

# Estimating household equivalised disposable income and application

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# Equity of out-of-pocket Medicare costs

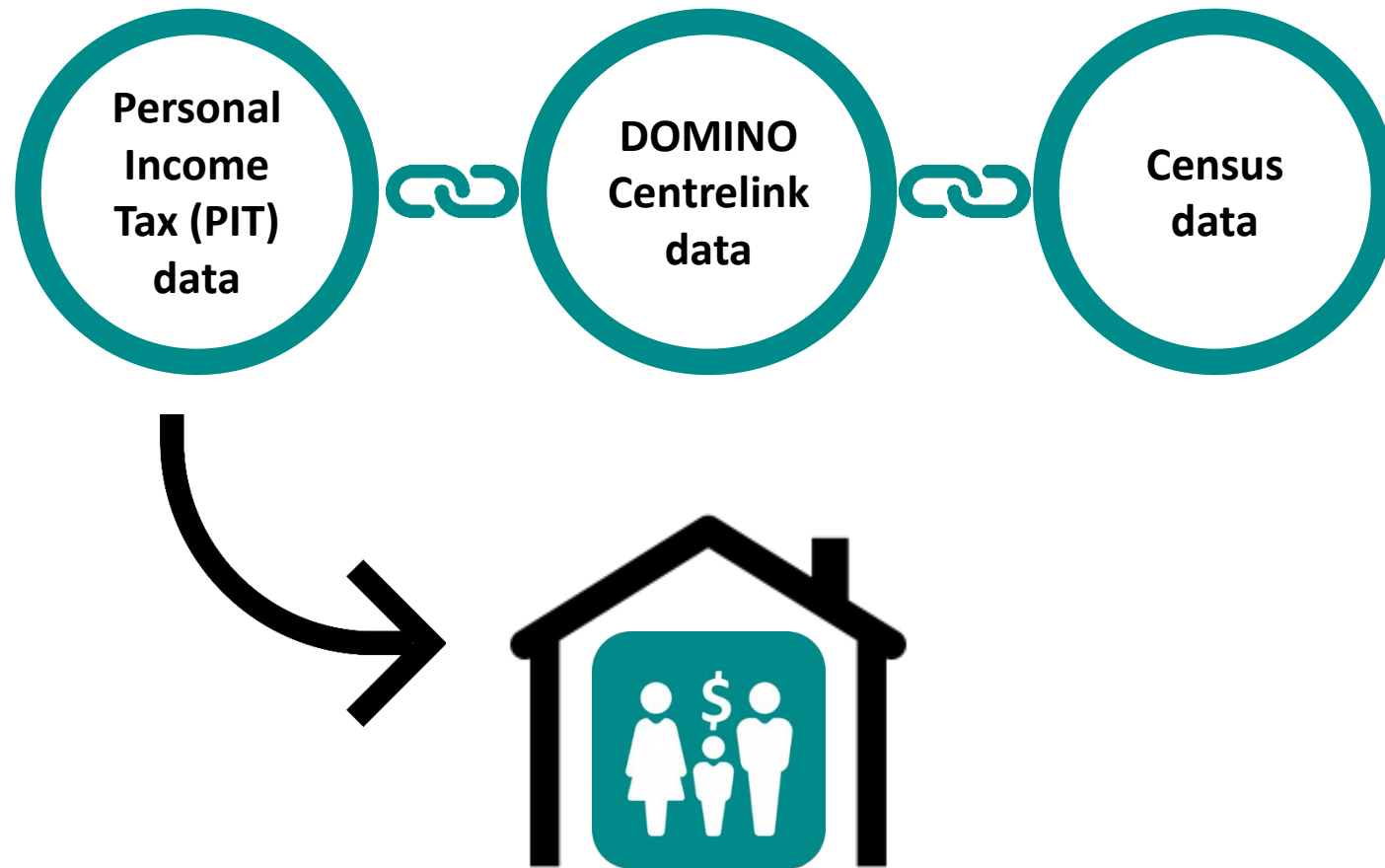


Household income



