

Estimating household equivalised disposable income and application

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Equity of out-of-pocket Medicare costs

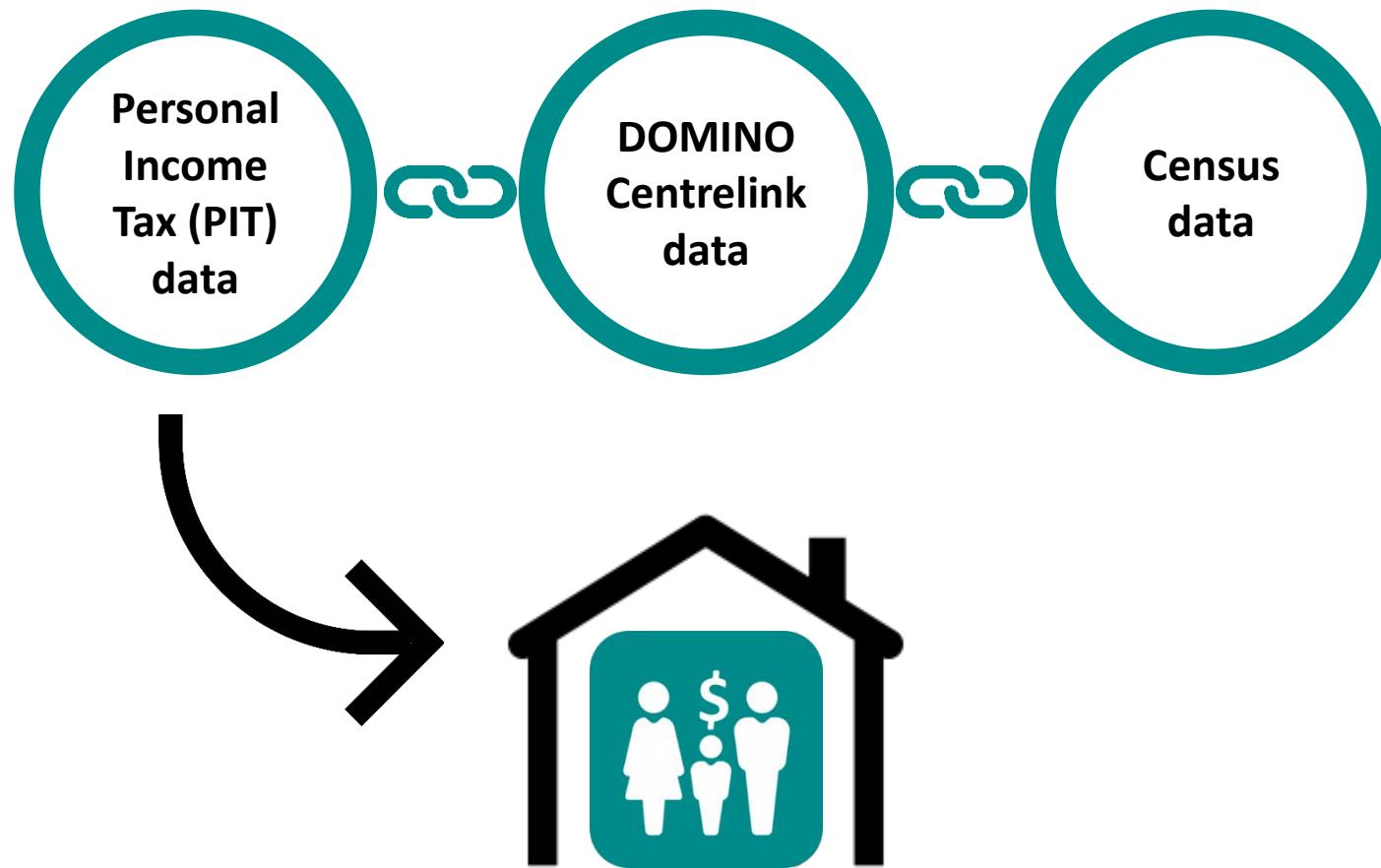


Household income



Healthcare cost

Estimating household disposable income



Disposable income model

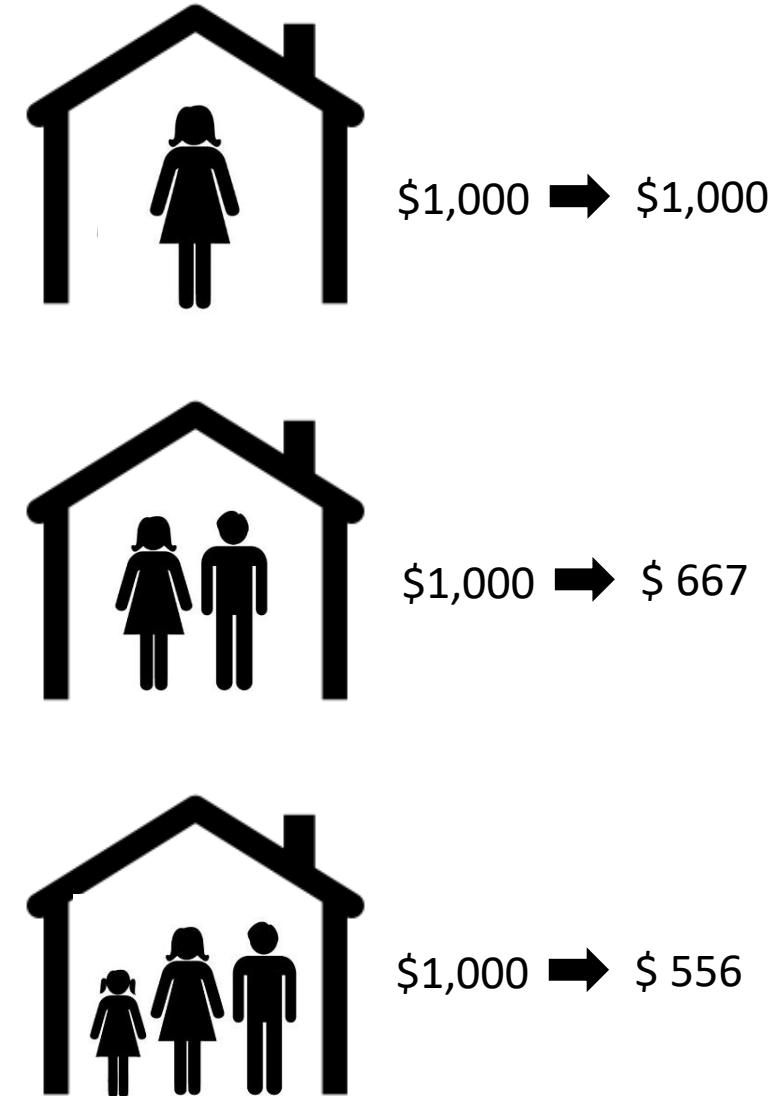


Taxable income
- Income taxes
- Medicare levy
+ Offsets

*Retirees:
+ (Census income – PIT total income)

