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Minister for Health

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MEDIA RELEASE

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Guaranteeing Medicare and improving access to medicines for Australians

The 2017-18 Budget delivers on the Turnbull Government's rock solid commitment to Medicare and improving access to medicines – with increased patient rebates and a strengthened Pharmaceutical Benefits Scheme (PBS) as key measures of our over \$94.2 billion overall investment in health, aged care and sport.

The Government will establish a Medicare Guarantee Fund from 1 July 2017 to secure the ongoing funding of the Medicare Benefits Schedule and the Pharmaceutical Benefits Scheme, guaranteeing Australians' access to these services and affordable medicines into the future. Proceeds from the Medicare Levy (less the contribution for the NDIS) will be paid into the fund and topped up with a portion of personal income tax receipts to ensure it covers the combined costs of the MBS and PBS.

All Australians can be assured Medicare is not only here to stay, but will be strengthened into the future.

The 2017-18 Budget includes a \$10 billion package to invest in Australia's health system and the health of Australians.

Medicare accounts for one third of the Commonwealth health budget and spending is increasing every year – from \$23.7 billion in 2017-18 to \$27.9 billion in 2020-21.

This Budget includes a \$2.4 billion additional investment in Medicare over the next four years.

Partnerships have been struck with the nation's GPs, specialists, pharmacists and the medicines sector. These are key to the Turnbull Government's initiatives that will support the long-term future of Australia's health system.

As part of our compacts with Australia's GPs and specialists, the 2017-18 Budget restores indexation of the Medicare rebate at a cost of \$1 billion, starting with GP bulk-billing incentives from 1 July 2017.

With GP bulk-billing at a record high 85.4 per cent, more Australians are visiting the doctor without having to reach into their pockets. This Budget will help ensure that continues with our indexation commitment to GPs alone worth \$543.1 million over 4 years and around \$2.2 billion over ten years.

Indexation of standard GP and specialist consultations will resume on 1 July 2018, and specialist procedures and allied health from 1 July 2019.

As part of a \$957 million package, the Government will retain the bulk-billing incentives for Pathology and Diagnostic Imaging, including blood tests, x-rays, scans and pap smears. We will also introduce indexation for targeted diagnostic imaging services including mammography, fluoroscopy, CT scans and interventional procedures, from 1 July 2020 – for the first time since 2004.

Ensuring Australians have access to medicines when they need them is central to the Turnbull Government's commitment to the health system. As part of this commitment the Government has struck landmark agreements with Medicines Australia, the Pharmacy Guild and Generic and Biosimilar Medicines Association (GBMA).

The Government is reducing the cost of medicines by \$1.8 billion over five years to make medicines more affordable.

We are immediately delivering on this commitment in the 2017–18 Budget with \$514.6 million to list Sacubitril with Valsartan (Entresto®) for patients with chronic heart failure.

This will benefit more than 60,000 Australians every year who currently pay around \$2,000 per year for this medicine. Concessional patients will now only pay around \$6.30 per script and non-concessional patients will pay \$38.80.

Our careful management of PBS spending means that we are able to list new, effective medicines on the PBS when they become available.

Australia's PBS is one of the foundations of our universal health care system, which is the envy of most countries.

The Agreement with the Pharmacy Guild will deliver medicines reform and an \$825 million investment to strengthen patient outcomes and community pharmacy.

Australians will now have access to a wider range of services from their community pharmacy, including home visits to eligible patients to help them manage their medications.

The Pharmacy Guild, Medicines Australia and GBMA agreements include one-off price reductions for certain medicines that have been on the PBS for 10 and 15 years, ongoing reductions in more PBS drug prices and support for the uptake of lower-cost generic and biosimilar medicines, in return for reinvestment in future drug listings.

As part of our support for Medicare and medicines, we are investing \$374.2 million in My Health Record which will allow individuals to access and control their own medical history and treatments – such as medical tests and vaccinations. This follows unanimous support at COAG for a national roll-out of My Health Record with every Australian to receive a record, or opt out if they so choose.

It also follows the compacts reached with the AMA and the RACGP, which deliver their participation in both the My Health Record and MBS reform processes.

The Turnbull Government is also working closely with doctors on the introduction of our innovative Health Care Homes model of care to improve the services for people with complex and chronic conditions, with a staged roll-out from October 2017. This includes \$30 million for community pharmacy participation in Health Care Homes.

Australians can be assured that the Turnbull Government's commitment to Medicare and universal health care is rock solid.

We will further support the clinician-led review of the Medicare Benefits Schedule with \$44.2 million, to ensure it represents best practice. \$44.5 million is also being invested in the Medical Services Advisory Committee to continue its work of amending and adding listings to ensure the health needs of Australians are best met.

We want Australians to continue to have access to the best health care system in the world – and a strong, sustainable, best clinical practice Medicare is essential to this.

The Turnbull Government is delivering on our rock solid commitment to Medicare in the 2017-18 Budget.

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