

EXPLANATORY STATEMENT

NATIONAL HEALTH ACT 1953

NATIONAL HEALTH (HIGHLY SPECIALISED DRUGS PROGRAM) SPECIAL ARRANGEMENT AMENDMENT (MARCH UPDATE) INSTRUMENT 2025

PB 17 of 2025

Purpose

This is the *National Health (Highly Specialised Drugs Program) Special Arrangement Amendment (March Update) Instrument 2025* (PB 17 of 2025) (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 (Highly Specialised Drugs Program) Special Arrangement 2021* (PB 27 of 2021) (the Special Arrangement), to make changes to the Special Arrangement relating to the Highly Specialised Drugs (HSD) Program.

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.

Schedule 1 to this Instrument provides for minor technical amendments to the Special Arrangement to reflect amendments made to the Act by the *National Health Amendment (Supporting Patient Access to Cheaper Medicines and Other Measures) Act 2024*. Schedule 1 also provides for the addition of a brand of the listed drug lenalidomide, and the deletion of a brand of the listed drug entecavir under the Special Arrangement. These changes are summarised, by subject matter, in the Attachment.

Authority

Subsection 100(1) of 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 as pharmaceutical benefits. 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 PBAC, and that would enable them to contribute meaningfully to the deliberations of PBAC. In addition, an industry nominee has been appointed to the PBAC membership. When recommending the listing of a medicine on the Pharmaceutical Benefits Scheme (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 were consulted throughout the process of changes to the listings on the PBS. This includes consultation through the PBAC process.

Further consultation for this Instrument was considered unnecessary due to the nature of the consultation that has already taken place in the decision to list the medications outlined under ‘Purpose’. In addition, the amendment to section 30A of the Special Arrangement is a minor technical change and no consultation on that amendment was considered necessary.

Details of this Instrument are set out in the Attachment.

This Instrument commences on 1 March 2025.

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

DETAILS OF THE *NATIONAL HEALTH (HIGHLY SPECIALISED DRUGS PROGRAM) SPECIAL ARRANGEMENT AMENDMENT (MARCH UPDATE) INSTRUMENT 2025*

Section 1 Name of Instrument

This section provides that the name of the Instrument is the *National Health (Highly Specialised Drugs Program) Special Arrangement Amendment (March Update) Instrument 2025* and may also be cited as PB 17 of 2025.

Section 2 Commencement

This section provides that this Instrument commences on 1 March 2025.

Section 3 Authority

This section states that this instrument is made under subsection 100(2) of the *National Health Act 1953*.

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

National Health (Highly Specialised Drugs Program) Special Arrangement 2021 (PB 27 of 2021)

Item 1 – Section 30A

This item substitutes a new section 30A of the Special Arrangement to replace references to paragraph 99(3)(b) of the Act with references to paragraph 99AAAB(1)(b) of the Act.

This minor technical amendment reflects amendments made to the Act by the *National Health Amendment (Supporting Patient Access to Cheaper Medicines and Other Measures) Act 2024* which repealed subsection 99(3) of the Act and inserted new section 99AAAB. Both former paragraph 99(3)(b) and new paragraph 99AAAB(1)(b) prevent subsidy being paid under the Act for the supply of a pharmaceutical benefit where the supply is made by an approved pharmacist at or from premises in respect of which they are not approved, or otherwise than in accordance with their approval under section 90 of the Act.

Section 30A of the Special Arrangement provides that paragraph 99AAAB(1)(b) of the Act does not apply to a special arrangement supply of a HSD pharmaceutical benefit in the manner required by an approved pharmacist.

This amendment does not affect the existing operation of the Special Arrangement.

Items 2 and 3

These items amend Schedule 1 of the principal instrument to provide for the addition and deletion of brands of listed drugs available under the Special Arrangement. These changes are summarised below.

**SUMMARY OF CHANGES TO THE *HIGHLY SPECIALISED*
DRUGS PROGRAM MADE BY THIS INSTRUMENT**

Brand Added

<i>Listed Drug</i>	<i>Form and Brand</i>
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Lenalidomide	Capsule 20 mg (<i>Lenalidomide Sandoz</i>)
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Brand Deleted

<i>Listed Drug</i>	<i>Form and Brand</i>
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Entecavir	Tablet 1 mg (as monohydrate) (<i>Entecavir Mylan</i>)
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Statement of Compatibility with Human Rights

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

National Health (Highly Specialised Drugs Program) Special Arrangement Amendment (March Update) Instrument 2025

(PB 17 of 2025)

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 (Highly Specialised Drugs Program) Special Arrangement 2021* (PB 27 of 2021) (the Special Arrangement), to make changes to the Special Arrangement relating to the Highly Specialised Drugs Program.

The pharmaceutical benefits supplied under the Special Arrangement are for the treatment of chronic conditions which, because of their clinical use or other special features, may only be supplied to patients receiving specialised treatment.

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 addition of a brand of the listed drug lenalidomide, and the deletion of a brand of the listed drug entecavir. It also provides for a minor technical amendment that does not affect the existing operation 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.

If 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 deletion 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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