

Out-of-pocket expenditure on healthcare in Australia:

The current landscape






Friday, 13 December 2019, 12.00 - 1.15pm

Bob Douglas Lecture Theatre, RSPH Building 62A, Eggleston Road, ACTON

The average annual out-of-pocket (OOP) expenditure in 2015-16 was A\$4,290 per household; PHI premiums were 40.6% of the total OOP expenses. Of the remainder nearly half was spent on various health professionals, and one-third was spent on medicines. Dental treatments and specialists were the most expensive, whereas visits to GPs were least. OOP for households with PHI was four times more than those not insured.

PROGRAM		
12.00 – 12.05pm	Welcome and introduction Prof Luis Salvador-Carulla	<p>Professor Stephen Leeder AO Emeritus Professor of Public Health and Community Medicine, Menzies Centre for Health Policy, The University of Sydney</p> <p>Director Research and Education Network Western Sydney Local Health District</p> <p>Professor Farhat Yusuf AM Honorary Professor of Public Health Menzies Centre for Health Policy, The University of Sydney</p> <p>Emeritus Professor of Demography Macquarie Business School, Macquarie University, Sydney</p> <p><i>Discussants:</i> Professor Emily Lancsar Head, Department of Health Services Research & Policy, Research School of Population Health, Australian National University</p> <p>Associate Professor Rosemary Korda Research Fellow, National Centre for Epidemiology & Population Health Research School of Population Health, Australian National University</p>
12.05 – 12.25pm	Introduction to out-of-pocket costs: inevitable or avoidable Prof Stephen Leeder AO	
12.25 – 12.45pm	Out-of-pocket costs in Australia: trends in impact on household expenditure Prof Farhat Yusuf AM	
12.45 – 1.00pm	Discussion Prof Emily Lancsar A/Prof Rosemary Korda	
1.00 – 1.15pm	Q & A	
		<p><i>Convened by:</i> Professor Luis Salvador-Carulla Head, Centre for Mental Health Research, Research School of Population Health, Australian National University, Honorary Professor of the Menzies Centre for Health Policy, The University of Sydney</p>

PRESENTERS

	<p>Professor Stephen Leeder is an Emeritus Professor of public health and community medicine at the University of Sydney. Steve has 45 years of experience in epidemiological research, medical education reform and in mentoring young investigators. Most of his research has been collaborative and he has always sought ways of ensuring the career development of members of his teams. Steve is currently the Director of Research and Education Network, Western Sydney Local Health District and Editor-in-Chief of the <i>International Journal of Epidemiology</i>. He held the position of Chair of the Western Sydney Local Health District Board from 2011 until 2016 and was Editor-in-Chief of the Medical Journal of Australia from January 2013 until April 2015.</p>
	<p>Professor Farhat Yusuf is an Emeritus Professor of Demography at Macquarie University and is also an Honorary Professor of Public Health at the University of Sydney. He has held visiting appointments at Princeton, Cornell and Southampton universities and the Chinese Academy of Social Sciences. He has been a consultant to the United Nations, International Agency for Research on Cancer, and the US Agency for International Development. He has written three books and has published widely in prestigious social science, medical and demographic journals. His current research interests include women's health, demography of the disadvantaged people and health economics.</p>
	<p>Professor Emily Lancsar is Head of the Department of Health Services Research and Policy, Research School of Population Health, College of Health and Medicine, at the ANU. She is an economist with particular interests in understanding and modelling choice, preferences and behaviour of key decision makers in the health sector, priority setting in the health system, economic evaluation and policy analysis. Emily holds a number of current and past ARC, NHMRC, MRC, ESRC, NIHR and EU funded grants and fellowships. She is a member of a number of government advisory committees including the Medical Services Advisory Committee (MSAC), the Economic Sub-Committee of MSAC and the Economic Sub-Committee of the Pharmaceutical Benefits Advisory Committee.</p>
	<p>Associate Professor Rosemary Korda is an epidemiologist at the National Centre for Epidemiology and Population Health. She has extensive experience in the analysis of large-scale complex data, including longitudinal survey data and linked administrative health data, and leads the NHMRC Partnership Project on Whole-of-population linked data: strengthening the evidence to drive improvement in health and health care in Australia.</p>
	<p>Professor Luis Salvador-Carulla is Head of the Centre for Mental Health Research at the Research School of Population Health, College of Health and Medicine, Australian National University (ANU) in Canberra. He is also Honorary Professor of the Menzies Centre for Health Policy at the University of Sydney (Australia). Luis' field of interest is decision support tools for the analysis of complex health systems and policy in mental health. He is a CI in the Horizon2020 project PECUNIA for producing standards units in costs analysis in Europe. He has coordinated the Integrated Atlas of Mental Health Project for mapping mental health provision which has been used in 34 countries around the world.</p>

ABSTRACT

Australian households incur out-of-pocket (OOP) expenses for health care for a wide range of goods and services, such as co-payments to doctors and other health professionals beyond the Medicare rebates, the cost of medicines and other pharmaceutical goods not covered entirely by the Pharmaceutical Benefits Scheme and private health insurance (PHI) premiums.

Although estimates of OOP expenditure are available in official reports such as those of the Australian Institute of Health and Welfare, they are based on administrative records rather than consumer reports and cannot be disaggregated by item or the characteristics of households. Our research provides detailed information on OOP expenditure on healthcare as reported by a probability sample of households interviewed for the two most recent Household Expenditure Surveys conducted by the ABS.

The average annual OOP expenditure was A\$4,290 per household, representing 5.8% of the amount spent on all goods and services in 2015-16. PHI premiums, although not a direct expenditure on healthcare, were 40.6% of the total OOP expenses. Of the remaining 59.4%, nearly half was spent on doctors and other health professionals, and approximately one-third was spent on medicines. Dental treatments and specialist consultations were the most expensive, whereas visits to general practitioners incurred the least OOP expenditure. Households with PHI (58.6%) spent fourfold more on health care than those not insured. Compared with the 2009–10 survey, the biggest increases were in the cost of PHI premiums (50.7%) and co-payments to specialists (34.8%) and other health professionals (42.0%). OOP expenditure on health care as a proportion of the total household expenditure on all goods and services has increased by more than 25% between 2009–10 and 2015–16.

This event was brought to you by the *ANU Centre for Mental Health Research* in collaboration with the *ANU Department of Health Services Research & Policy* and the *ANU Research School of Population Health*.

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