



**The Hon Greg Hunt  
Minister for Health and Aged Care**

Ref No: MC22-008592

Mr Jonathan Smithers  
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Arthritis Australia  
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18 May 2022

Dear Mr Smithers

I refer to your correspondence of 28 April 2022 concerning Arthritis Australia's election platform which seeks support for six key actions to address the costs for care and treatment for consumers with arthritis, improve outcomes for children with arthritis, and invest in medical research for arthritis and musculoskeletal conditions in Australia.

Responses to each of Arthritis Australia's calls to action are outlined below.

**Action to reduce out of pocket costs**

The Morrison Government recognises the essential role of affordable medicines in delivering quality health outcomes for Australian patients.

Since 2013, the Coalition Government has approved more than 2,900 new or amended listings on the Pharmaceutical Benefits Scheme (PBS). This represents an average of nearly one each day - at an overall investment by the Government of approximately \$16.5 billion.

The Coalition Government has a policy to list all medicines on the PBS recommended by the independent Pharmaceutical Benefits Advisory Committee (PBAC). Since 2013, the average time taken to list new molecular entities on the PBS has been halved from 312 to 141 days following a positive PBAC recommendation.

From 1 January 2023, a re-elected Morrison Government will cut the price of medications listed on the PBS. Millions of Australians taking common medications for blood pressure, high cholesterol, pain relief, depression, diabetes and more will save \$10 on scripts with an Australian first reduction in the price of Government-subsidised medications.

The \$10 cut per script means the maximum price Australians will pay for PBS medicines drops from \$42.50 down to \$32.50, a 24 per cent saving. This will be the first time the PBS General Co-payment has been reduced by any Government and could benefit the more than 19 million Australians without a concession card each year. All scripts currently counting towards a patient's safety net will continue to do so.

In the 2022-23 Budget the Morrison Government invested over \$525 million to make medicines more affordable for 2.4 million Australians by lowering the PBS Safety Net threshold from 1 July 2022, benefiting concession card holders and general patients. Under the changes, concessional patients will reach the PBS Safety Net with 12 fewer filled scripts. For general patients, it's two fewer scripts – saving over \$80 a year before they are eligible to receive free or further subsidised PBS medicines.

The Government also provides support for patients through Chronic Disease Management (CDM), which can include pain management. The CDM Medicare items enable a doctor to plan and coordinate the health care of a patient with a chronic medical condition, depending on the specific needs of the patient.

Once a GP Management Plan and Team Care Arrangements are in place, patients are able to be referred by their GP for up to five Medicare rebateable allied health services each calendar year.

Eligible allied health services include exercise physiology, as well as other allied health services such as physiotherapy, mental health, psychology, occupational therapy, chiropractic, osteopathy or podiatry.

### **Joint replacement surgery catch up package**

The Morrison Government's funding for public hospitals is delivering record numbers of doctors, nurses and services. Funding has increased and continues to increase from Labor's time in government. Under the National Health Reform Agreement, funding has doubled from \$13.3 billion in 2012-13 to approximately \$27.2 billion in 2022-23 to \$33 billion in 2025-26.

Under the new 2020-25 National Health Reform Agreement, the Australian Government's funding contribution for public hospitals services in all states and territories increases from \$99.2 billion between 2015-16 and 2019-20 to \$133.7 billion between 2020-21 and 2024-25. While Commonwealth funding has grown by 92 per cent, state funding to their hospitals has only grown by 42 per cent.

In addition, the Government has provided states and territories with an additional \$100 million to assist in the trial of reforms aimed at reducing pressure on hospitals through flexible care models.

Through the National Partnership on COVID-19 Response, our Government has provided \$10.5 billion in funding to support state and territory health systems responding to COVID-19 outbreaks as of April 2022. This includes funding to assist the states and territories to address elective surgery which was delayed due to the pandemic.

Further, the Morrison Government has provided funding certainty to the states and territories during the pandemic through the Minimum Funding Guarantee. This has seen more than \$755 million provided to support states to commission delayed surgeries and hospital activity in recognition that this activity will need to be caught up at a future stage.

## **A national package to improve outcomes for children with arthritis**

The Morrison Government is backing vital research to help Aussie kids suffering from painful chronic and congenital musculoskeletal disorders, with \$21.6 million to improve diagnosis, treatment and care.

Funded through the Medical Research Future Fund (MRFF), 11 research projects will explore conditions like juvenile idiopathic arthritis, chronic pain conditions, cerebral palsy, hip dysplasia and congenital muscle disease, which in some cases can cause lifelong and debilitating pain and impairment.

The funding for these projects is provided under the MRFF's \$613 million Emerging Priorities and Consumer Driven Research Initiative.

The 10-year research program is driving improved patient care, translating new discoveries into clinical practice, and finding new ways to diagnose, treat and cure people suffering from rare and debilitating conditions.

## **Investment in community arthritis community programs and funding for arthritis educators to provide better support in the community**

As part of the National Strategic Action Plan for Arthritis, the Morrison Government has provided \$4 million to better support people living with arthritis. This includes

- \$1 million from 2019–20 to 2023–24 for information, education and support activities including expanding existing and developing new information, education and support programs to assist people with arthritis to proactively manage their conditions; and expanding the reach and coverage of Juvenile Idiopathic Arthritis kids camps
- \$1 million from 2019–20 to 2023–24 to support consumer awareness and education activities to ensure those affected by arthritis, their families/carers and the wider population have access to a broad range of evidence-based education resources, care and support options
- \$2 million from 2019–20 to 2023–24 to support activities relating to education and awareness for health practitioners.

In addition, the Primary Health Networks provide education and support to individuals living with arthritis in their local community.

## **Fix the chronic underinvestment in arthritis and musculoskeletal research**

As mentioned above, the Morrison Government is backing vital research to help Aussie kids suffering from painful chronic and congenital musculoskeletal disorders, with \$21.6 million to improve diagnosis, treatment and care

The Morrison Government is investing \$6.8 billion in medical research to drive world-leading research, which will improve health outcomes, as well as creating jobs and economic growth.

This investment is being provided through three funding sources:

- \$3.7 billion for the National Health and Medical Research Council (NHMRC)
- \$2.6 billion for the Medical Research Future Fund (MRFF)
- \$500 million for the Biomedical Translation Fund (BTF)

The Morrison Government's \$20 billion MRFF is underpinned by a 10-year investment plan and will continue to build on the unprecedented support for health and medical research by investing \$6.3 billion from 2022–23 to 2032–33 in the update of the Medical Research Future Fund 10-year investment plan.

This long-term commitment will include new funding of \$384.2 million to support Australia's upcoming early to mid-career researchers, to keep them engaged with the sector and working on our greatest health challenges.

This initiative will particularly assist women in research, who are often the most disadvantaged, especially those who also have primary caregiving responsibilities. Other areas of investment focus include a further:

- \$478 million for preventive and public health research
- \$374.4 million for clinical trials
- \$240 million for medical research commercialisation, and
- \$70 million for primary health care research.

A re-elected Morrison Government is committed to working with Arthritis Australia to identify the most suitable programs under the MRFF for arthritis and musculoskeletal research.

I wish to thank Arthritis Australia for your support and leadership in the development of the National Strategic Action Plan for Arthritis and in implementing many priority actions.

A re-elected Morrison Government looks forward to continue working with Arthritis Australia to continue to improve the lives of Australians living with arthritis.

Thank you for writing on this matter.

Yours sincerely



Greg Hunt