Healthcare cost

# Estimating household disposable income



# Disposable income model

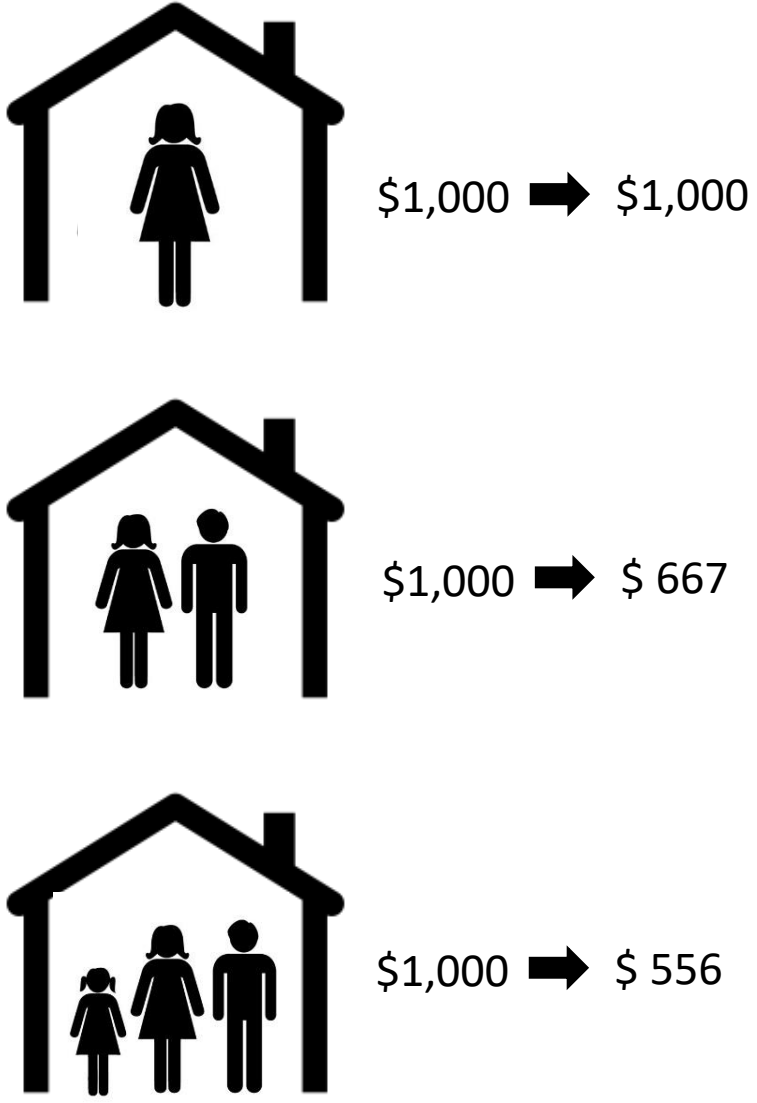


Taxable income  
- Income taxes  
- Medicare levy  
+ Offsets

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

