



SANOFI 2021-22 PRE-BUDGET SUBMISSION

Until you or a loved one has been sick, it's easy to overlook the importance of having a health system that provides equitable access to innovative medicines and vaccines. For many Australians, affordable access to medicines via federally funded programs, like the Pharmaceutical Benefits Scheme (PBS), is critical; it can mean the difference between life and death. Between 2019 and 2020, there were more than 200 million PBS prescriptions dispensed in Australia – equating to eight scripts for every Australian.¹ The ability to access a medicine on the PBS can give people the dignity of being able to return work, contribute to their community, or attend special family celebrations.

Federal government spending on the PBS, Life Saving Drugs Program (LSDP), National Immunisation Program (NIP) and National Blood Authority (NBA) should be viewed as an investment in the future prosperity of the nation, since the innovative therapies developed by the pharmaceutical and life sciences industry raise the quality of life for all Australians, driving economic growth and patient wellbeing.²

At Sanofi, we are driven by science and the patients whose health and wellbeing depend on us. We work collaboratively with the Australian Government to support access to innovative medicines and vaccines. We are proud to provide Australians access to:

- More than 65 medicines on the PBS
- Seven vaccines on the NIP
- Treatments for five out of 10 conditions covered on the Life Saving Drugs Program (LSDP).

It takes years of complicated and expensive research, clinical trials and regulatory approvals before an effective medicine or vaccine can be made available to patients. Further, the process to gain government subsidy in Australia for an innovative medicine or vaccine often contributes a significant amount of time to what is already a very lengthy process. According to the latest data, Australia is lagging behind comparable developed countries in the time taken to provide subsidised access to breakthrough medicines and vaccines.³ On average it can take almost 400 days to achieve public reimbursement following registration by the Therapeutic Goods Administration (TGA). By comparison, countries like Japan, UK and Switzerland can complete this process in under 200 days.³

Not only are pharmaceutical companies like Sanofi facing delays with respect to reimbursement for new medicines and vaccines, our ability to bring innovative products to market in Australia is challenging due to the current architecture of the PBS. Progressive PBS reforms implemented since 2007 to reduce the price government pays for older drugs has led to comparator price erosion, whereby new medicines are benchmarked against older drugs, which in some cases, have had their prices reduced to very low levels.

Sanofi welcomed the 2020 New Medicines Funding Guarantee and removal of the offsets policy. In 2021, there is an opportunity to:

1. Accelerate the assessment process for medicines and vaccines, and reduce PBAC application 'churn' i.e. the need for multiple submissions, across many years, before reimbursement is achieved
2. Adapt Australia's access and pricing policy settings to appropriately value the benefits that therapies deliver and fairly recognise innovation



3. Streamline the assessment pathway to appropriately consider the therapeutic value of new medicines and their complex impacts on health outcomes and broader societal benefits.

Sanofi believes the review of the National Medicines Policy (NMP) - with a fully functioning and resourced NMP review team with clear objectives, timelines, and milestones - is the ideal mechanism to achieve the integrated and comprehensive reform that is needed to ensure Australian patients have both affordable and equitable access to the latest scientific and medical innovations.

References:

1. <https://www.pbs.gov.au/info/statistics/expenditure-prescriptions/pb-expenditure-and-prescriptions-report-1-july-2019>
2. <https://www.ausbiotech.org/documents/item/606> Accessed 9 December 2020
3. https://www.medicinesaustralia.com.au/wp-content/uploads/2020/12/0106-Med-Aus-Medicines-Matter-Report-2-Page-Brochure_V3.pdf