Maximum of:
• Sum (gov. benefits)
• Census income

Self-reported
income

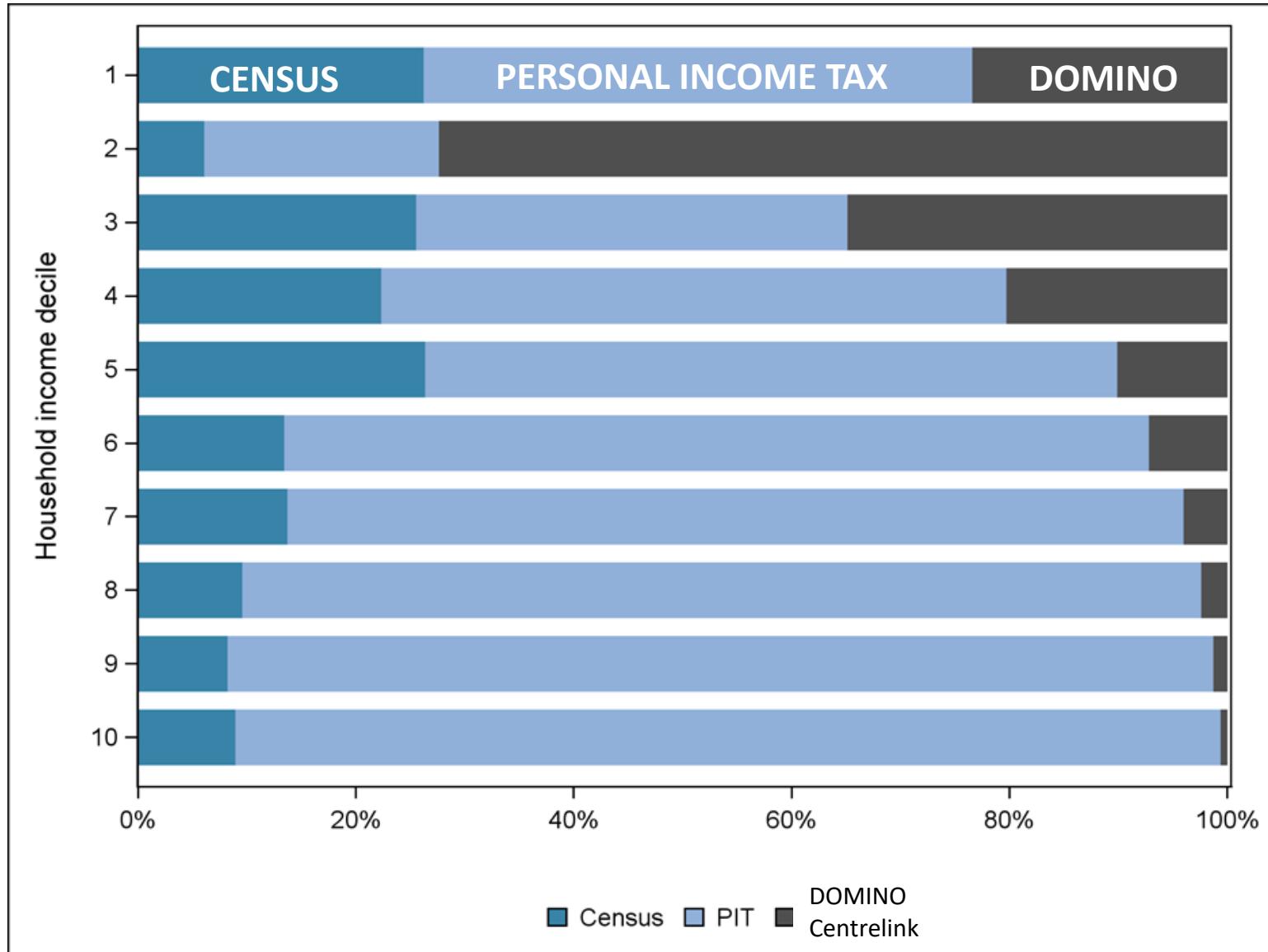


Source of income data varies by income

