers will have the option to offer an increased discount on a range of PBS medicines, specifically those that cost more than the new co-payment of $30.00 but less than the old co‑payment of $42.50 (with both amounts indexed over time). From 1 January 2023, the upper threshold will be set at $45.60.

**Is it mandatory for your pharmacy to apply the new discretionary discount to the cost of your PBS medicine?**

No, discounting of the PBS patient co-payment is not mandatory.

# Who can apply the new discretionary discount to PBS medicines?

Community pharmacies, friendly society pharmacies and dispensing medical practitioners may discount the general patient co-payment amount for a PBS supply. There are no changes to the existing arrangements for the supply of PBS prescriptions by hospitals.

**How will this affect the PBS Safety Net?**

There are no changes to current arrangements. The actual amount (excluding premiums) paid by the patient will continue to count towards the PBS Safety Net threshold, including circumstances where a discount is applied.

**Are PBS prescriptions above the general co-payment and subject to the ‘early supply rules’, eligible for a discount?**

There is no change to current arrangements. Discounting of the PBS general patient co‑payment amount for prescriptions subject to the ‘[early supply rules](https://www.pbs.gov.au/info/general/safety-net-faq)’ is not permitted. The full patient co-payment will apply for these prescriptions.

**Will the Safety Net threshold change?**

There will be no changes to how the PBS Safety Net thresholds are administered.

Under section 99G of the *National Health Act 1953*, the PBS co-payment amounts and general Safety Net threshold are indexed automatically on 1 January every year, in line with changes to the Consumer Price Index (CPI).

The Safety Net thresholds and co-payment amounts for 2023 will be:

|  |  |  |
| --- | --- | --- |
|  | **2022**  | **2023**  |
| **General patient co-payment amount** | **$42.50** | **$30.00** |
| General patient safety net threshold | $1,457.10 | $1,563.50 |
| **Concessional patient co‑payment amount** | **$6.80** | **$7.30** |
| Concessional patient safety net threshold | $244.80 | $262.80 |

# Will there be any change to the concessional co-payment amount?

The concessional co-payment amount in 2023 will only change as a result of the existing indexation arrangements.

The indexation of both the concessional and the general patient co-payment amounts will continue according to the existing indexation arrangements, with the amounts updated on 1 January of each calendar year with reference to the relevant CPI changes.

# What will happen to the general co-payment in 2024?

The indexation arrangements for the general patient co-payment amount will continue according to the existing indexation arrangements as they have occurred in the past. However, the indexation calculation will now work from a significantly reduced baseline of $30.00, meaning that patients will continue to save for many years into the future.

# How does this change affect First Nations people?

The reduction to the general co-payment amount will benefit all Australians, including First Nations people.

Additionally, the Government has implemented another change, to ensure that no First Nations patients are worse off. From 1 January 2023, if a general [Closing The Gap](https://www.pbs.gov.au/info/publication/factsheets/closing-the-gap-pbs-co-payment-measure) (CTG) patient purchases a prescription that costs more (including the Safety Net recording fee) than the new general co-payment amount, the patient still pays only the concessional amount and $42.50 will be counted towards their Safety Net threshold.

Information for Pharmacy and Industry Stakeholders

# Will a pharmacy be paid a Commonwealth subsidy for prescriptions where the ‘increased discount’ is offered?

No, where a prescription has had the new discretionary increased discount applied, it will be treated consistently with under co-payment prescriptions and the arrangements for these medicines that have applied to date.

If a pharmacy chooses to provide the new discretionary discount, then it will only receive the amount the patient paid for the prescription. This is consistent with current subsidy arrangements for PBS medicines that are under co-payment, in particular:

* PBS medicines are only able to be discounted by more than the optional $1 allowable discount if they are under co‑payment; and
* if a medicine priced above the co-payment is discounted beyond the $1 allowable discount arrangements, then those prescriptions become a private supply (i.e. non-PBS).

Under the new arrangements, it is a decision for each individual pharmacy to determine when a discount is offered, and pharmacies can choose to continue to apply discounts to those prescriptions that they consider appropriate.

# How will the changes be communicated to pharmacies and the community?

The Department of Health and Aged Care will be engaging in a range of communication activities to support the change to the PBS co‑payment amount that takes effect on 1 January 2023 and the supporting discounting arrangements being introduced.

This will include updates to the PBS and Services Australia websites.

# Will there be a change to pharmacy dispensing fees?

No. [Dispensing fees](https://www.pbs.gov.au/info/healthpro/explanatory-notes/front/fee) form part of the Commonwealth Price of a PBS medicine and are provided for in the Seventh Community Pharmacy Agreement.

Where the pharmacist does not choose to offer the discretionary discount on a prescription priced in the eligible range, the subsidy paid by the Commonwealth will include the full dispensing fee.

# Will there be a change to the allowable additional patient charge?

Yes. As provided by the Seventh Community Pharmacy Agreement, section 4.2, approved pharmacists can apply an additional [patient charge](https://www.pbs.gov.au/info/healthpro/explanatory-notes/front/fee) of up to 10 per cent of the maximum general co-payment amount plus 29 cents. Currently the maximum charge is $4.54, noting that the total sum charged to a patient may not exceed the maximum co-payment amount (currently $42.50).

With the reduction of the general co-payment amount to $30.00 on 1 January 2023, the maximum additional patient charge will reduce to $3.29.