

# Taking the heat out of healthcare costs

## Self Care health facts column

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There is usually a lot of heat in discussions about the cost and availability of health services. Already this year there has been lively debate following the suggestion that government (and therefore taxpayer) expenditure could be reduced if there was to be a surcharge on GP visits, or even attendance at hospital outpatient departments.

Other recently suggested changes to the health system include abolishing the private health insurance rebate and allowing private health insurers to cover the cost of some GP services. However, not surprisingly, none of these suggestions meets with universal support.

Medicare as we now know it came into operation on 1 February 1984 – 30 years ago. It differed only in detail from the Medibank model introduced ten years earlier; and although there have been some changes made by successive Governments since then, the basic structure has remained.

Operating under the umbrella of Medicare is the Pharmaceutical Benefits Scheme (PBS) – it was actually established in the late 1940s – and it aims to provide all Australian residents and eligible overseas visitors access to prescription medicines in a way that is reliable and affordable.

Originally the PBS covered just a small number of life saving or disease preventing drugs; and these were free to the consumer until 1960. The scheme now subsidises the cost of medicines for most medical conditions; and the patient now pays a part of the cost of each medicine (known as the patient co-payment).

As has happened for several years this co-payment increased on January 1, in line with the Consumer Price Index (CPI). The maximum cost per prescription item is now \$36.90; or \$6 if you have a concession card issued by Centrelink (Department of Human Services) or the Department of Veterans Affairs.

Of course, for those of us required to take medicines regularly - perhaps for a chronic condition like arthritis, asthma, depression, diabetes, epilepsy or heart disease - these costs might seem overwhelming.

Nevertheless the Pharmaceutical Benefits Scheme still offers us pretty good value for money. Some medicines actually cost many hundreds (occasionally even thousands) of dollars more than the co-payment; and this full cost of PBS medicines is now printed on the dispensed label; an indication of the real cost of each medicine is there for us all to see.



*Photo by Steven Goodwin | sxc.hu*

In fact, \$36.90 is the most you should have to pay; many medicines will cost less than this and there are ways we can reduce the cost of medicines even further. At your request the pharmacist can often substitute a less expensive brand. Remember all medicines in Australia are required to

meet the Therapeutic Goods Administration's (TGA's) high standards of quality, safety and effectiveness – and the standards are exactly the same for the less expensive and the more expensive brands.

Also, when you have a record of spending \$1421.20 on PBS medicines for yourself and your dependents in a calendar year, the cost of all subsequent items during the year comes back to \$6 each. This is called the PBS Safety Net. It gives reasonable financial protection for patients and their families if they require a large number of medicines.

For concession card holders, the Safety Net threshold is \$360 – equivalent to 60 items at \$6 each – after which there is no charge for any PBS item, provided one of the lowest-priced brands is dispensed.

If you want some more advice about the savings you can make with the PBS Safety Net and by choosing the less expensive brands of PBS medicines, ask for the *Help with Medicine Costs* fact card at your local Self Care Pharmacy. For the nearest location Call 1300 369 772 or check out the Pharmaceutical Society website at [www.psa.org.au](http://www.psa.org.au) Click on “Self Care” then “Find a Self Care Pharmacy”.