



Cheaper medicines

\$4.3 billion
total package value

\$3.4 billion
new medicines added
to the PBS

\$318 million
freezing PBS
co-payments

\$151.1 million
more access to dose
administration aids

Summary

The 2024-25 Budget includes a \$4.3 billion investment to continue the Australian Government's efforts to make medicines cheaper for all Australians. This Budget supports the pharmacy sector to provide critical services, increases access to affordable and life-changing medicines, and funds our best and brightest health and medical researchers.

The Government is investing up to \$3 billion to strengthen the pharmacy sector and keep medicines cheaper. The cost of Pharmaceutical Benefits Scheme (PBS) medicines will remain constant instead of rising with inflation. There will be a one-year freeze on the maximum cost of a PBS prescription for everyone with a Medicare card and up to a 5-year freeze for pensioners and other Commonwealth concession cardholders, so medicines stay cheaper, even as cost of living rises (\$318 million).

This years-long hold on the cost of PBS medicines comes on top of the largest cut to the maximum co-payment in the 75-year history of the PBS, as well as the introduction of 60-day prescriptions, 2 measures which have already saved Australians a total of more than \$370 million.

The 2024-25 Budget includes further initiatives to save people time and money when accessing the medicines they need, helping to ease pressure on the household budgets of millions of Australians.

More life-changing high-cost medicines will be either added to the PBS or expanded, including medicines to treat a specific type of early breast cancer and 2 different types of heart disease.

All PBS medicines dispensed by a community pharmacy, public or private hospital, or approved medical practitioner will now be covered by the Closing the Gap PBS co-payment. Eligible First Nations people who are registered on the Closing the Gap database will either get their PBS medicines for free, if they have a Commonwealth concession card, or pay the discounted co-payment of \$7.70 if they don't.

Access to COVID-19 oral antiviral treatments through the PBS will be extended, helping to protect vulnerable Australians.

As part of the Health Research for a Future Made in Australia package, a National One Stop Shop will harmonise and streamline the administration and regulation of health and medical research. An easy-to-use website will help people, researchers and industry find, conduct and participate in clinical trials and research.



In addition, the Government's National Health and Medical Research Strategy will build on Australia's national strengths and fill any gaps, while attracting researchers and investors. It will cover the entire sector and include all levels of government, industry, philanthropy, academia and consumers.

Two new Medical Research Future Fund (MRFF) Missions will be established to address factors that reduce life expectancy and cause poorer health among Australians.

For the first time, pharmacists will be funded to provide free flu and other National Immunisation Program (NIP) vaccines at aged care and disability homes, ensuring more Australians have convenient and affordable access to life-saving vaccines with no out-of-pocket expenses.

Who benefits

Australians will benefit from a stronger pharmacy sector and a temporary freeze on the annual indexation of PBS co-payments as part of an up to \$3 billion commitment to stronger pharmacies and cheaper medicines through the Eighth Community Pharmacy Agreement.

The maximum co-payment for a PBS medicine will be held at its current rate of \$7.70 for up to 5 years for pensioners and other Commonwealth concession cardholders, instead of rising annually in line with inflation. Everyone else with a Medicare card will benefit from a one-year freeze on indexation, continuing to pay a maximum co-payment of \$31.60 for all of 2025 (\$318 million). Costs won't rise with inflation, keeping medicines cheaper and easing pressure on household budgets.

This freeze is in addition to last year's reduction to the maximum cost of a PBS prescription – the largest cut in the history of the PBS – and the Government's historic 60-day prescription reforms. Together, these measures have already saved Australians more than \$370 million since January 2023.

Patients who have difficulty managing their medicines will benefit from an increase in Government funding for Dose Administration Aids (DAA) – often known as Webster Packs – improving medicine safety and compliance. A pharmacy will now be able to provide 90 Government-subsidised services each week, instead of 60 (\$151.1 million).

Eligible First Nations people will benefit from expanded access to the Closing the Gap PBS co-payment (\$11.1 million). All PBS medicines dispensed by a community pharmacy, public or private hospital, or approved medical practitioner will now be covered by the co-payment. Eligible First Nations people who are registered on the Closing the Gap database will either get their PBS medicines for free, if they have a Commonwealth concession card, or pay the discounted co-payment of \$7.70 if they don't.

