

Summary of Pharmaceutical Benefits processing, year ending 30 June 2006

Government Pharmaceutical Benefits expenditure on accrual accounting basis for the year ending 30 June 2006 totalled \$6,163.1 million, compared with \$6,001.2 million for the previous year. This is a 2.7 per cent increase. The remainder of this summary refers to Pharmaceutical Benefits Scheme (PBS) Section 85 data reported on cash accounting basis.

Total PBS prescription volumes decreased by 1.1 per cent to a total of 168.3 million, compared to 170.3 million for the previous year. The growth in government expenditure compared with the fall in prescription volume reflects the continuing trend of doctors prescribing newer and more expensive drugs.

Government expenditure amounted to 82.8 per cent of the total cost of PBS prescriptions. The remainder was patient contributions that amounted to \$1,123.3 million, up from \$1,040.6 million in the previous twelve-month period.

The majority of government expenditure on PBS prescriptions was directed towards concessional cardholders (\$4,318.0 million, 80.0% of the total). This is compared to concessional expenditure of \$4,222.5 million in the previous period (79.6 % of the total).

The average dispensed price per prescription of PBS medicines increased to \$38.75 for the year ending June 2006 (\$37.30 for the year ending June 2005). The average government cost of these scripts was \$32.06 for the same period (\$31.17 to June 2005).

The three drugs with the highest cost to government were *Atorvastatin Calcium* (\$487.5 million), *Simvastatin* (\$308.5 million) and *Fluticasone Propionate with Salmeterol Xinafoate* (\$156.2 million). PBS drugs most frequently prescribed are *Atorvastatin Calcium*, followed by *Simvastatin* and *Omeprazole*. See Table 12 for details.

The three drug groups (ATC Level 2) contributing the most to the increase in cost to government, compared to the previous 12 month period, were *Psycholeptics* (up \$40.7 million to \$313.4 million), *Immunosuppressive agents* (up \$30.5 million to \$97.6 million) and *Antineoplastic agents* (up \$26.8 million to \$226.6 million). See Table 7 for details.