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Media Release



BETTER ACCESS
— AUSTRALIA —

Testimony confirms 144.6 million PBS scripts are more expensive for concession card holders with no relief in sight

In Senate Estimates today officials confirmed that only 23% of PBS medicines are dispensed on the Safety Net Card for Concessional Patients. That means the majority of concessional patients are paying 50 cents more per script without any hope of relief as Australia's inflationary pressures mount day upon day.

With another 50 cent increase looming on 1 January 2024, *Better Access Australia* is calling on the Government to act this Budget to freeze indexation on patient co-payments until the economy is in better shape.

"Better Access Australia has been asking for the Government to freeze the annual CPI indexation of PBS co-pays for concessional patients for the past two years", said Better Access Australia Chair, Felicity McNeill

"The Government has instead argued that the PBS safety net is enough to protect concession card holders, but as the department has confirmed today only 23% of scripts are dispensed under this card. This means over 144 million scripts are attracting the full 50 cent price hike everytime a concession card holder fills their script.

"144 million scripts for diabetes, heart disease, asthma, depression, arthritis, infection and pain are all 50 cents more expensive every month for those least able to pay. Ms McNeill noted

"Concession card holders use an average of 17 PBS scripts a year – and with the safety net not kicking in until 36 scripts, there's no relief in sight as these stats disclosed today confirm.

"General patients have had their co-pay reduced by \$15.50 since 1 January, concessional patients have had a price hike of 50 cents since the same date.

"Worst still with inflation still at 7.8% another 50 cent increase on 1 January 2024 is inevitable unless the Government acts this budget.

"Better Access Australia applauds the Government's changes to the general co-pay but the same equality of affordable access must be given to those least able to pay for healthcare – concessional patients.

*"As part of our 2023-24 Budget submission *Better Access Australia* has once again called on the Government to freeze CPI indexation of PBS co-pays, at least until we have inflation under control*

"We are also calling for automation of the safety net card, and options for introducing a third tier co-payment for higher income earners to provide greater flexibility in PBS co-pay reductions for everyone earning less than 136,000 per year. Ms McNeill concluded

Full details on this proposal and all Better Access Australia's proposals for reform can be found in our 2023-23 [Budget submission](#).

QUICK FACTS

- On 1 January the Albanese Government increased the price of every Pharmaceutical Benefits Scheme (PBS) medicine by 50 cents for concession card holders who access 90.3% of all subsidised scripts.¹
- This includes price increases for Aboriginal and Torres strait islander patients accessing the *Closing the Gap* program.
- Meanwhile the Government has cut the cost of medicines for less than 10% of access at a cost of \$200M annually (from \$45.50 to \$30.00 per script) – this is a great initiative but asking concession card holders to fund this is just wrong.²
- At a time of unprecedented cost of living pressures, in 2023 alone the Government will pocket an extra \$75M from this charge to those least able to afford their medicines.
- Current inflation means a further 50 cent increase will occur on 1 January 2024. That's \$150M per year the Government intends to take from concession card holders in 2024.
- With the average concession card holder using 17 scripts a year, the majority will not get any relief from the concessional safety net as it doesn't kick in until 36 scripts.³
- Freezing indexation on PBS co-pays, at least until the Australia has got inflation under control is essential for the future affordability of healthcare.
- Introducing a third tier of co-payment for higher income earners based on the Family Tax Benefit thresholds would allow for higher income earners to make a greater contribution to their medicine costs ([currently ~\\$136,000](#)) and potentially allow for the new mid-tier \$30 co-pay to be further reduced to support medicines access for those that do not qualify for a low-income health care card.
- Automating the PBS safety net consistent with the Medicare Benefits Scheme (MBS) safety net, would ensure all patients get the benefit of the PBS safety net. Costs for this automation could be offset by the removal of the current manual safety processing fee paid to pharmacy.

For more information about Better Access Australia, please visit www.betteraccessaustralia.org.au

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¹ Department of Health and Aged Care (DOHA), ['PBS Expenditure Report 2021-22'](#) 20 December 2022, accessed 24 December 2022

² General co-pay with indexation would have risen to \$45.50 without the election measure

³ National Health Amendment (Pharmaceutical Benefits) Bill 2015 [Second Reading Speech](#), The Senate, Parliament of Australia Tuesday, 16 June 2015