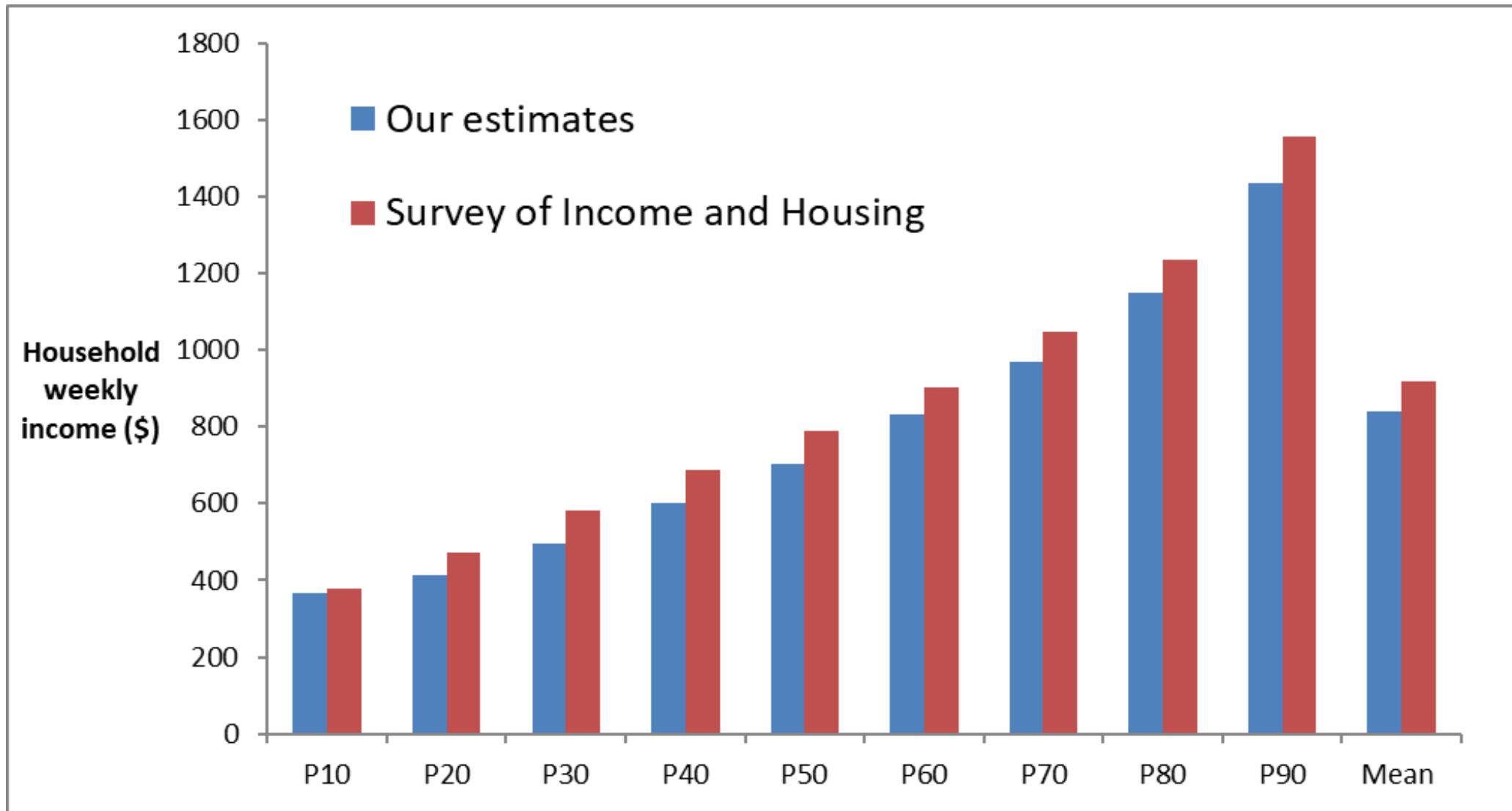
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Validation against Survey of Income and Housing

