

EXPLANATORY STATEMENT

NATIONAL HEALTH ACT 1953

NATIONAL HEALTH (PARAPLEGIC AND QUADRIPLLEGIC PROGRAM) SPECIAL ARRANGEMENT AMENDMENT INSTRUMENT 2024 (No. 2)

PB 118 of 2024

Purpose

This is the *National Health (Paraplegic and Quadriplegic Program) Special Arrangement Amendment Instrument 2024 (No. 2)* (this Instrument). The purpose of this Instrument, made under subsection 100(2) of the *National Health Act 1953* (the Act), is to amend the *National Health (Paraplegic and Quadriplegic Program) Special Arrangement 2021* (PB 31 of 2021) (the Special Arrangement) to make changes to the Special Arrangement relating to the Paraplegic and Quadriplegic Program.

The Paraplegic and Quadriplegic Program Special Arrangement provides for ‘authorised associations’ to supply pharmaceutical benefits available under the Special Arrangement to ‘eligible persons’. A person is an ‘eligible person’ for the purposes of the Special Arrangement if they:

- (a) are an ‘eligible person’ within the meaning of the *Health Insurance Act 1973*, that is, eligible to receive Medicare benefits; and
- (b) have paraplegia or quadriplegia; and
- (c) are a member of an ‘authorised association’.

The amendments made by this Instrument reflect amendments to the *National Health (Listing of Pharmaceutical Benefits) Instrument 2024* (PB 26 of 2024), which commence on the same day. The *National Health (Listing of Pharmaceutical Benefits) Instrument 2024* (PB 26 of 2024) is made under sections 84AF, 84AK, 85, 85A, 88 and 101 of the Act.

The amendments made by this Instrument involve the alteration of responsible person code for a brand of the listed drug macrogol 3350, and the deletion of a brand of the listed drug macrogol 3350 from Schedule 1. It also provides for the addition and deletion of responsible persons listed in Schedule 2 of the Special Arrangement. These changes are summarised below.

Authority

Subsection 100(1) of the *National Health Act 1953* (the Act) enables the Minister to make special arrangements for the supply of pharmaceutical benefits.

Subsection 100(2) of the Act provides that the Minister may vary or revoke a special arrangement made under subsection 100(1).

Subsection 100(3) of the Act provides that Part VII of the Act, and instruments made for the purposes of Part VII have effect subject to a special arrangement made under subsection 100(1).

Consultation

The amendments made by this Instrument accord with recommendations made by the Pharmaceutical Benefits Advisory Committee (PBAC).

An ongoing and formal process of consultation in relation to matters relevant to the Special Arrangement includes the involvement of interested parties through the membership of the PBAC.

PBAC is an independent expert body established by section 100A of the Act which makes recommendations to the Minister about which drugs and medicinal preparations should be available to Australians as pharmaceutical benefits. The PBAC members are appointed following nomination by prescribed organisations and associations from consumers, health economists, practising community pharmacists, general practitioners, clinical pharmacologists and specialists, with at least one member selected from each of those interests or

professions. Remaining members are persons whom the Minister is satisfied have qualifications and experience in a field relevant to the functions of the PBAC, and that would enable them to contribute meaningfully to the deliberations of the PBAC. In addition, an industry nominee has been appointed to the PBAC membership under the Pharmaceutical Benefits Scheme (PBS) Access and Sustainability Package of reforms announced in May 2015. When recommending the listing of a medicine on the PBS, PBAC takes into account the medical conditions for which the medicine has been approved for use in Australia, its clinical effectiveness, safety and cost-effectiveness compared with other treatments.

Pharmaceutical companies are consulted throughout the process of the listing of their medicines on the PBS and in relation to changes to those listings. This includes the company submission to the PBAC and involvement throughout the PBAC process.

It was considered that further consultation for this Instrument was unnecessary due to the nature of the consultation that had already taken place.

General

A provision-by-provision description of this Instrument is contained in the Attachment.

This Instrument commences on 1 November 2024.

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

PROVISION-BY-PROVISION DESCRIPTION OF NATIONAL HEALTH (PARAPLEGIC AND QUADRIPLAGIC PROGRAM) SPECIAL ARRANGEMENT AMENDMENT INSTRUMENT 2024 (No. 2)

Section 1 Name of Instrument

This section provides that the name of the Instrument is the *National Health (Paraplegic and Quadriplegic Program) Special Arrangement Amendment Instrument 2024 (No. 2)* and may also be cited as PB 118 of 2024.

Section 2 Commencement

Subsection 2(1) provides for commencement dates of each of the provisions specified in Column 1 of the table, in accordance with Column 2 of the table. In accordance with Column 2 of the table, Schedule 1 to the Instrument commences on 1 November 2024.

Section 3 Authority

This section specifies that subsection 100(2) of the *National Health Act 1953* provides the authority for the making of this Instrument.

Section 4 Schedules

This section provides that each instrument that is specified in a Schedule to the Instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to the Instrument has effect according to its terms.

Schedule 1 Amendments

The amendments made by this Instrument involve the alteration of responsible person code for a brand of an existing pharmaceutical item and the deletion of a brand of a listed drug from Schedule 1, and the addition and deletion of responsible persons listed in Schedule 2 of the Special Arrangement. These changes are summarised below.