Self-reported income

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

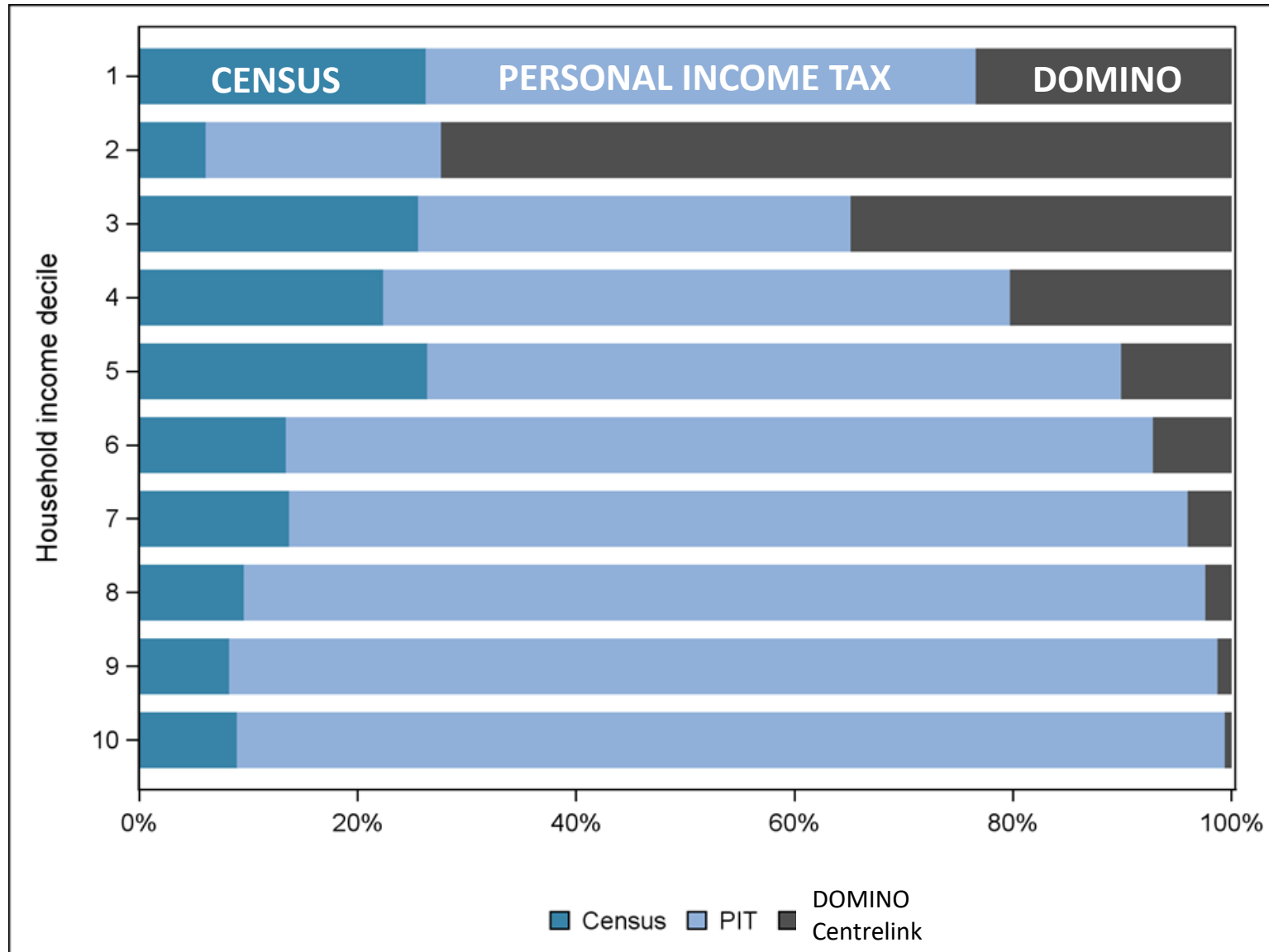


# Source of income data varies by income

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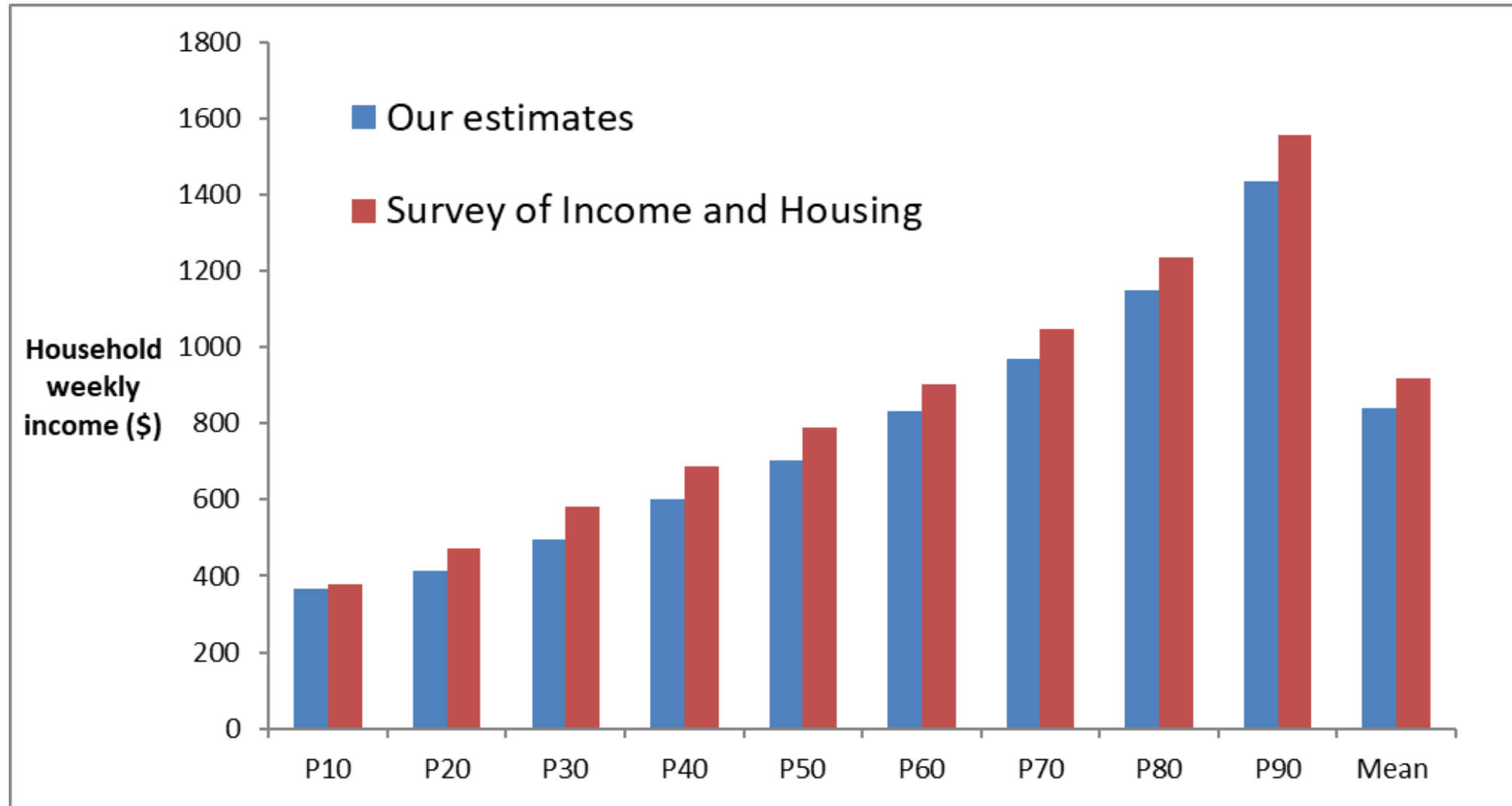


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# Validation against Survey of Income and Housing



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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?



