



# Community pharmacy and the Pharmaceutical Benefits Scheme



## Establishment

In 2008, the Pharmaceutical Benefits Scheme (PBS) celebrated its 60th anniversary. The Scheme grew out of a widely-held view that the government has an obligation to the people of Australia to provide adequate health care. The early years were subject to much debate and widespread opposition from the medical profession.

The first scheme made 139 'life-saving and disease-preventing drugs' free of charge to the whole community. Today, the scheme provides timely, reliable and affordable access to the Australian community of more than 550 medicines in their different forms and strengths through the highly effective network of community pharmacy.

## How the PBS works

Many medicines cost the government much more than the price you pay – some cost hundreds, even thousands of dollars, but the government provides a subsidy so that you pay much less. Consumers receive the benefit of this subsidy when they have a prescription for a medicine filled under the PBS.

Every time you fill a prescription for a PBS medicine you receive a subsidy. Patients must pay a contribution (or co-payment) which, at 1 January 2010, was \$33.30 or only \$5.40 if you had a concession card. The Australian Government pays the remaining cost. The PBS covered around 184 million prescriptions in the year to June 2010. This equates to about eight PBS prescriptions per person in Australia for the year.

With new and more effective medicines helping us to lead longer and healthier lives, the PBS is growing each year. The cost of the PBS to the government is billions of dollars, so governments of all persuasions keep a close watch on this rising cost so that it does not get out of control.

## PBS Safety Net

If you or your family needs a lot of medicine in a calendar year, the PBS Safety Net helps you with the cost of medicine. Once your family reaches a Safety Net threshold, you can apply for a PBS Safety Net card and your PBS medicines will be less expensive (or free) for the rest of the calendar year.

To apply for the PBS Safety Net card you should keep a

record of your PBS medicine purchases on a prescription record form, which you can get from any pharmacy. Alternatively, if you use the same pharmacy all the time, they will usually record this information for you on their computer.

## Success

Australia's health system, and in particular the PBS, is widely recognised both here and overseas as being one of the best in the world. This judgement is based not only on grounds of access, equity, structure and funding arrangements, but also with regard to health outcomes. One of the major strengths of the PBS is that it is a national program, which ensures a consistent approach to drug evaluation and registration and to the pricing of PBS items.

## Community pharmacy and the PBS

Community pharmacy operates in a highly regulated environment to provide the highest quality of care in delivering cost-efficient, safely dispensed pharmaceuticals under the PBS. Community pharmacies are central to the effective operation of the PBS. Australia's 5000 pharmacies are well-distributed throughout metropolitan, suburban and rural regions providing convenient access to the community. Despite the size of the country and the large distances involved, patients, in even the most remote locations, can be assured of receiving the medications they need, within 24 hours (at most) of ordering thanks to the efficiency of the drug distribution network, including manufacturers, wholesalers and pharmacists.

## Community pharmacy working with government

One of the principal untapped resources for achieving further improvements in the health status of Australians is community pharmacy. There is an ever-increasing body of evidence to demonstrate that community pharmacists can and do perform countless activities that benefit patients, assist doctors, save money for the purchasers of health services and enhance the delivery of health care services. Community pharmacist services lie at the front line of health care savings.

The health care system in Australia can benefit greatly from

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payment for pharmacist services because expanding these services would lead to improved patient compliance, less inappropriate medication use, fewer preventable adverse drug effects and interactions, reduced hospitalisation, reduced GP visitation and a better quality of life for the Australian community. Community pharmacy is committed to working with Government to find ways in which health costs can be reduced through the provision of enhanced professional services at the same time ensuring that the world's best system to access medications is maintained.

If you want to know more about the Pharmaceutical Benefits Scheme or the PBS Safety Net "Ask your pharmacist" or contact:

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