



Changes to the PBS Co-payment and Safety Net Arrangement

From 1 January 2015 the [Pharmaceutical Benefits Scheme \(PBS\)](#) co-payment and Safety Net threshold amounts will increase:

- patient contributions for PBS subsidised prescriptions will increase by \$0.80 for concessional and \$5 for general patients. This is above the annual indexation.
- PBS general and concessional safety net thresholds will increase by 10 per cent and two additional prescriptions respectively for each of the next four years. This is additional to the annual indexation.

Each year the government sets a patient co-payment for general and concession patients. The amount of the co-payment is adjusted on 1 January each year, in line with the Consumer Price Index.

Government estimates of the cost increases provided in the Budget papers may be conservative as they rely on CPI increases of 2.6 per cent. However, this figure is the Health CPI increase from December Quarter 2013 to March Quarter 2014. According to the [Australian Bureau of Statistics](#) the change in the Consumer Price Index for Health between March 2013 and March 2014 was 4 per cent – a more realistic figure.

Cost of Medicines:

As at 1 January 2014, Australians pay up to \$36.90 for most PBS medicines or \$6.00 for concession card holders. The Australian Government pays the remaining cost.

Estimates contained in [2014 Budget papers](#) state that from 1st January 2015 the cost of a medication will be \$42.70 per prescription for non concession card holders. The cost of a prescription for concession card holders will increase to \$6.90 per prescription.

These estimates have been calculated by adding CPI to 2014 figures and then adding the additional payment. The change in the PBS costs as at January 1 2015 will be;

- General scripts will increase from \$36.90 to \$37.70 (CPI rise of approximately 2.6 per cent) plus the additional \$5 payment totalling \$42.70 per script
- Concession scripts will increase from \$6.00 to \$6.10 (CPI rise of approximately 2.6 per cent) plus the additional 80 cent payment totalling \$6.90 per script

These will continue to increase by CPI on the 1st January every year.

The \$5 additional cost for PBS medications (80 cents for concession card holders) will not apply to medicines that fall below the maximum payment threshold. For example a medicine that costs \$20 will continue to cost \$20.

Safety Net:

As of 1 January 2014, the Safety Net thresholds were \$360.00 for concession card holders and \$1,421.20 for all other patients.

From 1 January 2015 [2014 Budget papers](#) estimates that the thresholds will increase to \$427.80 for concession card holders and \$1,597.80 for general patients.

This means that to reach the threshold concession card holders will have to fill 62 scripts before they meet the threshold. The threshold will continue to increase each year and require



a person on a concession card to fill at least 2 additional scripts each year before meeting the threshold (from 62 scripts in 2015 to 68 in 2018).

The general safety net will continue to increase by 10 per cent above inflation for a further three years.

Once the threshold is reached general patients will receive medicines at the concessional rate (\$6.90) and concessional patients will receive free medicines.

In 2015 a general patient will pay \$145.30 more and concessional patient will pay \$61.80 more to reach the safety net.

The increased cost of medications and co-payments for GP visits, pathology and imaging services this will impede access to healthcare.