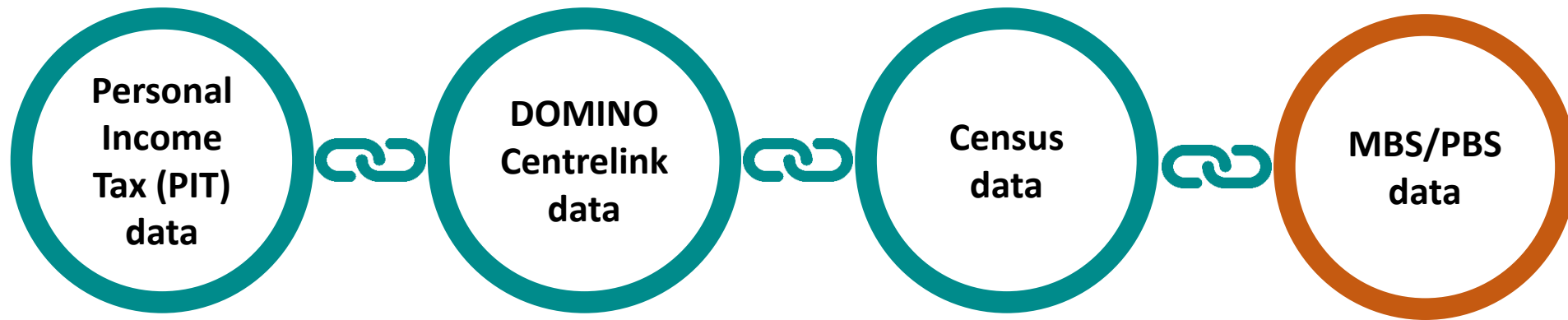
Household income



Healthcare cost

# Application in equity analyses

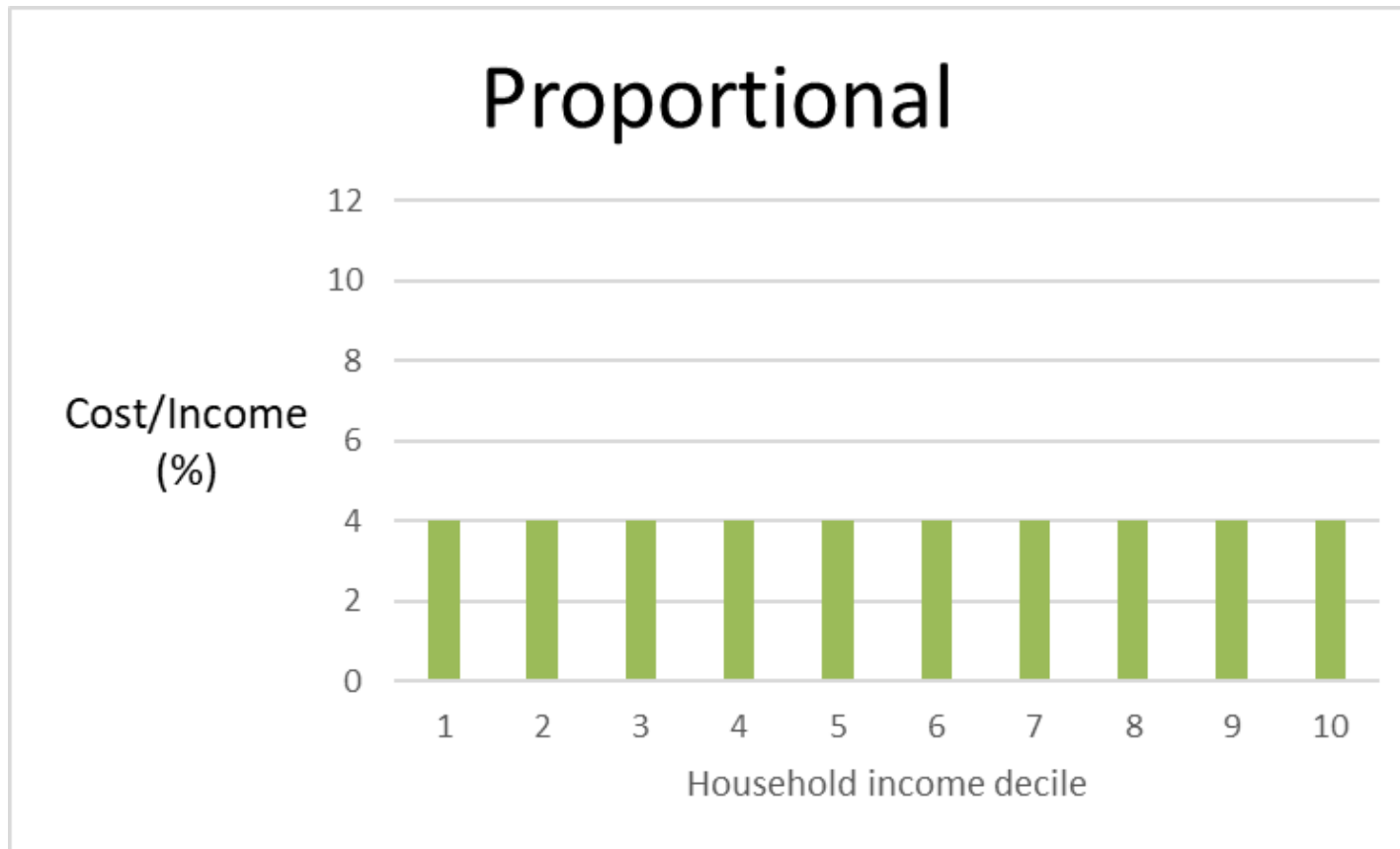
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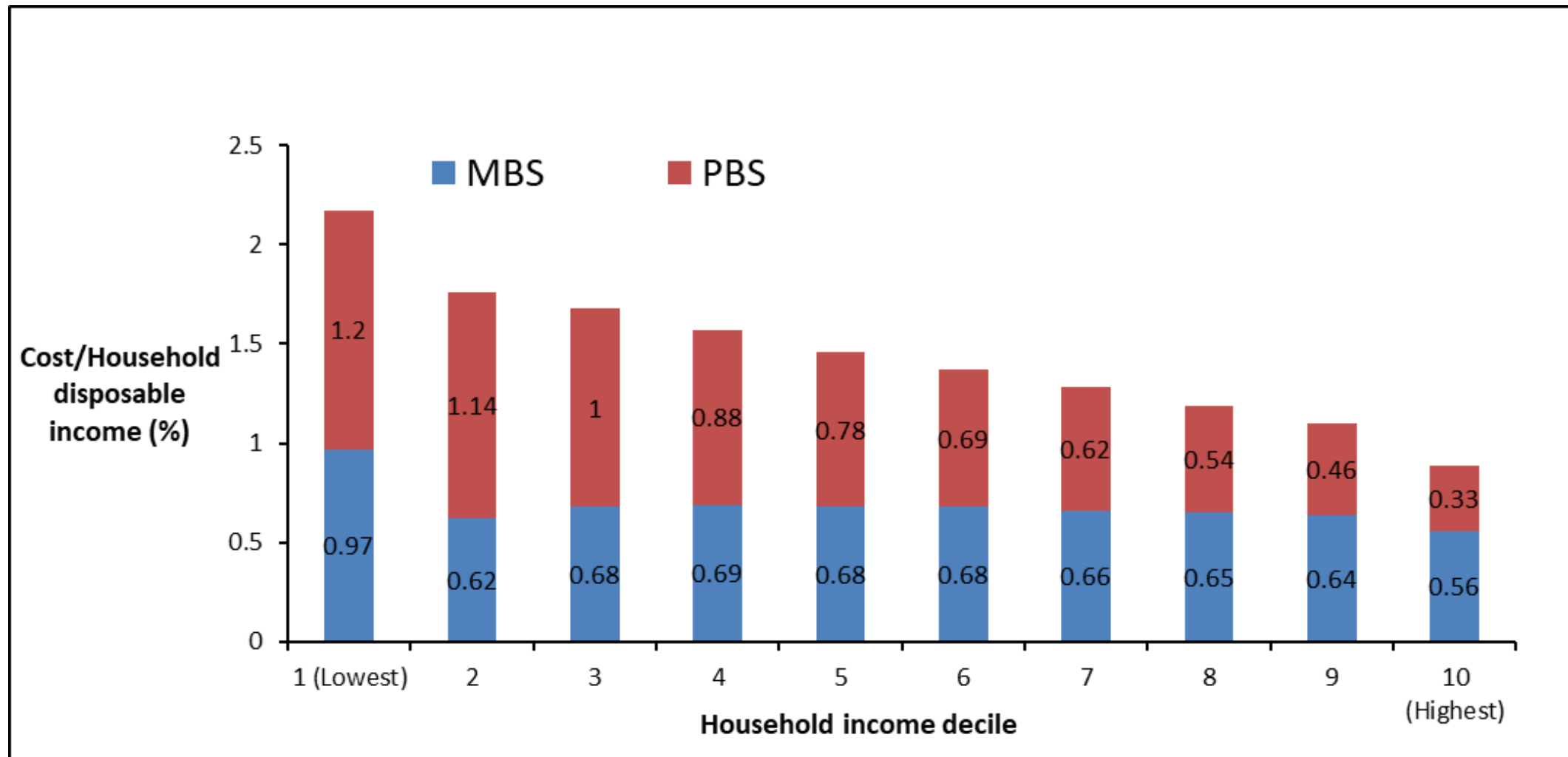


# Application in equity analyses

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



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# Conclusion

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

- Australian National University
- University of Adelaide
- University of New South Wales

- **OOP research team:** Rosemary Korda, Hsei Di Law, Nichols Biddle, Emily Lancsar, Danielle Butler and ABS team members