



Australian Government

Department of Health
and Aged Care

Budget October 2022–23

CHEAPER MEDICINES

Summary of package

The Australian Government will make medicines cheaper and ease cost-of-living pressures for Australians. In the 2022–23 October Budget the Government is investing \$2.6 billion to deliver on that commitment.

The Government will deliver cheaper medicines by legislating to reduce the amount Australians pay for medicines on the Pharmaceutical Benefits Scheme (PBS).

For the first time in its 75-year history, the maximum cost of general scripts under the PBS will fall. A \$787.1 million investment will cut the cost of general scripts by 29 per cent, with the maximum cost to drop by \$12.50 to just \$30.00. This means that someone taking one medication a month could save as much as \$150 every year, or a family with 2 or 3 medications saving as much as \$300–\$450 a year.

In this Budget, vitally important cancer medicines such as cemiplimab (Libtayo®) and nivolumab (Opdivo®) are being listed and expanded on the PBS. Listing these treatments improves the lives of individuals and their families and brings down the cost for more patients, in some cases by more than a hundred thousand dollars per treatment course.

The Government continues to invest in vaccines and treatments for COVID-19 and Monkeypox to ensure they are accessible, affordable and effective in helping to protect all Australians, especially those most at risk.

Total value of package

**\$2.6
billion**

\$787.1m

towards reducing
PBS co-payments

\$1.4b

towards new
PBS listings

\$96.7m

towards COVID and
MPX treatments



Who benefits

A trip to the pharmacy will be cheaper for millions of Australians and will result in out of pocket savings of around \$190 million each year for patients thanks to the \$787.1 million in this Budget for the Pharmaceutical Benefits Scheme (PBS) General Co-payment Reduction. From 1 January 2023, many Australians will pay up to 29 per cent less for PBS scripts, with the maximum general co-payment dropping from \$42.50 to \$30.00, saving some patients hundreds of dollars a year.

Skin cancer patients will benefit from the drug cemiplimab (Libtayo®) being listed on the PBS schedule through funding of \$343.5 million. The listing will benefit around 1,000 patients with metastatic or locally advanced cutaneous squamous cell carcinoma each year. Without this subsidy patients face cost of more than \$144,000 for a single course of treatment.

Approximately 1,450 patients with advanced or metastatic gastro-oesophageal cancers will benefit from the listing extension of nivolumab (Opdivo®) on the PBS at a cost of \$459.1 million. Without this listing, patients could pay over \$92,000 per course of treatment.

Instead, for these drugs, eligible patients will pay a maximum of \$42.50 per script, reduced to \$30.00 from 1 January 2023, or just \$6.80 for concession card holders.

As we continue ongoing management of COVID-19, \$22.8 million is also being invested to extend the listing of oral COVID-19 antiviral treatments on the PBS so those most at risk can access affordable treatment when they need it.

Key at-risk populations in the Australian community are being given prioritised access to Monkeypox (MPX) vaccines and treatments, through a joint \$73.9 million investment with states and territory governments.

Maximum general PBS
co-payments **down 29%**
saving Australians around
\$190m per year on Medicare



Funding details

- Pharmaceutical Benefits Scheme (PBS) General Co-payment Reduction – \$787.1 million over 4 years from 2022–2023.
- Pharmaceutical Benefits Scheme (PBS) new and amended listings – July to October 2022 – \$635.9 million over 4 years from 2022–2023.
- Pharmaceutical Benefits Scheme (PBS) listing of cemiplimab (Libtayo®) – \$343.5 million over 4 years from 2022–2023.
- Pharmaceutical Benefits Scheme (PBS) extended listing of nivolumab (Opdivo®) – \$459.1 million over 4 years from 2022–2023.
- Listing avalglugosidase alfa (Nexviazyme®) on the Life Saving Drugs Program (LSDP) \$11.0 million save over 4 years from 2022–2023.
- Pharmaceutical Benefits Scheme (PBS) extended listing for Oral COVID-19 Treatments – \$22.8 million over 2 years from 2022–2023.
- Additional Purchases of Monkeypox Vaccines and Treatments – \$73.9 million in 2022–2023.
- Flash Glucose Monitoring and Continuous Glucose Monitoring devices for Australians with Type 1 Diabetes – \$327.7 million over 4 years from 2022–2023.
- Pharmaceutical Benefits Scheme Data Distribution Project – \$13.2 million over 4 years from 2022–2023.



All information in this publication is correct as at October 2022

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