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
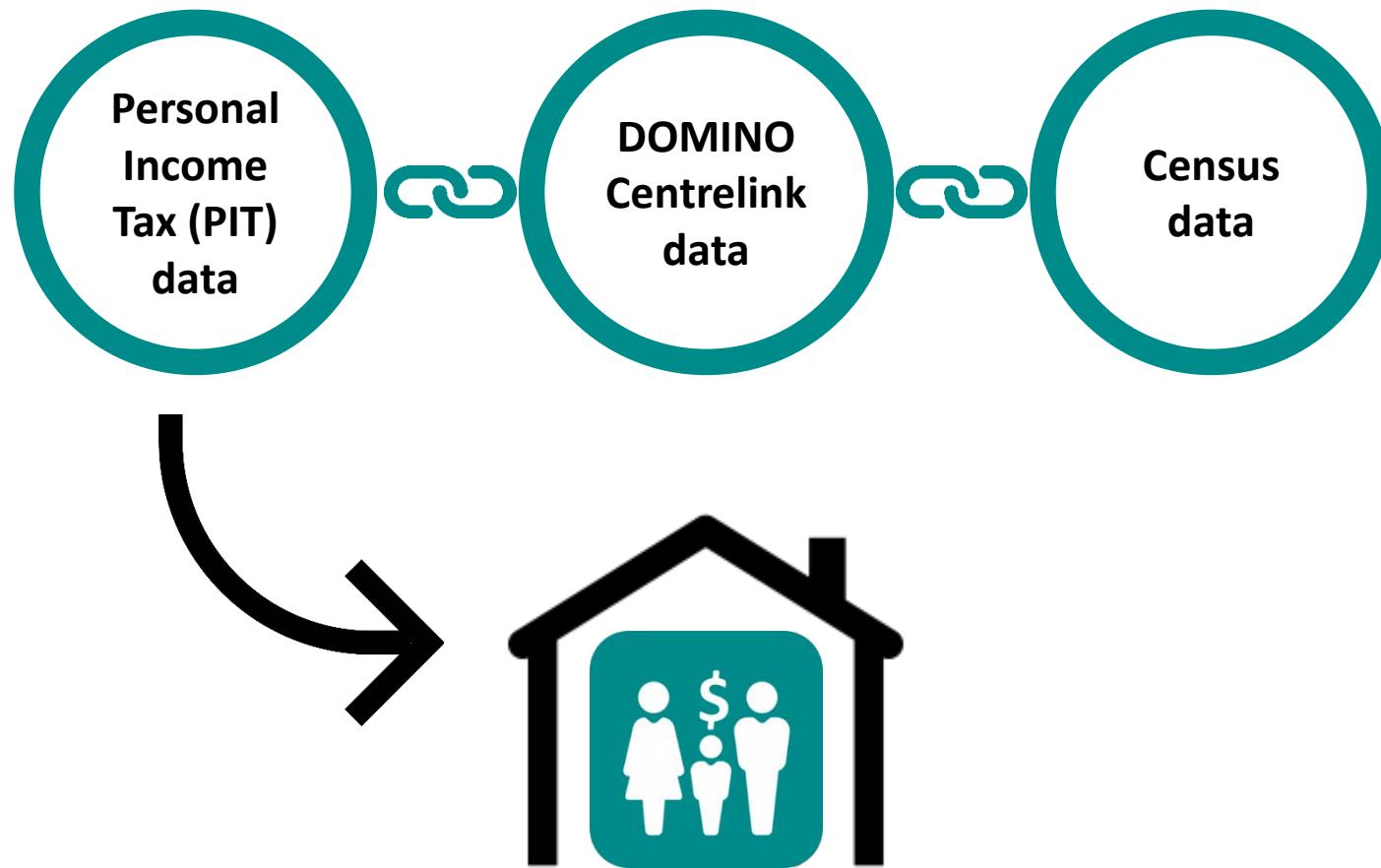
Disposable income model

Personal Income Tax (PIT)