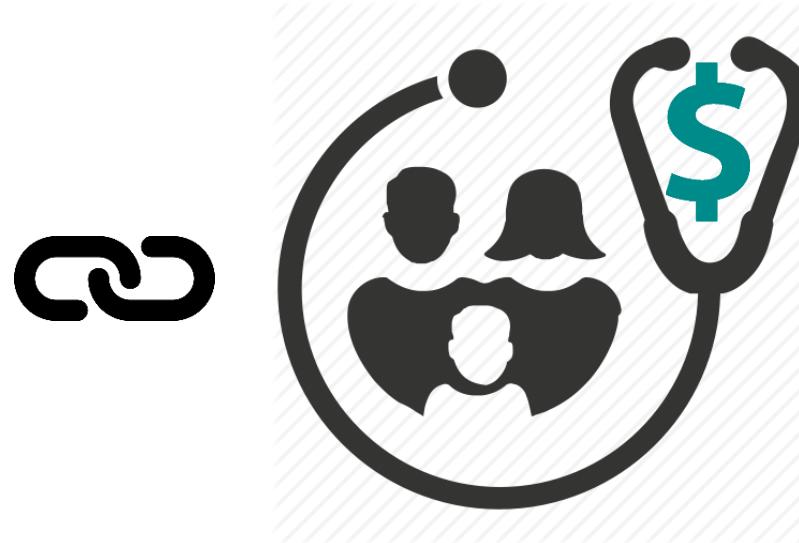


Application in equity analyses

Research question: How are Medicare out-of-pocket costs related to ability to pay? Are they proportional, progressive or regressive?



