



# Health Issues Group Community Forum: Prescription Medicines Costs



## Event details

- Host:** School of Population Health - The University of Western Australia and the Health Consumers' Council WA (Inc)
- Time and date:** 9.30 am – 2.00 pm, Thursday 1<sup>st</sup> September 2011  
St Catherine's College, The University of Western Australia
- Attendees:** 71; including 61 community members, and 10 staff from The Health Consumers' Council and The University of Western Australia.

## Background

The Australian government subsidises the cost of prescription medicines through the Pharmaceutical Benefits Scheme (PBS). Over the past six years, patient out-of-pocket costs for PBS medicines have increased, raising concerns that some people might not be able to afford all their prescriptions. This led to a research project to investigate the impact of costs on patients' use of medicines. The research project ran for three years and received funding from the National Health and Medical Research Council.

The community forum was organised with three primary aims: 1) to share the research findings with the community, 2) to seek feedback from the community about what health system changes would help them to manage medicine costs, and 3) to seek feedback on future research priorities for the community in relation to prescription medicines.

## The research team

- Lead investigator:** Associate Professor Libby Roughead, The University of South Australia
- Co-investigators:** Professor James Semmens, Curtin University  
Associate Professor David Preen, The University of Western Australia  
Associate Professor John Glover, University of Adelaide
- Research officer:** Dr Anna Kemp, The University of Western Australia

## Format

A total of 61 community members attended the forum and were paid some reimbursement for their travel expenses. The day was facilitated by Ms Anne McKenzie, Consumer Advocate for the School of Population Health at The University of Western Australia, and Chair of the Health Consumers' Council.

The forum began with a presentation from Mr Neil Keen, the Chief Pharmacist of Western Australia, explaining the process of medicine purchase and regulation in Australia. This was followed by an introduction to prescription co-payments by Associate Professor Libby Roughead. Libby provided a brief explanation of why co-payments have been implemented in Australia and the potential problems of having medicines charges too high or too low. Dr Anna Kemp then gave an overview of the co-payments project and the major findings.

The attendees then took part in round table discussions in response to five key questions covering aspects of medication cost and methods of coping with them. Discussion was facilitated by researchers from the School of Population Health and the Health Consumers' Council. Major points raised at each table were recorded on flip charts by the facilitators.

## Discussion points and issues raised

### Strategies attendees reported for dealing with high medicines costs<sup>1</sup>:

1. Finding cheaper ways to access prescription medicines
  - Reliance on the safety net<sup>2</sup>(stocking up on medicines once the safety net is reached and then not buying much early in the year until the safety net is reached)
  - Shopping around for the cheapest prescriptions
  - Ordering medicines from overseas or online
  - Obtaining compassionate access from industry
2. Cutting back on medicines (both with or without doctor consultation) and health spending
  - Reducing medicines use
  - Splitting pills with or without doctors' advice. This was often done without medication cutters or consideration of pill coatings which may play a role in the safe and effective action and absorption of the medicine
  - Foregoing medicines in order to afford medicines for other family members who are considered more in need (this was a particular issue for parents of small children)
  - Substituting prescription medicines with cheaper over-the-counter medicines e.g. using over-the-counter salbutamol (*ventolin*) for asthma in place of prescribed salmeterol with fluticasone (*seretide accuhaler*)
  - Avoiding or delaying seeing a GP or specialist

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<sup>1</sup> These strategies were not implemented by all participants, but they do reflect the variety of responses put forward by participants

<sup>2</sup> Once an annual threshold has been spent on PBS medicines, a 'safety net' comes into effect, which entitles patients to higher medicine subsidies for the rest of the calendar year

3. Cutting back on non-health spending
  - Reducing social activities and eating out
  - Cutting back on food/buying cheaper cuts of meat
4. Seeking advice from pharmacists and doctors
  - Asking the pharmacist about the cheapest ways to buy medicines
  - Asking the doctor to prescribe larger doses which can be split
  - Asking the doctor if all medicines are still required, or for a Home Medicines Review in order to reduce the number of prescription need

In summary, the discussion on consumers' access to medicines indicated that the majority of consumers who attended the meeting were not well aware of the rules governing subsidization, they found the costs of medicines sometimes difficult to bear, they did not understand why prices varied between pharmacies, nor did they understand the brand and therapeutic group premium costs. A number of consumers reported undertaking activities, such as skipping doses, splitting tablets and forgoing social activities or necessities in order to afford their medicines. Consumers were not always aware of the risks associated with skipping doses or splitting tablets, and while some consumers consulted pharmacists about options, not all consumers did. Further, consumers were not well aware of activities that may support them to manage their medicines, such as home medicines review services.

### **Policy suggestions:**

There were seven main suggestions from consumers for policy change that would relieve cost pressures on patients.

1. Provide greater information to people about their entitlements under the PBS, particularly the eligibility for concessional status and the safety net
2. Stop safety net 'creep' where more prescriptions per year are required prior to qualifying for the safety net
3. Modify the safety net arrangements so that thresholds are set at shorter intervals (e.g. six monthly or monthly) rather than annually
4. Combine the PBS and MBS safety nets so that total health spending is capped, rather than having capped spending on two separate schemes
5. Promote Home Medicines Reviews and Residential Medication Management Reviews so that patient's don't use or pay for medicines they no longer need
6. Extend concessional status to patients with multiple chronic illnesses or those requiring multiple medications
7. Encourage pharmacists and doctors to work together with patients to find ways to manage medicines

## Future research priorities:

Four major areas of need were identified by consumers for future research:

1. How do patients cope with medicines costs?
  - What are the health implications of people skipping medicines?
  - What are implications for a patient's health, economic and social well-being when they do *not* skip medicines but give up other needs? (i.e. if patients give up food or social activities so they can afford medicines, how does this affect their lives and health?)
2. How do the new PBS 'continuation rules' affect patients?
  - There are now PBS medicines available to patients for a fixed period, after which they are assessed. If the patient has not made certain improvements after this first course of treatment, they are no longer able to continue receiving the medication with PBS subsidy
  - How do patients cope if they do not meet continuation criteria? Do they keep taking medicines and find a way to pay for them? What is the emotional and financial impact on patients?
  - An example of this was shared at the forum, with a patient receiving a medicine for Alzheimer's disease. The patient, her carer and neurologist believed the medication was preventing further progression of her symptoms but the patient did not show sufficient improvement on the Mini Mental State Examination so is no longer allowed subsidised access. This has caused great distress to the patient and her family, and they have made considerable financial sacrifices in order to pay for the medicines themselves, which currently costs between \$150-\$200 per month in patient out-of-pocket costs.
  - Continuation rules are in place for other treatments and the impact of these on patients and their families is currently unknown
3. Why medicine costs are so high
  - Which conditions have medicines subsidised by the PBS and which do not?
  - What costs make up the final cost of medicines to consumers and the government? (what fees, taxes, profits etc are taken and by whom)
  - Why are manufacturers' profits so high?
  - Why do medicines costs not decrease after patents end?
4. How do we make the health system more efficient?
  - How much money would be saved in hospital if everyone took his or her prescribed medicines?
  - How can we use what we have more efficiently?

## Next steps

The issues and ideas raised at this forum will be discussed at the next meeting of the Health Consumer's Council Health Issues Group. They will determine how to best advance the issues raised through their media and policy networks.

The researchers will now investigate and develop the policy recommendations to determine which would be of most benefit to individuals and the community and will take these ideas to government. The researchers will also pursue the future research priorities identified.

Author: Dr Anna Kemp  
Research Associate  
School of Population Health  
The University of Western Australia

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