Taxable income
- Income taxes
- Medicare levy
+ Offsets

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

DOMINO Centrelink

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

Census

Self-reported income

$1,000 ➡ $1,000

$1,000 ➡ $ 667

$1,000 ➡ $ 556
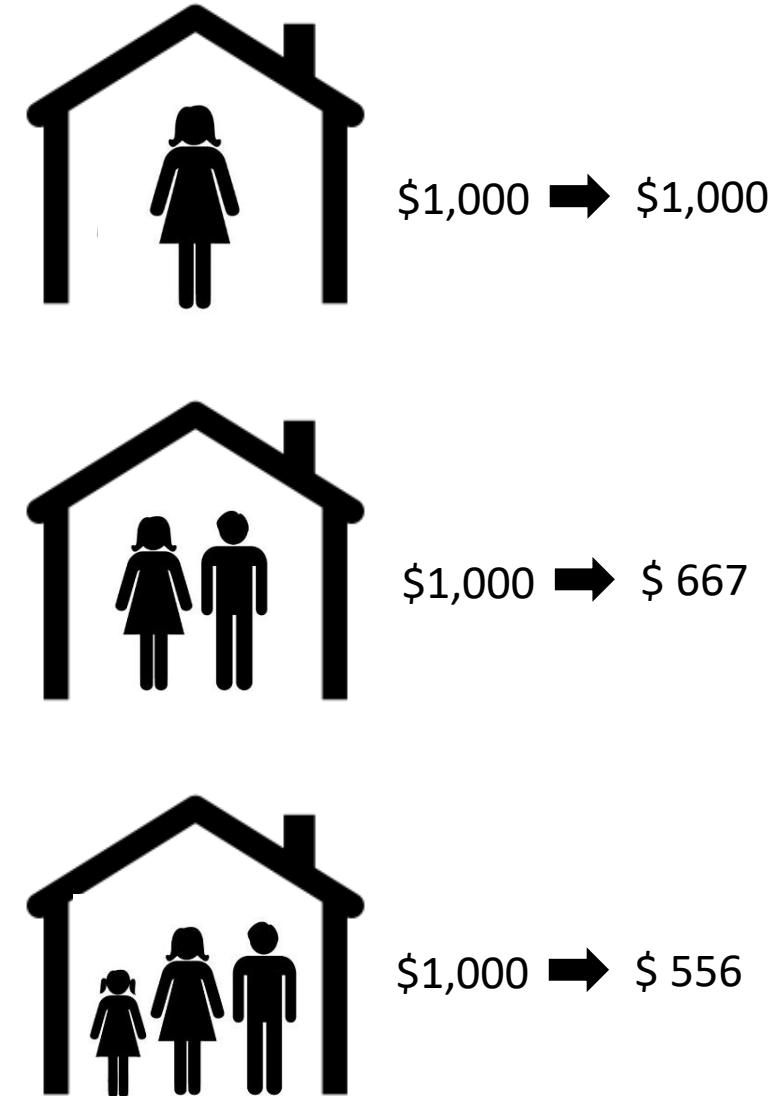
Source of income data varies by income

