

EXPLANATORY STATEMENT

National Health Act 1953 National Health (Originator Brand) Amendment Determination (No. 4) 2025 PB 62 of 2025

Authority

This legislative instrument is made pursuant to subsection 99ADB(6B) of the *National Health Act 1953* (the Act).

Purpose

This legislative instrument amends the *National Health (Originator Brand) Determination 2015* (PB 100 of 2015) (the Principal Instrument) to determine originator brand status for pharmaceutical items of three drugs included on the Pharmaceutical Benefits Scheme (PBS) F2 formulary on 1 June 2025.

The Principal Instrument determines originator brands of pharmaceutical items that have a drug on the F2 formulary. On meeting certain criteria, drugs move from the F1 formulary (s85AB of the Act), or the single brand Combination Drug List (CDL), to F2. All drugs on F2 are subject to price disclosure. This instrument is necessary to implement removal of originator brand data from price disclosure calculations (originator removal) in certain circumstances as set out in the *National Health (Pharmaceutical Benefits) Regulations 2017* (the Regulations). Originator removal will potentially increase price disclosure related price reductions because originator brands tend to maintain higher prices than other brands.

Amendment

An amendment to the originator brand determination is set out in Schedule 1 of this amending instrument for the drugs that are moving from F1 and CDL to F2 (dienogest and oxycodone with naloxone on 1 June 2025). In addition, Schedule 1 of this determination also includes new brands of the oral form of the drug ranitidine that are listing on the PBS on 1 June 2025. Subsection 99ADB(6C) of the Act provides that when deciding whether to determine originator brands, the Minister (or delegate) must have regard to whether the brand was on F1 or CDL when it was first determined as a brand of pharmaceutical item under subsection 85(6) of the Act. It is also relevant that a brand is similar to an existing brand that meets the criteria in subsection 99ADB(6C). Zantac is listed as an originator brand in the current determination. The new oral brands of ranitidine (Zantac 150 and Zantac 300) are variants of the originator brand and therefore meet the criteria to be originator brands.

Basis for amendments

Subsection 33(3) of the *Act's Interpretation Act 1901* is relied upon to vary or revoke the determination made under subsection 99ADB(6B) for the medicines affected by this amending instrument.

Consultation

The company with new PBS listed oral brands of the drug ranitidine was consulted on the potential originator brand determination. In addition, the companies with a PBS listed brand of the drugs moving from F1 and CDL to F2 were consulted on the potential originator brand determination. No comments were received from any of the affected companies. No additional consultation with experts was undertaken regarding this determination because consultation with the affected company drew on the knowledge of persons with relevant expertise.

This instrument commences on 1 June 2025.

This instrument is a legislative instrument for the purposes of the *Legislation Act 2003*.

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

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This legislative instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

This legislative instrument amends the *National Health (Originator Brand) Determination 2015* (PB 100 of 2015) (the Principal Instrument) to determine originator brands of pharmaceutical items for two drugs new to the PBS F2 formulary. It also determines originator brand status for two new brands of a drug included on the Pharmaceutical Benefits Scheme (PBS) F2 formulary. All determined changes take effect on 1 June 2025.

The instrument is necessary to implement removal of originator brand data for price disclosure calculations in certain circumstances as set out in the *National Health (Pharmaceutical Benefits) Regulations 2017* (the Regulations). Originator brand removal from price disclosure calculations will potentially increase PBS price reductions, as originator brands tend to maintain higher prices than other brands. Originator brand removal means that the Government price would more closely reflect the prices at which generic brands of the medicine are being sold in the market, not the prices of all brands.

The PBS provides Australians with timely, reliable and affordable access to necessary and cost-effective medicines. The PBS operates under Part VII of the *National Health Act 1953*, which regulates the listing, prescribing, pricing, charging and payment of subsidies for supply of drugs and medicinal preparations as pharmaceutical benefits. The Regulations prescribe matters and set out details in relation to the operation of the PBS.

Human rights implications

This legislative instrument engages Articles 2 and 12 of the International Covenant on Economic, Social and Cultural Rights by assisting with the progressive realisation by all appropriate means of the right of everyone to the enjoyment of the highest attainable standard of physical and mental health.

The PBS is a benefits scheme that assists with providing subsidised access to medicines for people. This is a positive and supportive step towards attaining the highest standard of health for all Australians.

Determining an originator brand will improve the operation of the PBS by delivering better value for money for PBS medicines through price disclosure reductions. This will assist consumers by reducing out-of-pocket costs for some PBS medicines.

Conclusion

This legislative instrument is compatible with human rights as it advances the protection of human rights.

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