



MARK BUTLER MP
MINISTER FOR HEALTH AND AGED CARE

PHARMACIES GET MAJOR FINANCIAL BOOST FROM 1 JULY

On the 75th anniversary of the Chifley Labor Government's introduction of the Pharmaceutical Benefits Scheme (PBS), Australia's strong and sustainable pharmacy sector gets a major financial boost in changes that take effect from 1 July.

Community pharmacies will be paid more for dispensing medicines, pharmacies outside the big cities will have their location allowance doubled, patients needing opioid dependency treatment will save hundreds of dollars, and pharmacy medicine stocks will be assured.

Major boost to Government payments to pharmacies

From 1 July, all community pharmacies will be paid more for dispensing PBS medicines, giving the average metropolitan pharmacy more than \$41,000 extra per year.

Government payments to community pharmacies will increase by 7% from July 1, meaning significant increases in payments for services like dispensing, handling, administration and infrastructure.

The 7% indexation boost to pharmacy payments is nearly double the 3.6% indexation of Medicare rebates that also takes effect on 1 July.

For a standard script for a ready prepared item, such as atorvastatin, pharmacies will receive an extra \$0.85, taking the fee to \$12.99 per script.

Taken across a year, the financial impact of the increase is significant. An average pharmacy in the following locations will receive:

- a major metropolitan area: \$41,229.98
- a large regional centre: \$43,118.72,
- rural towns: \$26,857.00 to \$51,746.92
- a remote community: \$18,742.23
- a very remote community: \$12,448.82.

Support for regional, rural, and remote pharmacies doubles

Regional, rural and remote pharmacies will benefit from the doubling of the total annual budget for the Regional Pharmacy Maintenance Allowance (RPMA), which also takes effect from 1 July.

This \$39.8 million program means that a pharmacy dispensing 50,000 scripts a year in the following locations will receive:

- a large rural town (eg Armidale NSW, Bribie Island QLD, and Broadwater WA)
 - an increase of \$3,000 to a total of \$6,000
- a medium rural town (eg Margaret River WA, Port Pirie SA, Echuca VIC) will
 - an increase of \$10,360 to a total of \$21,965
- a small rural town (eg Lang VIC, Mount Seymour TAS, Adelong NSW) an
 - increase of \$17,720 to a total of \$37,930
- a remote community (eg Queenstown TAS, Katherine NT, Auburn QLD)
 - an increase of \$25,080 to a total of \$53,895
- a very remote community (eg Currie TAS, Thursday Island QLD, Denham WA)
 - an increase of \$32,440 to a total of \$69,860.

The rate of the RPMA depends on the volume of scripts a pharmacy dispenses. Some of Australia's most remote pharmacies may be eligible to receive more than \$90,000 per year in assistance to keep their pharmacies open and services available to rural communities.

Pharmacies and patients in win-win on opioid dependency treatment

For too long tens of thousands of Australians with opioid dependency have been locked out of getting the same benefits under Medicare that every other Australian gets.

From 1 July, Australians with opioid dependency will no longer have to pay uncapped out of pocket fees for their medication. Instead, they will have access to the medicine they need on the PBS, with the Government paying pharmacies to provide these medications.

Rather than paying up to \$200 a month in out-of-pocket costs, patients will simply pay the usual PBS co-payment – up to \$30 for everyone with a Medicare card or \$7.30 for concession card holders. These co-payments will also contribute towards the PBS Safety Net threshold.

This amounts to a \$377 million investment in community pharmacies and will provide much needed

cost of living relief for tens of thousands of patients. 4 out of 5 Australians receiving treatment for opioid dependency are on income support.

Transition arrangements will apply until 30 November 2023, which will ensure that private clinics, non-PBS pharmacies and other dosing sites can still provide these medicines to patients while they transition to a PBS-approved pharmacy.

Medicine availability more secure with new rules

From 1 July, new rules take effect which mean manufacturers of more than 2,900 brands of common medicine are required to hold a minimum of four or six months' worth of stock on shore in Australia.

These minimum stockholding requirements are designed to help protect Australian patients, pharmacists, and prescribers from the impact of global medicines shortages, by ensuring that Australian manufacturers are better placed to continue supply.

Quotes attributable to Minister Butler:

"The Albanese Government is delivering cheaper medicines through 60 day dispensing for more than 6 million Australians."

"This will halve the cost of more than 300 medicines for millions of Australians, including pensioners, who are living with a chronic condition and doing it tough on cost of living."

"Cheaper medicines has been enthusiastically welcomed by patient groups and doctors' groups, including the Consumers Health Forum, the Heart Foundation, the Lung Foundation, Breast Cancer Network, Rural Doctors Association, the AMA, RACGP and many others."

"Dispensing medicines is complex and critical, but it's not the only reason Australian pharmacies are so highly valued."

"Every single dollar saved by the Government will go back into pharmacy services, so pharmacists play an even more central role in the healthcare of Australians."

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