POORER

↓

RICHER
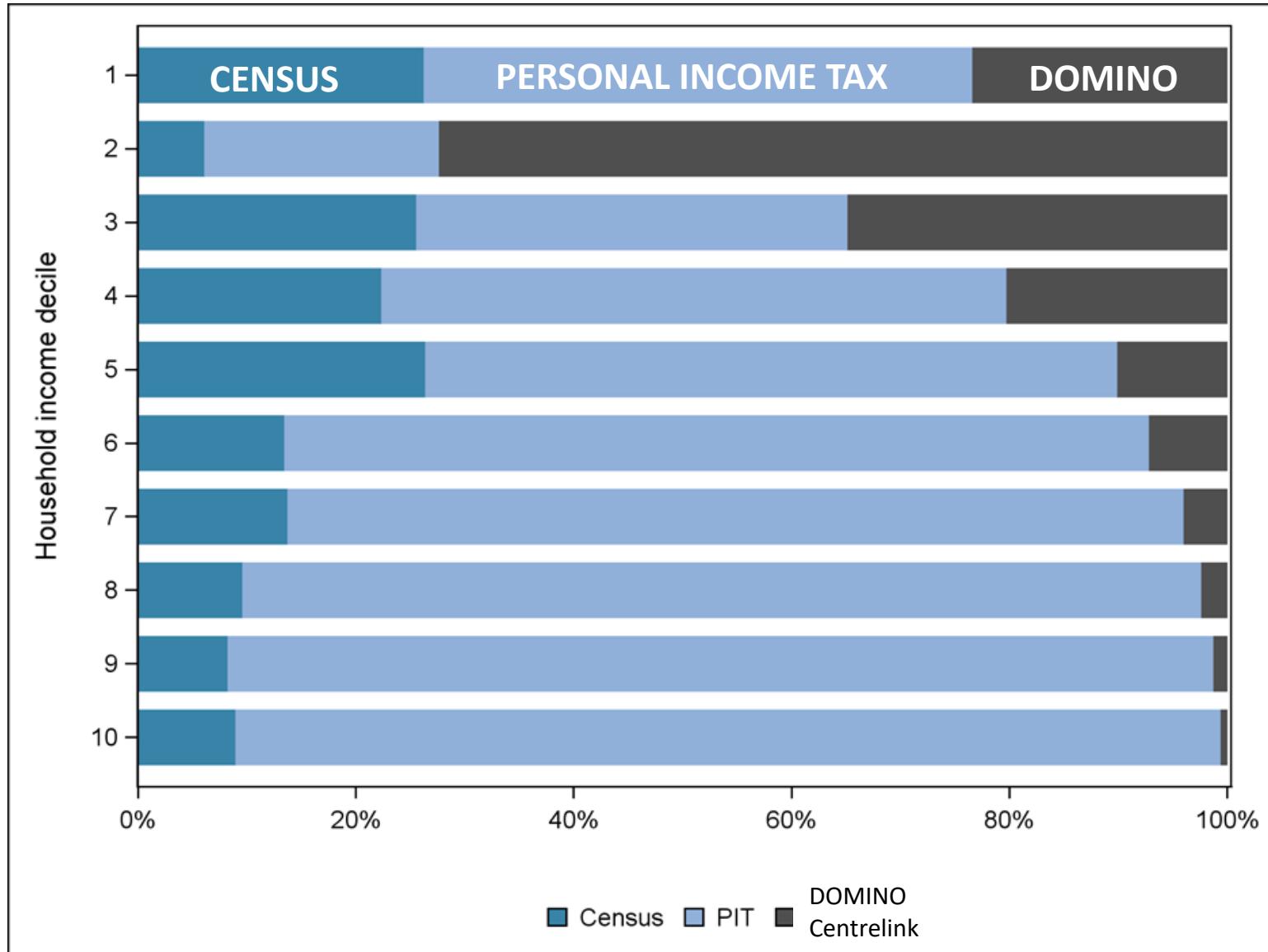
Validation against Survey of Income and Housing
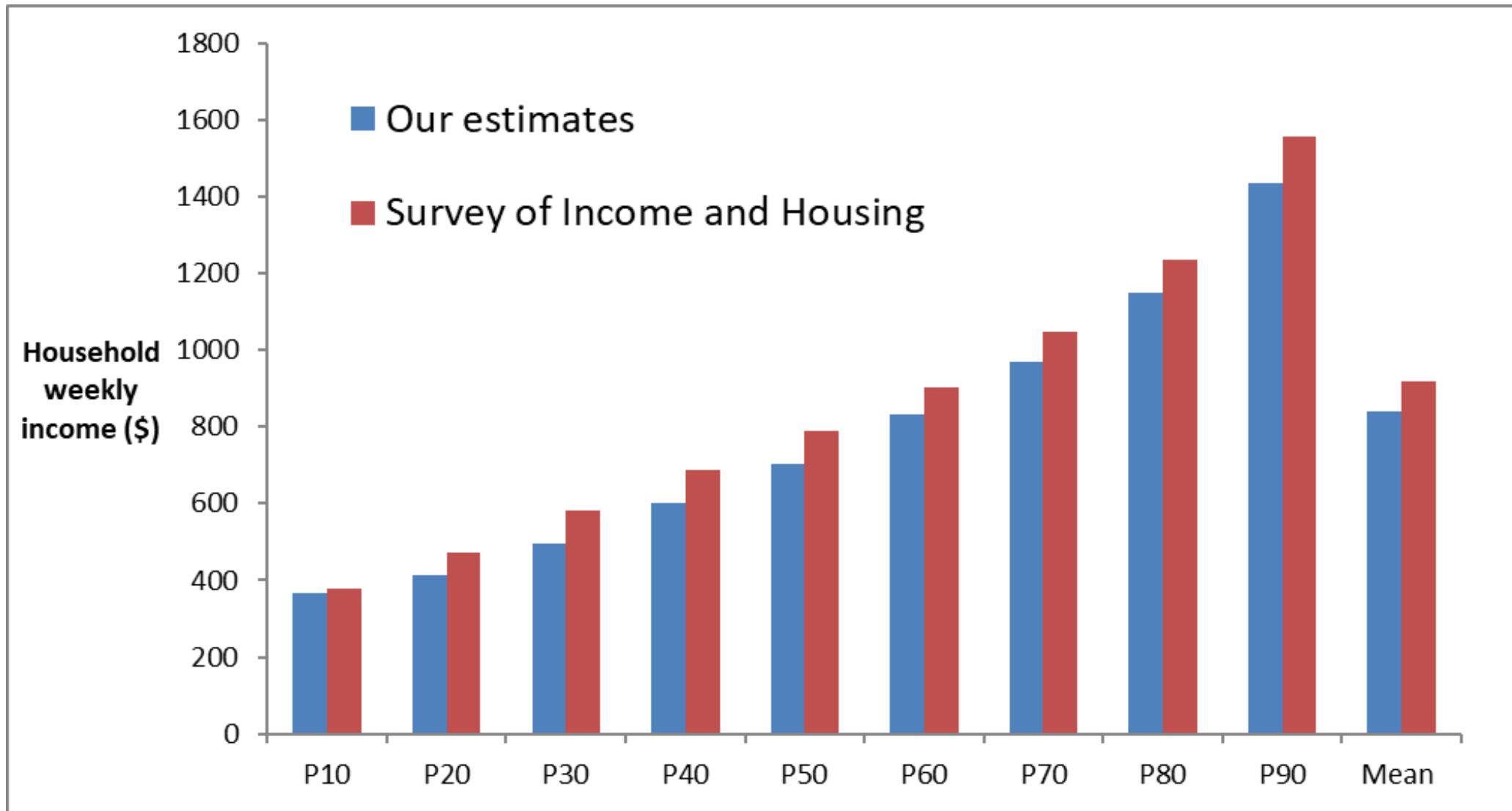
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Application in equity analyses