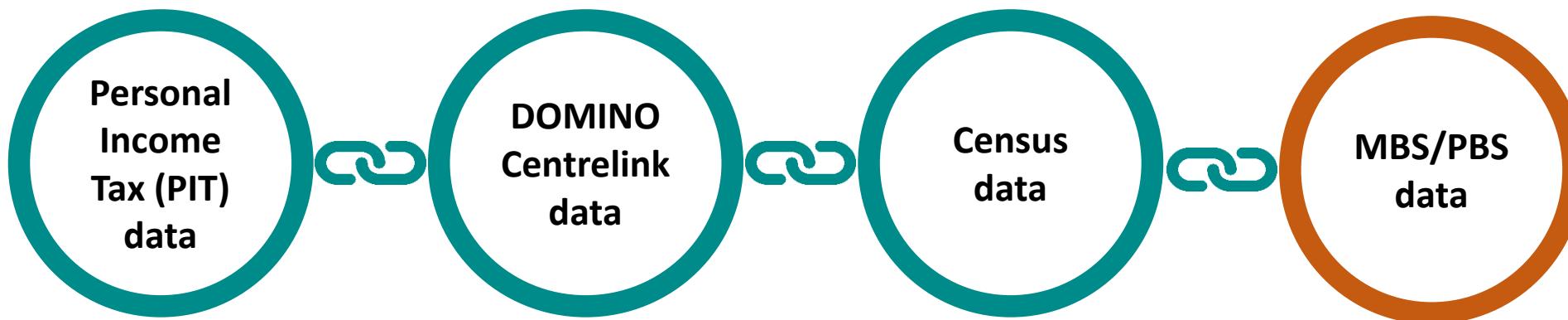
Household income



Healthcare cost

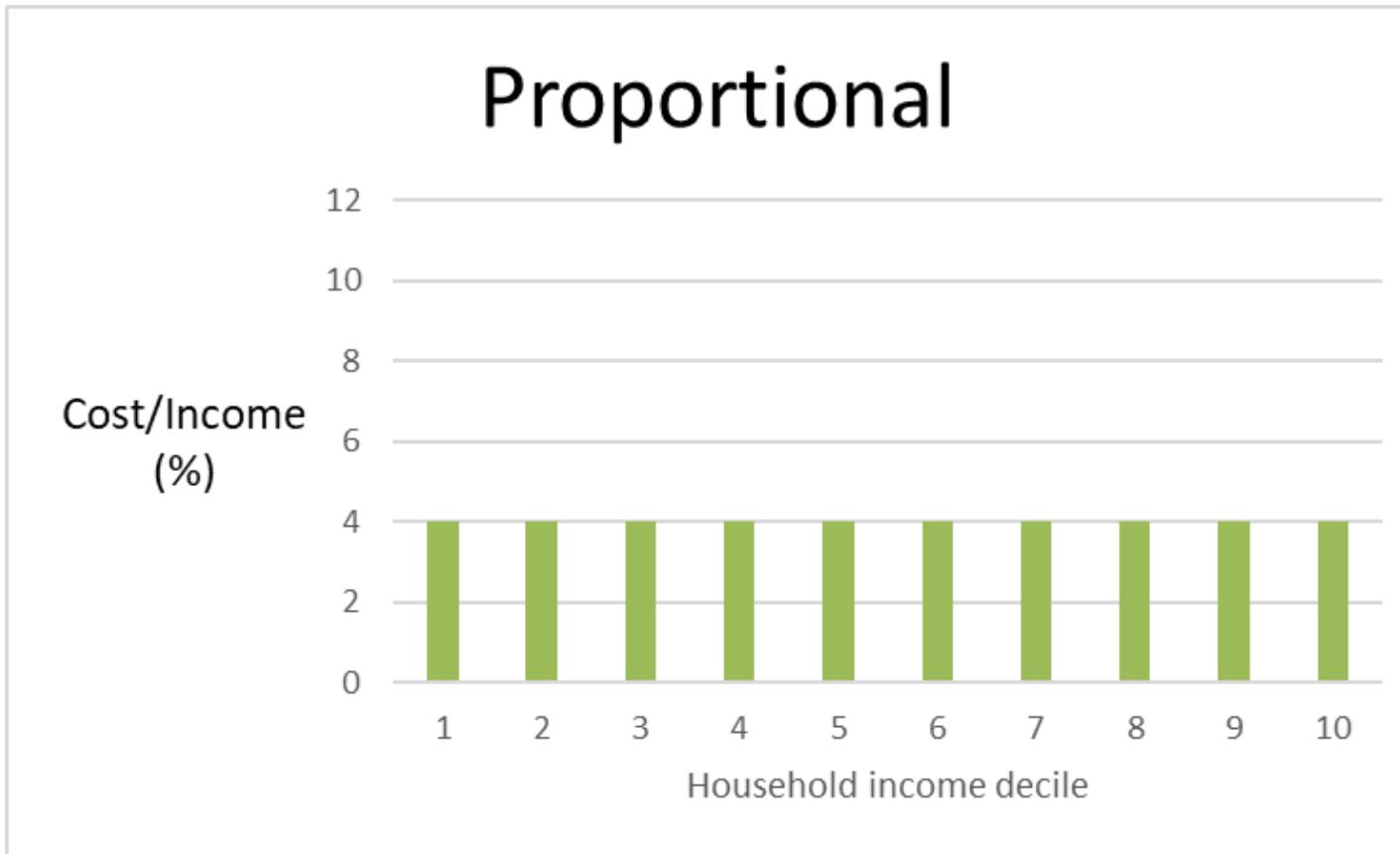
Application in equity analyses

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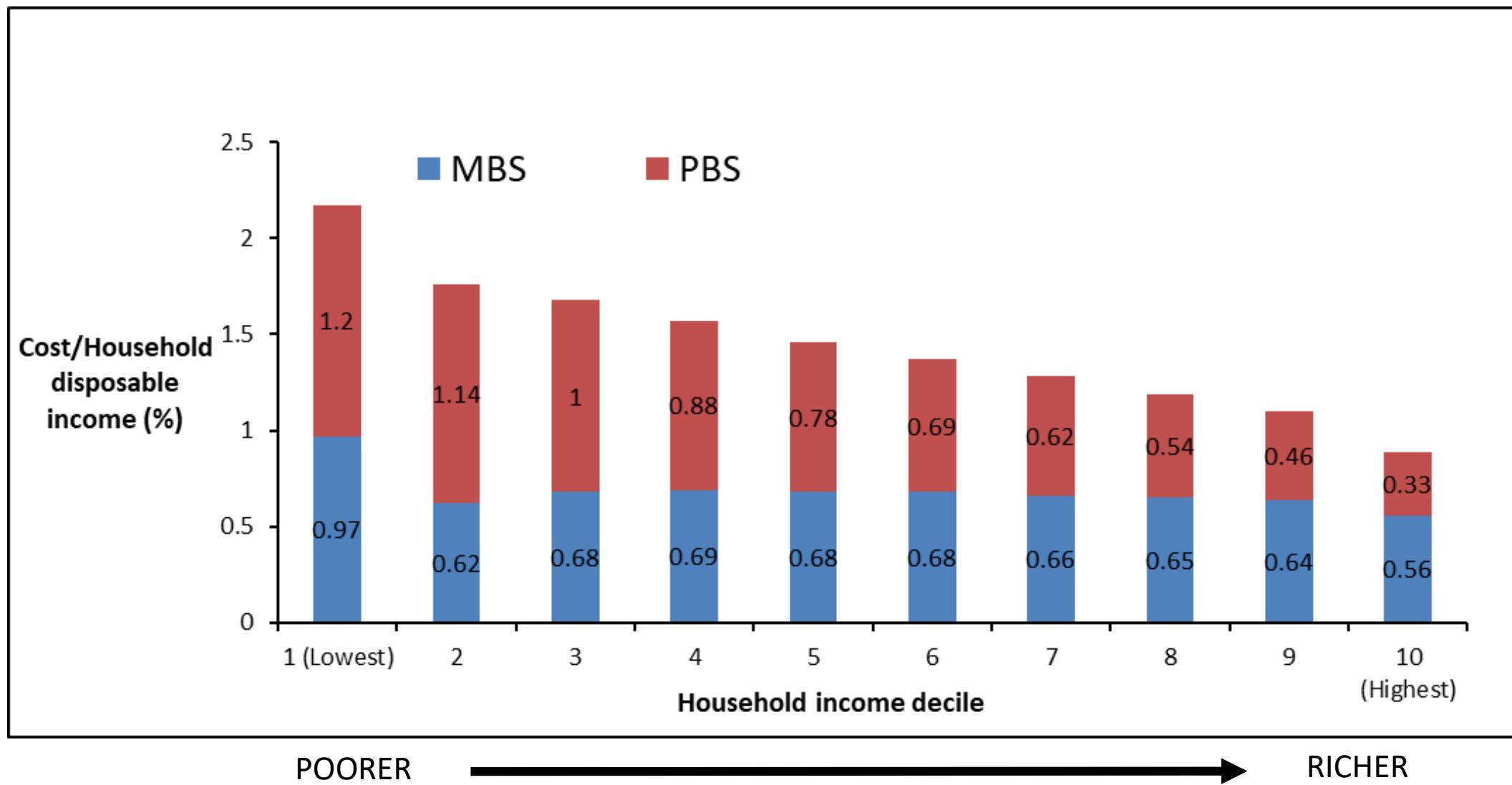


Application in equity analyses

Research question: How are Medicare out-of-pocket costs related to ability to pay? Are they proportional, progressive or regressive?



Percentage MBS/PBS out-of-pocket costs 2012/13



Conclusion

- Estimated household income using MADIP
- Applied our estimates in equity analyses of MBS/PBS out-of-pocket costs
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