Around 2,400 women each year will benefit from the expanded listing of the potentially life-changing medicine, abemaciclib (Verzenio®), on the PBS. Abemaciclib can treat a type of early breast cancer known as HR+ HER2- by blocking the action of



specific overactive proteins that signal cancer cells to grow. This helps to slow or stop the growth of cancer cells.

From 1 May 2024, women will pay just \$31.60 per script or \$7.70 if they are concession cardholders, instead of \$97,000 per course of treatment without the subsidy.

Australians with a form of heart disease known as symptomatic obstructive hypertrophic cardiomyopathy will be able to save nearly \$30,000 a year with the PBS listing of mavacamten (Camzyos®) from 1 May 2024. Listing mavacamten on the PBS could benefit up to 3,600 Australians each year who will pay no more than \$31.60 per script, or just \$7.70 if they hold a concession card.

From 1 May 2024, around 1,200 Australians with another kind of heart disease known as transthyretin amyloid cardiomyopathy will benefit from the PBS listing of tafamidis (Vyndamax®) from 1 May 2024.

A year of treatment would normally cost around \$122,000, but through the PBS, eligible people will pay no more than \$31.60 per script, or \$7.70 for pensioners and other concession cardholders.

Access to COVID-19 oral antiviral treatments through the PBS will be extended (\$1.3 billion), reducing the risk of hospitalisation and death in vulnerable people.

Vulnerable Australians will have more convenient and affordable access to life-saving vaccines with no

out-of-pocket expenses, with pharmacists funded to provide free flu and other National Immunisation Program (NIP) vaccines at aged care and disability homes, for the first time (\$0.9 million).

The new support for pharmacists will ensure vulnerable Australians are given free vaccines to protect them from COVID-19 and flu ahead of winter.

This Budget includes measures that will contribute to a once-in-a-generation transformation of health and medical research in Australia.

Research is the foundation upon which new health treatments and technologies can be discovered, trialled, translated and commercialised, helping to create new products and jobs.

A National One Stop Shop will remove red tape, increase the number of Australian clinical trials and help patients to get early access to promising treatments (\$18.8 million).

An easy-to-use website will help patients, researchers and industry find, conduct and participate in clinical trials and research.

A National One Stop Shop will help cement Australia's status as a world-class destination for health and medical research. Emeritus Professor Ian Chubb AC will continue to lead key reforms to progress the business case for the National One Stop Shop.

New research via the MRFF will include a focus on reducing health inequality. Two new 10-year MRFF Missions will focus on better outcomes for Australians with low survival cancers and improve health services for groups who experience inequitable access (\$1.4 billion over 13 years).

MRFF Research Missions bring together key researchers, health professionals, stakeholders, industry partners and patients to tackle big health challenges.

The Low Survival Cancers Mission will investigate ways to improve outcomes for Australians with cancers where less than 50% of people survive more than 5 years after diagnosis. It will give people with pancreatic, lung and liver cancer, among others, greater hope for a longer future with their family and friends.

The Reducing Health Inequities Mission will improve access to quality health services and ensure they are safe, appropriate and welcoming. The mission will address the poorer health outcomes experienced by groups including First Nations people, LGBTIQ+ people, people with a disability and people from diverse backgrounds.

Australian researchers will benefit from a new National Health and Medical Research Strategy that will help Australia build a sustainable research pipeline – from discovery and innovation to translation and commercialisation. It will cover the entire sector including all levels of government, industry, philanthropy, academia and consumers.



Case study

Anya is 69 and lives in regional New South Wales. She was recently diagnosed with obstructive hypertrophic cardiomyopathy, after suffering chest pains on her morning walk.

As a retiree, Anya has struggled with the increasing cost of living, and the thought of having to now pay for additional medication has caused her a lot of anxiety.

Thanks to the recent listing of mavacamten on the PBS, and her concession card, Anya can now access this potentially life-changing medication for just \$7.70 per script. Without the PBS subsidy the medication would cost \$30,000 per course of treatment.

Anya has already been saving money on the other PBS medications that she takes, thanks to the Government's 60-day prescription reforms.