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

Household income
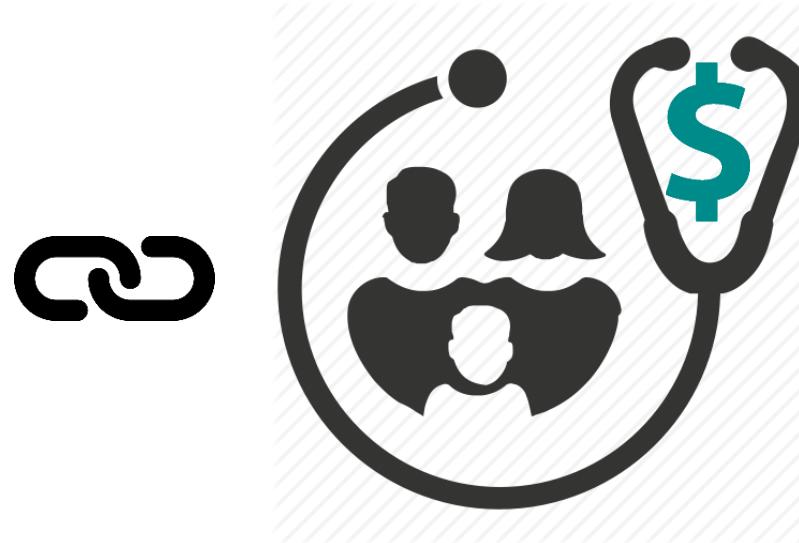
Healthcare cost

Application in equity analyses

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Personal Income Tax (PIT) data — DOMINO Centrelink data — Census data — MBS/PBS data
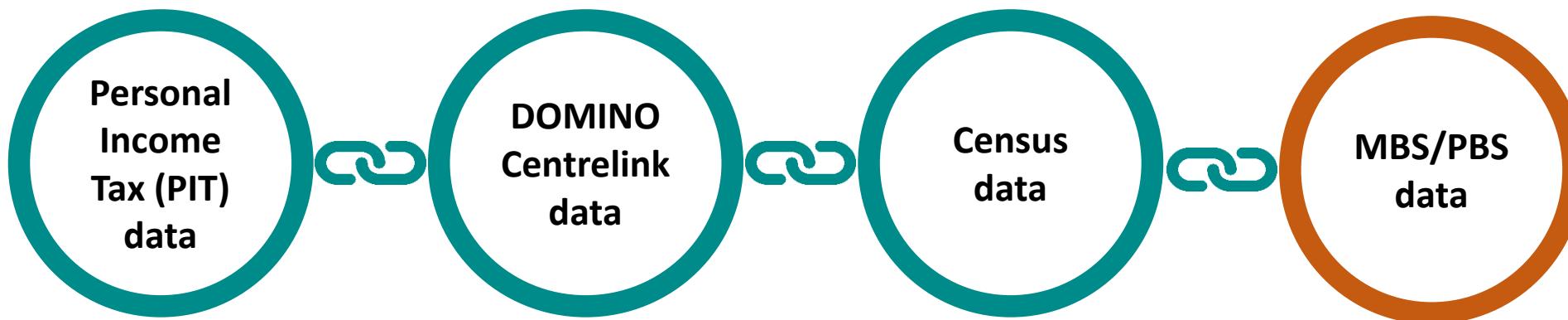
Application in equity analyses

