

Ambulatory Care Australia Conference September 2004

A survey of household costs of
serious chronic illness in rural and
regional Victoria, 2003

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Background

- First survey undertaken in 1997
- Showed that there were a range of people with chronic illnesses who had difficulty affording the care associated with their illnesses
- They had to choose between health care and daily needs
- Some of them were on high incomes but high costs.

A concession card for people with chronic illness

- This survey became the basis for a report and campaign
- We argue that because of the costs involved, people with chronic illness require a HCC that is based on the costs involved in their care
- By providing this financial support people with chronic illness can optimise their health

Rural and regional survey 2003

- Aim to provide CIA with more information about costs of chronic illness
- Explores the costs faced by rural and regional people with chronic illness since the introduction of welfare and tax reforms

Rural and regional survey 2003

- Conducted focus groups in three regions
- Results of focus groups used to design a questionnaire
- Questionnaire sent out via members of Chronic Illness Alliance
- Completed questionnaires returned by post
- Response rate changed analysis

Results of focus groups

- Participants identified issues which fell into 3 categories.
 - Lack of services inc GP and specialists; lack of information.
 - Costs inc loss of wages, phone, transport, medication.
 - Emotional costs inc time issues, burnout, loss of employment opportunities.

**Big issue in focus groups was lack of bulk-billing
Groups identified full range of costs which were
included in the survey.**

Rural and regional survey: the results

- **381 households; 1626 individuals; 507 had chronic illnesses**
- **72% of households had one person with a chronic illness and 23% had two people with a chronic illness**
- **25% of people had more than one illness**
- **Illnesses inc Crohn's and colitis, diabetes, asthma, cystic fibrosis, MS and cancer**

Rural and regional survey: the results

- ***The value of a concession card***
 - ***245 (64%) households had access to a concession card, and 129 (34%) did not.***
 - ***141 (58%) of those households where there was a concession card used it on either a weekly or fortnightly basis.***
 - ***222 (92%) of all households with access to a concession card thought their concession card was either extremely important 174 (72%), or very important 48 (20%).***

The value of a concession card contd.

- Concession card holders spent an average of \$43 per month while non concession card holders spent an average of \$72 per month on PBS. It should be noted that where the co-payment accounts for medications purchase at 3.40 per item, concession card holders were purchasing approximately four times the amount of medication than were the non-concession card holders who were purchasing approximately three medications per month (assuming these are \$23.40 each)

The value of a concession card contd.

- Most households without a concession card had incomes between \$36,400 and \$52,000.
- Non concession card holders spend 67% more on PBS medications and 19% more on non-PBS medications; they spend 68% more on hospital stays. They spend a little less on household costs and have fewer concerns about finances but are less satisfied with the amount of government assistance.

The value of a concession card contd.

- “Over the past 2 years we have averaged \$4,500-\$6000 out of pocket. People on higher incomes receive no assistance even though we are on one income and have a dependent uni student. Governments need to do more for all people with illnesses that require regular treatment.”

Rural and regional survey: the results

- Health costs and poverty

- Median income < \$13,000 \$19,500 \$31,200 \$44,200 \$65,000

- Mean amount spent \$3,585 \$3539 \$4356 \$3585 \$5767

- % of median Income 27.5% 18% 14% 8% 9%

Figures suggest that nearly half the households were living in poverty when their health costs were subtracted from income.

Rural and regional survey: the results

- The big contributors to costs

% spent on GPs and specialists

	<\$13,000	\$13-25,999	\$26-36,399	\$36,400-51,999	\$52-78,000
Mean Amount	\$3585	\$3539	\$4289	\$3585	\$5767
% of median income	11%	16%	12%	17%	13%

Rural and regional survey: the results

- The big contributors to costs contd.

% spent on PBS and non-PBS

	<\$13,000	\$13-25,999	\$26-36,399	\$36,400-51,999	\$52-78,000
Mean					
Amount	\$3585	\$3539	\$4289	\$3585	\$5767
% of	21%	26%	31%	27%	20%
mean					
Overall cost					

Rural and regional survey: the results

- The big contributors to costs contd.

% spent on complementary therapies

	<\$13,000	\$13-25,999	\$26-36,399	\$36,400-51,999	\$52-78,000
Mean					
Amount	\$3585	\$3539	\$4289	\$3585	\$5767
% of	9%	8%	5%	7%	6%
mean overall					
cost					

Rural and regional survey: discussion

People pay for health needs regardless of their income;

Medicines (PBS and non PBS) are major cost;

Health costs push people in poverty to greater poverty;

Single low income households particularly vulnerable;

Households in survey demonstrated measurable financial distress;

Lack of information in rural areas is a problem;

Transport costs remain a problem in rural and regional Victoria;

Concession card is a buffer to poverty.

What some of the people said

- ‘Sometimes when feeling so unwell, I have had to postpone a visit to the doctor due to lack of funds for the visit-can there ever be another way around it?’
- ‘My doctor charges me Medicare rebate because I begged him to...’

What some people said

- ‘I also want to work and don’t want to appear lazy by taking advantage of my medical situation, by saying “yeah, well I have a chronic illness and the govt should provide for me and support me, so I don’t have to work.” I want to work and I do work, I just think it is not unreasonable that the govt subsidises part of the costs of medication so I am not essentially spending my wage on keeping myself alive.’

One person's costs for 12 months

- Income of \$13,000 pa
- PBS medications 120.00
- Non PBS medications 120.00
- GP visits 200.00
- Specialist visits 200.00
- Treatment/tests 100.00
- Hospital stays 500.00
- Rehabilitation 144.00

One person's costs contd.

- Counsellor visits 360.00
- Petrol 400.00
- Telephone 240.00
- Cleaning 120.00
- Complementary 260.00
- **TOTAL 2764.00**
- **21% of annual income on health costs!**