



MEDIA RELEASE

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Time to end exclusive-direct distribution of PBS medicines

If monopoly supply arrangements between manufacturers and pharmacies continue, there will be no back-ups to protect patients from a single point of failure in the Pharmaceutical Benefits Scheme (PBS) supply chain, The National Pharmaceutical Services Association (NPSA) has warned today.

Speaking at the Eye for Pharma conference in Sydney, NPSA Chairman Mark Hooper said exclusive-direct arrangements undermined Government policy by restricting the supply of products to one source.

“The danger in allowing monopoly arrangements to continue is that the current supply chain arrangements, which make sure every Australian has reliable, safe, equitable and efficient access to all medicines on the PBS, will no longer work as the Government intended,” Mr Hooper said.

Five pharmaceutical wholesale companies are currently contracted by the federal government, through the Community Service Obligation (CSO) funding pool, to deliver PBS medicines to all Australian consumers.

The CSO funding pool supports wholesalers in meeting the high regulated standards, such as the distribution of all PBS products to all pharmacies, including low-volume and low-value medicines and the distribution of the full range to rural and remote postcodes, generally within 24 hours.

The pool is available to those who meet the wide range of standards, not just for delivery.

“Ensuring the system works as intended does not limit any direct distribution channels pharmaceutical manufacturers may choose to explore, yet it prevents monopoly or exclusive arrangements,” Mr Hooper said.

NPSA has been working with the Government and Department of Health towards ensuring all aspects relating to patient access to PBS medicines are regulated to consistent, high standards.

“The CSO isn’t about allowing individual companies to gain more control of the market. It’s about securing a supply chain that works in patients’ best interests. That means ensuring all PBS-listed medicines are available to all CSO distributors at equivalent pricing.

“Any company that wants to undermine the CSO by working around its standards, or delay much-needed certainty is not operating in the best interests of Australian patients, and should not be rewarded for doing so.

“Similarly, any company that wants to compete for the CSO funding pool should be able to register and be held to the same standards and accountability, including the supply of all 6,200 PBS products,” Mr Hooper said.

NPSA continues to work with Government and the Department of Health on the current review of the CSO funding pool and the broader objective of meeting the National Medicines Policy in the interest of all Australian patients.

ENDS

The National Pharmaceutical Services Association represents CSO wholesalers Australian Pharmaceutical Industries, National Pharmacies, Sigma Healthcare and Symbion.

Contact:

Jasmine Hogg
+61 (0)422 834 812
jHogg@Apollo.Sydney