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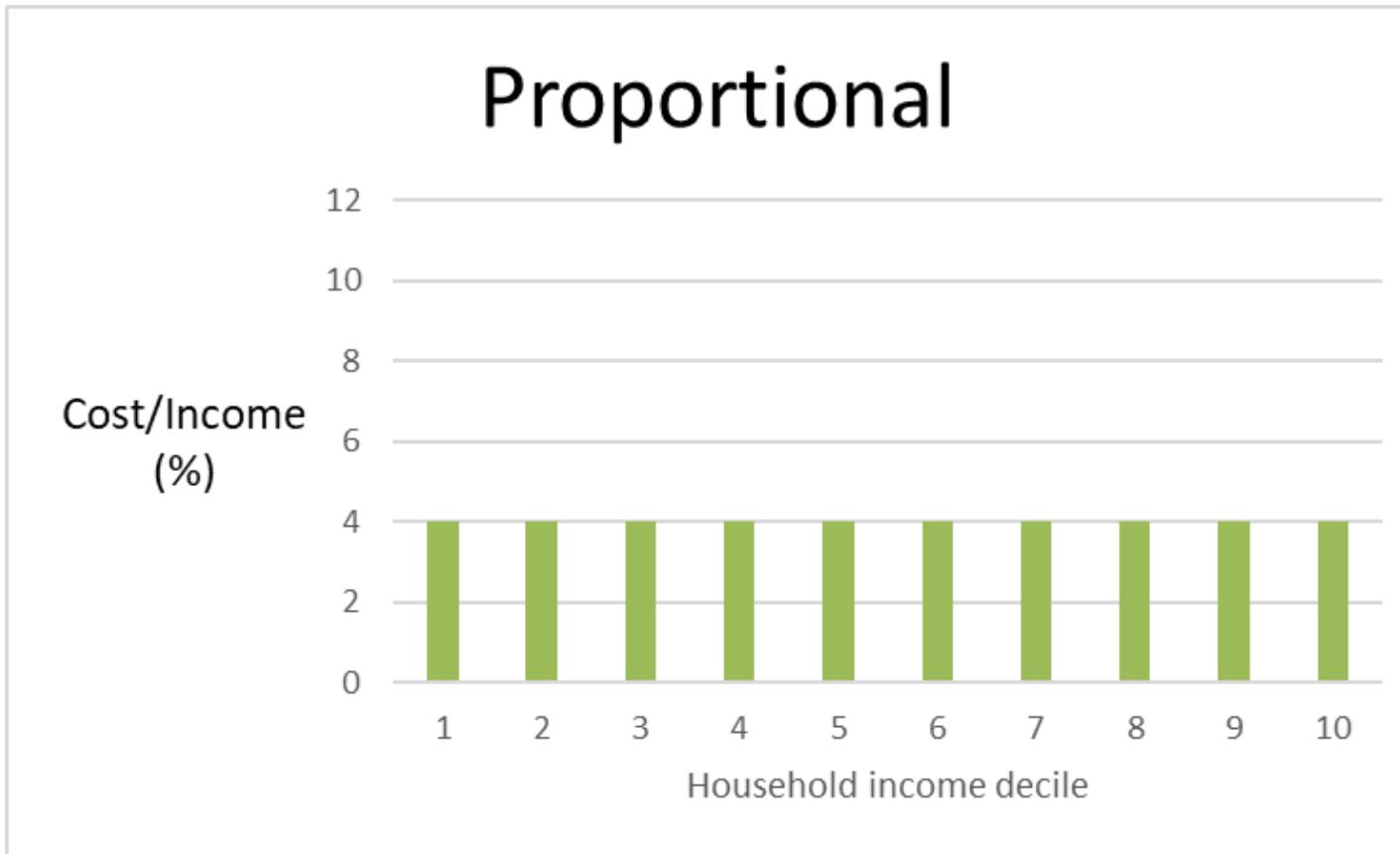
Percentage MBS/PBS out-of-pocket costs 2012/13

