

3.13 Access to prescription medicines

This measure has two components:

- Pharmaceutical Benefits Scheme expenditure per capita for Indigenous Australians
- not filling prescriptions because of cost

Data sources

Data for this measure come from AIHW health expenditure data and the AIHW Pharmacists Labour Force Survey

Health expenditure data

Data for this measure come from Indigenous Pharmaceutical Benefits Scheme (PBS) expenditure estimates published in the report *Expenditures on health for Aboriginal and Torres Strait islander people 2004–05* (AIHW 2008). The PBS usage and expenditure estimates in this report are derived from combining the national survey of general practitioner activity entitled Bettering the Evaluation and Care of Health (BEACH) data with data from those Aboriginal and Torres Strait Islanders who voluntarily identify themselves to Medicare as Indigenous (the voluntary Indigenous identifier (VII) enrolees). The VII sample covered about 300 times the number of Indigenous GP services in BEACH surveys (AIHW 2008).

There were limits to using the VII data. This sample is not fully representative. The geographic spread was not entirely even, and the VII group was significantly younger than the average – possibly because of the way in which they were enrolled. Relative to the Indigenous population, very few older people were included. Health service use increases markedly with age and, although it was possible to standardise for the age differential alone, there may have been other factors at work, besides the geographic ones. By September 2007, 177,116 people had enrolled and that larger sample – which will be available for subsequent editions of this series – is likely to be much more representative (AIHW 2008).

AIHW Pharmacists Labour Force Survey

The AIHW runs a number of surveys of the health labour force including the Pharmacy Labour Force Survey. The AIHW is the data custodian of this collection. The survey is of registered pharmacists and is drawn from the registration files maintained by each state and territory pharmacy registration board. Each pharmacy board conducts an annual renewal of registration and, in some years, questionnaires are sent to pharmacists on renewal of their registration. In 2003 the survey was conducted in all jurisdictions except the Northern Territory.

There is currently no data source for statistics on not filling prescriptions because of cost for Indigenous Australians. This will be recommended for inclusion in the next NATSIHS.

Analyses

Pharmaceuticals expenditure

- Expenditure provided by the Australian Government for Aboriginal and Torres Strait Islander peoples in 2004–05 was estimated at \$72.2 million, which represented 1.2% of total expenditure on pharmaceuticals in Australia by the Australian Government (Table 3.13.1). Non-government expenditure on pharmaceuticals for Indigenous people was estimated at \$37.2 million, which represented 0.7% of total expenditure on pharmaceuticals by non-government organisations.
- The majority of expenditure on these pharmaceuticals was for benefit-paid pharmaceuticals (\$70.3 million of Australian Government expenditure and \$11.4 million of non-government expenditure).
- Per capita expenditure on pharmaceuticals by the Australian Government for 2004–05 was estimated at \$148 for Indigenous people and \$302 for non-Indigenous people – a ratio of 0.49:1. Per capita non-government expenditure on pharmaceuticals was estimated at \$76 for Indigenous people and \$259 for non-Indigenous people – a ratio of 0.29:1.

Table 3.13.1: Total and per person expenditure (current prices) on pharmaceuticals by the Australian Government and non-government organisations, by Indigenous status, 2004–05

PBS	Total expenditure (\$ million)			Expenditure per person (\$)		
	Indigenous	Non-Indigenous	Indigenous share (%)	Indigenous	Non-Indigenous	Ratio
Australian Government						
Benefit-paid pharmaceuticals	70.3	5859.8	1.2	144	297	0.48
Other pharmaceuticals	1.9	95.2	2.0	4	5	0.82
Total pharmaceuticals	72.2	5955.1	1.2	148	302	0.49
Non-Government						
Benefit-paid pharmaceuticals	11.4	1139.1	1.0	23	58	0.40
Other pharmaceuticals	25.8	3962.3	0.6	53	201	0.26
Total pharmaceuticals	37.2	5101.4	0.7	76	259	0.29
Total						
Benefit-paid pharmaceuticals	81.7	6,998.9	1.2	167	355	0.47
Other pharmaceuticals	27.7	4,057.5	0.7	57	206	0.28
Total pharmaceuticals	109.4	11,056.5	1.0	224	561	0.40

Source: AIHW 2008.

PBS expenditure

- In 2004–05, benefits to Indigenous Australians through the Pharmaceutical Benefits Scheme were estimated at \$68.2 million. Pharmaceutical benefits expenditures per person for Indigenous Australians were 51% of the non-Indigenous average (Table 3.13.2). The average share of expenditure on mainstream pharmaceutical benefits was also lower, at 37%.

