



# Budget 2024-25

This information is accurate as of 14 May 2024.

## Securing Cheaper Medicines

This measure will:

- introduce a temporary freeze on the indexation of the Pharmaceutical Benefits Scheme (PBS) co-payment and remove the \$1 discount
- expand access to the Closing the Gap (CTG) PBS co-payment program.

### Temporary freeze on indexation of PBS co-payments and remove the \$1 discount

Currently both general and concessional PBS co-payments are indexed on 1 January each year, in line with the Consumer Price Index. In 2024, the co-payments are \$31.60 for general patients and \$7.70 for concessional patients.

From 1 January 2025, the government will introduce:

- a 1 year freeze on indexation for PBS co-payments for general patients
- up to a 5 year freeze on indexation for PBS co-payments for concessional patients.

This means the maximum amount individuals pay for their PBS medicines won't go up with indexation.

Currently, if the total cost of a PBS medicine is above the patient co-payment, pharmacists can reduce the patient co-payment. They do this by applying a discount up to \$1 for each supply.

The \$1 discount will be gradually removed. It will decrease by the amount of indexation that would have applied to PBS co-payments until it reaches zero. The maximum cost to patients won't increase, and patients who were getting the discount won't be worse off.

### Expand access to the CTG PBS Co-Payment Program

Under the CTG PBS Co-Payment Program, eligible First Nations patients who:

- normally pay the full PBS co-payment of \$31.60 get their medicine at the concession price of \$7.70
- normally pay the concession price get PBS medicines for free.

The CTG PBS Co-Payment currently only applies to section 85 PBS medicines supplied by:

- community pharmacies
- approved medical practitioners
- private hospitals.

This includes eligible section 85 medicines supplied under Continued Dispensing arrangements.

This measure expands access to the CTG PBS Co-Payment Program to:

- apply to section 100 PBS medicines when dispensed by a community pharmacy, approved medical practitioner or private hospital from 1 July 2024
- extend these arrangements to all section 85 and section 100 PBS medicines dispensed by public hospitals from 1 January 2025.

These changes will also include both section 85 and section 100 PBS medicines supplied under Continued Dispensing arrangements. This allows eligible First Nations patients access to the full suite of PBS section 85 and section 100 medicines in both primary and acute care settings.

It will ensure First Nations patients will pay the same reduced cost for their PBS medicines to support continuity of care regardless of treatment setting.

Services Australia will get \$1.6 million over 2 years through to 2024–25.

This measure is led by the Department of Health and Aged Care.

This measure is subject to legislation passing.

### **Who this measure affects**

This affects:

- people who are eligible for the general and concessional PBS co-payments
- eligible First Nations patients who are registered with Medicare under the CTG PBS Co-Payment Program to access reduced patient co-payments on section 85 and section 100 PBS medicines.

### **When this starts and finishes**

This measure starts on 1 July 2024.