

Cheaper Medicines

Lower co-payment for PBS medicines



What is the PBS?

The Pharmaceutical Benefits Scheme (PBS) is an Australian Government program that is part of Medicare. The PBS provides Australians with access to more than 900 subsidised prescription medicines for a range of health conditions.

The PBS supports affordable access to essential medicines and helps reduce the financial burden of chronic illness and long-term treatment.

How does the cost of PBS medicines work?

When you buy a medicine listed on the PBS, the cost is limited to a maximum amount called the PBS patient co-payment.

The patient co-payment, plus any applicable premiums, is the maximum amount you are charged for a PBS medicine. Some PBS medicines cost less than this.

If a medicine costs more than the patient co-payment, the Australian Government pays the difference. Four-out-of-five PBS-listed medicines cost more than the general patient co-payment.

If you choose a more expensive brand of medicine with a brand premium, you will pay a premium on top of your PBS co-payment amount.

What is changing?

On 1 January 2026, the PBS general patient co-payment was lowered from \$31.60 to \$25 for Medicare cardholders. This means you will pay no more than \$25 for each PBS medicine and many Australians will notice significant savings.

The last time PBS medicines cost no more than \$25 was 2004 – more than 20 years ago.

What if I have a concession card?

If you have a Commonwealth concession card, your patient co-payment will remain \$7.70 until 2030, so you have certainty about the maximum cost for PBS medicines.

Why has the patient co-payment been lowered?

The PBS general patient co-payment has been lowered to make medicines that cost above \$25 more affordable. The changes are part of a range of measures to ease cost of living pressures, so you don't need to delay filling your prescriptions. Other changes to the PBS include:

- Freezing the patient co-payment amount for Commonwealth concession cardholders at \$7.70 until 2030
- Increasing the number of prescription medicines available for 60-day prescriptions so more people can get twice the medication on a single prescription.

Who can access subsidised medicines?

Anyone with a Medicare card can buy medicines listed on the PBS at the government-subsidised rate. If you have a Commonwealth concession card, you can buy PBS medicines at a concessional rate.

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What if my medicine costs less than the co-payment amount of \$25?

The price of medicines that cost less than the co-payment amount will not be reduced. The price of medicines that cost less than the co-payment can vary from pharmacy to pharmacy. You can ask your pharmacist about the cost or shop around to get the best price.

Will the changes impact the PBS Safety Net?

Most PBS prescriptions you fill count towards your PBS Safety Net total. With the PBS Safety Net, once you or your family spend a certain amount on PBS medicines in a year, the cost per prescription drops, or may become free.

Because of the lower cost of medicines, you might reach the PBS Safety Net later in the year or not at all. This is because you are saving more on PBS medicines throughout the year.

How much will I save?

A person with prescriptions for PBS medicines that cost \$31.60 will now save \$6.60 for each medicine because the co-payment is reduced to \$25. Below are scenarios for general patients in different situations to illustrate potential savings.

Adult with 2 regular prescriptions: \$158.40 saved

Prescriptions: 2 per month
Prescriptions per year: $2 \times 12 = 24$
Annual savings: $24 \times \$6.60 = \158.40

Family of 5 with 3 teens with chronic conditions: \$237.60 saved

Each person: 1 prescription per month
= 12 per year
Total scripts: $3 \times 12 = 36$
Annual savings: $36 \times \$6.60 = \237.60

Adult with multiple prescriptions: \$343.20 saved

If you or your family need more than 70 general patient prescriptions in a calendar year, you may be eligible for the PBS Safety Net. Prescriptions will then become cheaper.

Do I need to do anything to get the cheaper price?

No, prices for PBS prescriptions will drop automatically. You don't need to do anything.



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Why do some medicines still cost more than \$25?

Medicine suppliers charge extra for some medicines, known as a brand premium.

You can ask your pharmacist about other brands of the same medicine that don't charge a brand premium.

Will the co-payment increase in 2027?

Yes, the general patient co-payment increases each year in line with the Consumer Price Index.

The co-payment for Commonwealth concession cardholders will not increase until 2030.

Will this change affect the supply of medicine?

No, lowering the general patient co-payment for PBS medicines is not expected to affect medicine supply or contribute to medicine shortages.

More information

Talk to your pharmacist or prescriber to better understand your medication options and costs.

For more information about the PBS patient co-payment, visit health.gov.au/cheapermedicines

