

MEDIA RELEASE**2 February 2009****A clear explanation of prescription pricing**

Many Australians do not understand the complex pricing system for prescription medicines. If you've ever asked "How much will my prescription cost?" and were bamboozled by the answer, you are not alone.

In the latest edition of ***Australian Prescriber***, Michael Tatchell, Health Economics Director of the Pharmacy Guild of Australia, explains the pricing structure of government-subsidised medicines.

Prescription medicines are either subsidised (through the Pharmaceutical Benefits Scheme, PBS, or the Repatriation Pharmaceutical Benefits Scheme, RPBS) or they are 'private' prescriptions, in which case no price regulation or subsidy applies. Subsidised medicines are largely paid for by the Australian government. The patient's contribution to this cost is called the co-payment.

The PBS co-payment for general patients is currently set at \$32.90, and for concessional and repatriation patients it is \$5.30.

Dr Tatchell explains that the price of non-subsidised medicines, or those below the co-payment, may vary between pharmacies. This depends on the pharmacy, the patients' circumstances and any charges the manufacturer includes.

"The price of subsidised medicines is related to the patient's status (general, concession or repatriation), whether extra premiums or charges apply to the medicine, and whether the patient qualifies for the safety net," Dr Tatchell writes.

"The PBS safety net protects patients and their families (particularly those who may be high users of medicines) from the high cumulative cost of prescription medicines," Dr Tatchell says.

A full explanation of all these variables is provided in the article, along with more detail about the safety net and how premiums and charges continue after the safety net threshold is reached.

For a full copy of the article visit www.australianprescriber.com.

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