- In 1999 special provisions were introduced under section 100 of the *National Health Act 1953* for Indigenous Australians in remote areas where access to private pharmacies was poor. Clients of approved remote area Aboriginal Health Services (AHS) were able to receive PBS medicines directly from the AHS at the time of medical consultation, without the need for a normal prescription form, and without charge. Estimated expenditure on Indigenous Australians in 2004–05 on drugs dispensed under this Act was \$19.4 million. The estimated ratio of Indigenous to non-Indigenous expenditure per person under the scheme was 300:1.

Table 3.13.2: Total and per person expenditures through the Pharmaceutical Benefits Scheme, by Indigenous status, 2004–05

Pharmaceutical benefits	Total expenditure (\$ million)			Expenditure per person (\$)		
	Indigenous	Non-Indigenous	Indigenous share (%)	Indigenous	Non-Indigenous	Ratio
Mainstream PBS ^(a)	47.6	5,257.7	0.9	97	267	0.37
Section 100 ^(b)	19.4	2.6	88.1	40	—	300.19
Other PBS special supply	1.3	125.9	1.0	3	6	0.41
Total PBS benefits	68.2	5,386.2	1.3	140	273	0.51

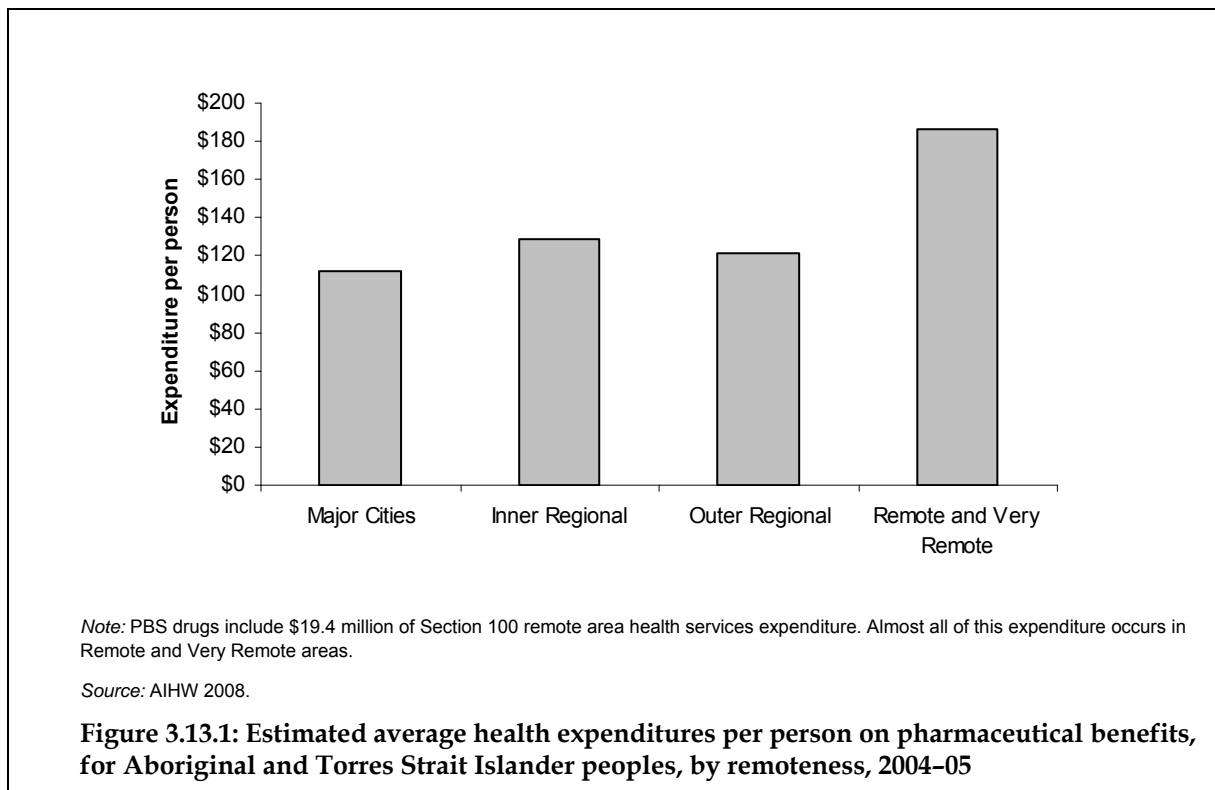
(a) Excludes RPBS.