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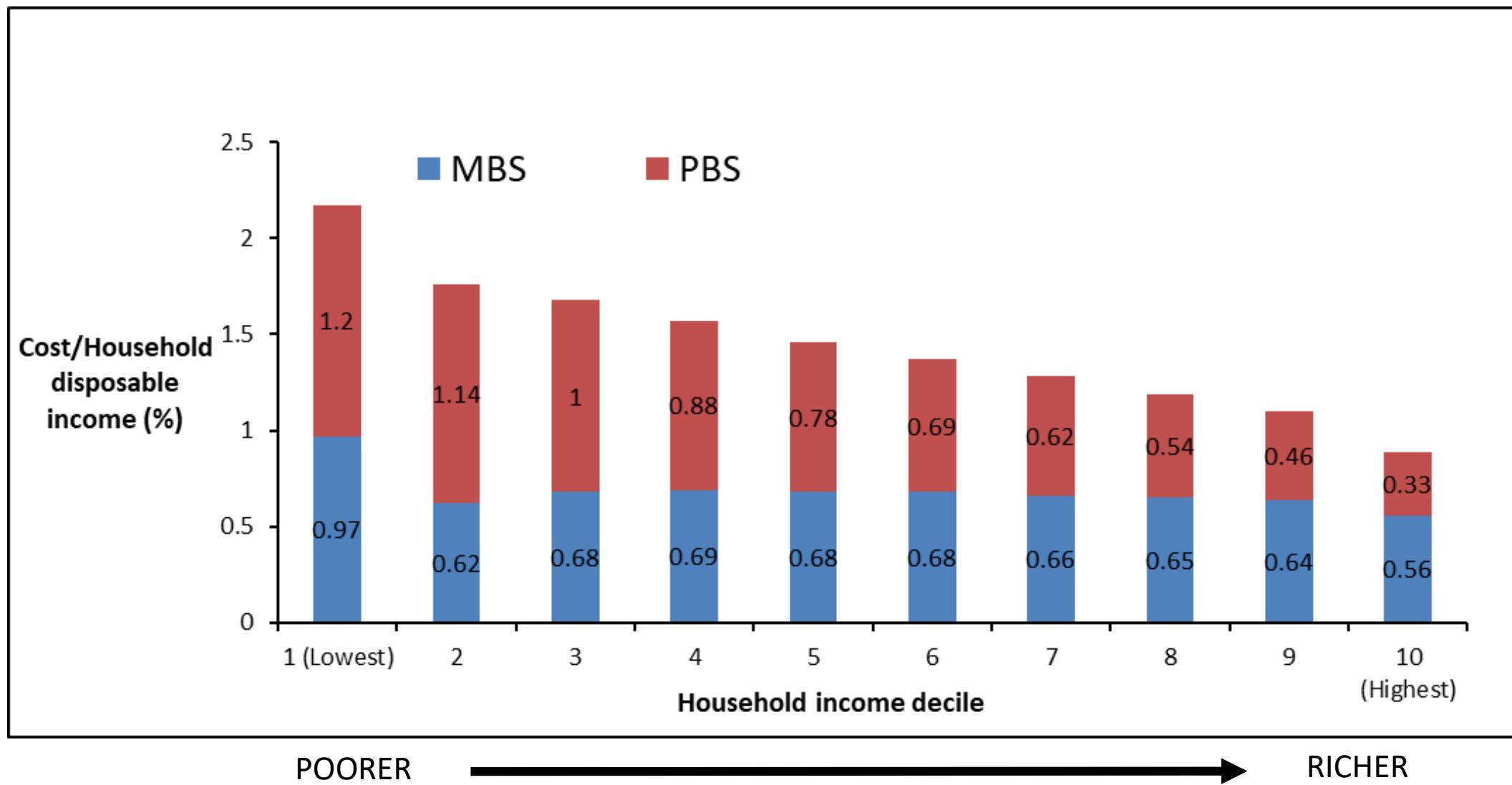
Conclusion

- Estimated household income using MADIP

- Applied our estimates in equity analyses of MBS/PBS out-of-pocket costs

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Acknowledgements