SUMMARY OF CHANGES TO THE NATIONAL HEALTH (PARAPLEGIC AND QUADRIPLAGIC PROGRAM) SPECIAL ARRANGEMENT 2021 MADE BY THIS INSTRUMENT

Brand Deleted

Listed Drug Form

Macrogol 3350 Sachets containing powder for oral solution 13.125g with electrolytes, 30 (*Movicol*)

Alteration of Responsible Person Code

Listed Drug	Form	Brand Name	Responsible Person
Macrogol 3350	Sachets containing powder for oral solution 13.125g with electrolytes, 30	<i>Molaxole</i>	From: GO To: XT

Deletion of Responsible Person

Responsible Person

Viatrix Pty Ltd (*GO*)

Addition of Responsible Person

Responsible Person

Arrotex Pharmaceuticals Pty Ltd (*XT*)

Statement of Compatibility with Human Rights

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

National Health (Paraplegic and Quadriplegic Program) Special Arrangement Amendment Instrument 2024 (No. 2)

(PB 118 of 2024)

This 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 Instrument

The purpose of this Instrument, made under subsection 100(2) of the *National Health Act 1953* (the Act), is to amend the *National Health (Paraplegic and Quadriplegic Program) Special Arrangement 2021* (PB 31 of 2021) (the Special Arrangement), to make changes to the Special Arrangement relating to the Paraplegic and Quadriplegic Program.

The Paraplegic and Quadriplegic Program Special Arrangement provides for ‘authorised associations’ to supply pharmaceutical benefits available under the Special Arrangement to ‘eligible persons’ requiring treatment with bowel management medicines. A person is an ‘eligible person’ for the purposes of the Special Arrangement if they:

- (a) are an ‘eligible person’ within the meaning of the *Health Insurance Act 1973*; and
- (b) have paraplegia or quadriplegia; and
- (c) are a member of an ‘authorised association’.

Restrictions on the provision of this treatment mean that these pharmaceutical benefits can more conveniently or efficiently be supplied under a special arrangement.

This Instrument provides for amendments to the Special Arrangement to ensure that the Special Arrangement accurately reflects changes to the *National Health (Listing of Pharmaceutical Benefits) Instrument 2024* (the Listing Instrument), made under sections 84AF, 84AK, 85, 85A, 88 and 101 of the Act, which commences on the same day.

Human rights implications

This Instrument engages Articles 9 and 12 of the International Covenant on Economic Social and Cultural Rights (ICESCR), specifically the rights to social security and health.

The Right to Social Security

The right to social security is contained in Article 9 of the ICESCR. It requires that a country must, within its maximum available resources, ensure access to a social security scheme that provides a minimum essential level of benefits to all individuals and families that will enable them to acquire at least essential health care. Countries are obliged to demonstrate that every effort has been made to use all resources that are at their disposal in an effort to satisfy, as a matter of priority, this minimum obligation.

The UN Committee on Economic Social and Cultural Rights reports that there is a strong presumption that retrogressive measures taken in relation to the right to social security are prohibited under ICESCR. In this context, a retrogressive measure would be one taken without adequate justification that had the effect of reducing existing levels of social security benefits, or of denying benefits to persons or groups previously entitled to them. However, it is legitimate for a Government to re-direct its limited resources in ways that it considers to be more effective at meeting the general health needs of all society, particularly the needs of the more disadvantaged members of society.

The Right to Health

The right to the enjoyment of the highest attainable standard of physical and mental health is contained in Article 12(1) of the ICESCR. The UN Committee on Economic Social and Cultural Rights (the Committee)

has stated that the right to health is not a right for each individual to be healthy, but is a right to a system of health protection which provides equality of opportunity for people to enjoy the highest attainable level of health.

The Committee reports that the ‘highest attainable standard of health’ takes into account the country’s available resources. This right may be understood as a right of access to a variety of public health and health care facilities, goods, services, programs, and conditions necessary for the realisation of the highest attainable standard of health.

Analysis

This Instrument advances the right to health and the right to social security by ensuring that the amendments to the *National Health (Listing of Pharmaceutical Benefits) Instrument 2024* (the Listing Instrument), that affect the pharmaceutical benefits that may be supplied under the Special Arrangement, are made concurrently. This Instrument provides for the deletion of a brand of the listed drug macrogol 3350 from Schedule 1 of the Special Arrangement.

The Listing Instrument determines the pharmaceutical benefits that are on the Pharmaceutical Benefits Scheme (PBS) through declarations of drugs and medicinal preparations, and determinations of forms, manners of administration and brands. The PBS is a benefit scheme which assists with advancement of these human rights by providing for subsidised access by patients to medicines. The recommendatory role of the Pharmaceutical Benefits Advisory Committee (PBAC) ensures that decisions about subsidised access to medicines on the PBS are evidence-based.

Where there are many brands of a listed drug and form, then the delisting of one brand will not adversely affect members of the public as they will be able to obtain any of the other equivalent brands. The delisting of brands in this Instrument will not affect access to the drugs, as affected patients will be able to access equivalent brands, at the same cost. Consequently, the brand delistings in this instrument do not result in an unmet clinical need. Note that delisting of maximum quantities, number of repeats, and pack sizes are equivalent to brand delistings.

Conclusion

This Instrument is compatible with human rights because it advances the protection of human rights.

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