(b) Excludes highly specialised drugs dispensed from public and private hospitals.

Source: AIHW 2008.

PBS expenditure by remoteness

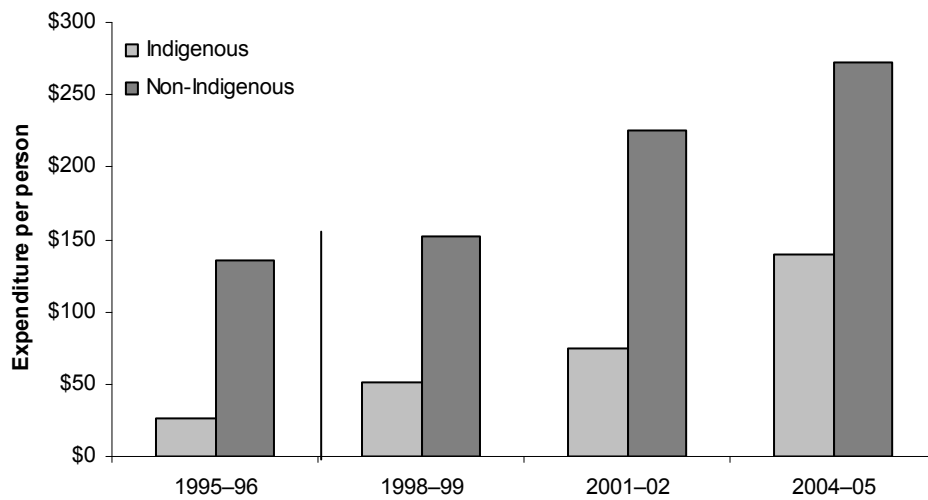
- In 2004–05, PBS pharmaceutical expenditures on Indigenous people were greater in more remote areas, where the section 100 arrangements apply, (\$186 per person) than in Major Cities (\$112 per person) (Figure 3.13.1).



PBS expenditure over time

Changes in expenditure over time should be interpreted with caution because of differences in methodology used to calculate some Indigenous expenditure estimates for the different time periods.

- The estimates of average expenditure per person for the Indigenous population by the Australian Government on the PBS between 1995-96 and 1998-99 almost doubled from an estimated \$26 in 1995-96 to \$51 in 1998-99.
- Expenditure increased by another 32% between 1998-99 and 2001-02 (from \$51 to \$75) and by another 46% between 2001-02 and 2004-05 (from \$75 to \$140).
- The Indigenous to non-Indigenous expenditure ratios were higher in 2004-05 than in 1995-96 (0.51 compared with 0.19) (Figure 3.13.2).



Notes

1. Does not include RPBS benefits for veterans.
2. The 1995-96 estimate for Indigenous Australians is based on the revised price estimate of \$9.3 million for PBS benefits for Indigenous Australians in 1995-96 (AIHW 2001: 42), down from \$9.8 million (Deeble et al. 1998:21). That revision reduced the current price per person estimate from \$26.64 to \$25.28.

Source: AIHW 2008.

Figure 3.13.2: Average PBS health expenditure (constant prices) per person by the Australian Government, 1995-96, 1998-99, 2001-02 and 2004-05

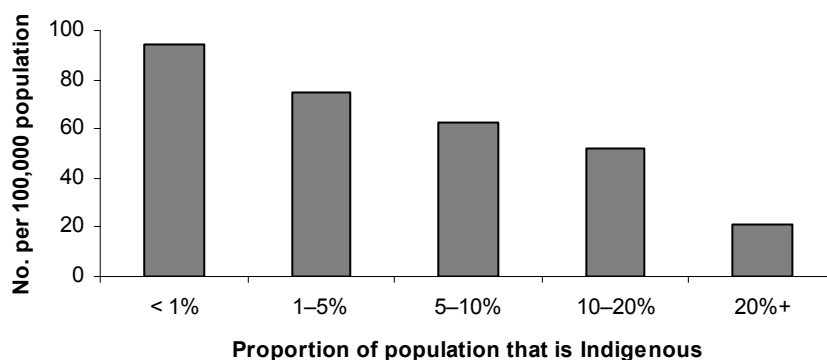
Pharmacy labour force

Information on pharmacists in Australia is available from the AIHW Pharmacy Labour Force Survey. The population for the survey is registered pharmacists and is drawn from the registration files maintained by each state and territory pharmacy registration board. Each pharmacy board conducts an annual renewal of registration and, in some years, questionnaires are sent to pharmacists on renewal of their registration. In 2003, the survey was conducted in all jurisdictions except the Northern Territory. It covered all pharmacists registered with the pharmacy board in each state and territory, but may exclude pharmacists who registered for the first time in the survey year.

Response to the Pharmacy Labour Force Survey in 2003 represented 71.5% of pharmacist registrations in all participating jurisdictions. The overall response rate is an approximation because some pharmacists were registered in more than one state or territory. The AIHW uses data collected in the Pharmacy Labour Force Survey to derive estimates of the total pharmacy labour force. Survey responses are weighted to account for non-response.

Data presented below shows the FTE rate of employed pharmacists per 100,000 population by areas of low through to high proportions of Indigenous populations. Using population data from the 2001 Census, SLAs were grouped according to the proportion of the population living in these areas that was Indigenous.

- In 2003, there were 15,673 employed pharmacists in Australia. The FTE rate of employed pharmacists was around 86 per 100,000.
- The FTE rate of employed pharmacists was highest in areas where 1% or less of the population was Indigenous (94 per 100,000) and lowest in areas where 20% or more of the population was Indigenous (21 per 100,000) (Figure 3.13.3).



Notes

1. In 2003, 808 employed pharmacists did not report the postcode they worked in. Hence the number of employed pharmacists stated by region is an underestimate.
2. Data do not include Northern Territory.
3. FTE is based on 35 hours per week.
4. Data from Victoria are based on 2004 survey data weighted to 2005 registration data.

Source: AIHW analysis of 2003 Pharmacy Labour Force Survey data.

Figure 3.13.3: FTE employed pharmacists per 100,000 population, by areas of low through to high proportions of Indigenous population, 2003

Data quality issues

Expenditure data

Indigenous PBS expenditure estimates are calculated for the expenditure report by combining the BEACH data with data from those Aboriginal and Torres Strait Islanders who voluntarily identify themselves to Medicare as Indigenous (the voluntary Indigenous identifier (VII) enrollees).

Per capita estimates indicate average PBS expenditure per head for the whole of the reference population. They do not indicate average expenditure for those who have accessed PBS.

BEACH estimates

Given the small sample of Indigenous Australians in BEACH and the problems with accurately identifying Indigenous status in this collection, these estimates need to be used with caution.

VII estimates

There are limits to using the VII data. This sample is not fully representative. The geographic spread was not entirely even, and the VII group was significantly younger than the average – possibly because of the way in which they were enrolled. Relative to the Indigenous population, very few older people were included. Health service use increases markedly with age and, although it was possible to standardise for the age differential alone, there may have been other factors at work, as well as the geographic ones.

AIHW health workforce labour force surveys

These surveys collect a large amount of detail, such as employment status, type of work and location, specialty fields and qualifications of health professionals. They collect information on all registered practitioners, regardless of whether they are employed; and the data is able to be compared across time.

Some of the limitations of these surveys include:

- *The surveys collect information from health professionals at the time that they apply for registration renewal, and therefore exclude people who are registering for the first time (including interns and short-term temporary residents).*
- *Response rates by state vary from year to year.*
- *Non-response is increasing and for these respondents only age and sex are known.*
- *There can be inconsistencies between states in collection, formatting, processing and registration periods across states and territories.*
- *The process relies on the cooperation of registration boards.*
- *Participation is voluntary.*
- *Survey results are not publicly available until at least 18 months after the reference period.*

Medicare data

A voluntary Indigenous identifier was introduced into the Medicare database from November 2002. By September 2007, 177,116 people had identified as Aboriginal or Torres Strait Islander or both in the Medicare database. As these data improve, it will be possible to use this identifier to undertake PBS expenditure calculations using the PBS database.

References

AIHW (Australian Institute of Health and Welfare) 2001. Expenditures on health services for Aboriginal and Torres Strait Islander peoples, 1998–99. Cat. no. IHW 7. Canberra: AIHW.

AIHW 2008. Expenditures on health for Aboriginal and Torres Strait Islander people 2004–05. Health and welfare expenditure series no. 32. Cat. no. HWE 40. Canberra: AIHW.

Deeble J, Mathers C, Smith L, Goss J, Webb R and Smith V 1998. Expenditures on health services for Aboriginal and Torres Strait Islander peoples. AIHW cat. no. HWE 6. Canberra: AIHW, Department of Health and Family Services and National Centre for Epidemiology and Population Health.