



## Cost projections – a single antiretroviral co-payment scheme for people with HIV in NSW

March 2013

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## Background

The first meeting of HIV Strategy Implementation Taskforce Committee endorsed a policy position for charging one dispensing fee for antiretroviral (ARV) medications regardless of the number of different drugs prescribed in combination to patients in NSW. One of the sources of information that the committee used to endorse this policy was the Positive Life NSW position paper – *A Time for review – Antiretroviral co-payments for people with HIV in NSW, January 2013*.

The Ministry of Health subsequently requested that Positive Life NSW prepare cost projections for a single co-payment scheme in NSW, compared with the current scheme of one co-payment for each prescribed item.

This position paper provides cost projections for such as scheme.

## Summary

**Tables 1, Table 2 and Table 3** provide a yearly estimate of cost to the NSW Government for a scheme where a single ARV Patient Co-payments is charged to people with HIV in NSW, regardless of the number of HIV medications prescribed and dispensed. **Table 1** estimates the cost for those working full-time, **Table 2** estimates the cost for those working part-time and those who are self-funded retirees, and **Table 3** estimates the cost for those who are receiving a pension or social security payment and who are eligible for a concessional co-payment dispensing fee.

It is estimated that if HIV antiretroviral treatment uptake was 90% in NSW and that if all people were to pay a single patient co-payment- regardless of the number of HIV medications prescribed – the cost of the subsidy to the NSW Government would be approximately \$1.8 million dollars. If treatment uptake were 80%, the cost would be \$1.6 million and if uptake were 70% the cost would be \$1.42 million.

## Further information

For further information on the cost projects, contact Lance Feeney (02) 9206 2174 or email [lancef@positivelife.org.au](mailto:lancef@positivelife.org.au)

### **Rates of employment for people with HIV in NSW**

The *Sydney Gay Community Periodic Survey 2012 (SGCPS)*, reports 59.6% of HIV-positive respondents being employed full-time. 11.5% of HIV+ respondents were employed part-time, while (7.3%) nominated 'Other' as a source of income. The category of "Other" is thought to include self-funded retirees and those drawing down other income and assets, or being supported by a spouse/partner. Neither of these groups of people would necessarily be eligible for a Health Care Card and would be required to pay the full patient co-payment<sup>1</sup> for ARV and other medications.

14.7% of HIV-positive respondents (*SGCPS*) reported receiving a pension or social security payment. They would be eligible for a Health Care Card (HCC) and concession<sup>2</sup>. 4.1% reported being unemployed and 2.9% reported being a student and also eligible for a HCC<sup>3</sup>.

### **The number of ARV items dispensed per person in NSW**

The Albion Centre Outpatient Pharmacy reviewed HIV dispensing patterns for a 2 month period in late 2012. 1,573 patients were dispensed antiretroviral scripts during this period.

Of these:

24% of patients were dispensed one individual item (e.g. 3-drug fixed dose combination pill)

47% of patients were dispensed two items

22% of patients were dispensed three items

7% of patients were dispensed more than 3 individual items.<sup>4</sup>

An item can be a single ARV drug, or a co-formulated combination of two ARV drugs in a single tablet, or a co-formulated combination of three or more ARV drugs in a single tablet. For the purpose of estimating the cost for filling prescriptions, one item equals one co-payment charge to the patient.

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<sup>1</sup> From 1 January 2013, the patient co-payment was increased to \$36.10 for most PBS medicines

<sup>2</sup> From 1 January 2013, the patient concessional co-payment was increased to \$5.90 for most PBS medicines

<sup>3</sup> Iryna Zablotska, 2012, Kirby Institute. Analysis of Sydney Gay Periodic Survey 2012 - requested by Positive Life NSW

<sup>4</sup> M Graham, G Cabrera, D Smith. Audit of antiretroviral medications dispensed at the Albion Centre Pharmacy between September 2012 and October 2012.

**Table 1**

Provides the yearly estimated of cost to the NSW Government of an ARV Patient Co-payments subsidy for people with diagnosed HIV who are working full-time and not eligible for a Health Care Card; and:

- Charged 1 full Patient co-payment dispensing fee of \$36.10, regardless of the number of HIV medication prescribed.
- Where treatment uptake is between 70% - 100%.

NSW Population - diagnosed with HIV	100%	10,170 <sup>5</sup>	Number of ARV items subsidised	Yearly co-payment cost <sup>6, 7</sup>	100% ARV uptake	90% ARV uptake	80% ARV uptake	70% ARV uptake
<i>NSW Population diagnosed with HIV and working full-time</i>	59.6% <sup>8</sup>	6,061			6,061	5,549	4,848	4,242
<b>1 ARV item dispensed</b>	24% <sup>9</sup>	1,454	nil	nil	\$0	\$0	\$0	\$0
<b>2 ARV items dispensed</b>	47% <sup>10</sup>	2,848	1 ARV	\$216.60	\$616,876	\$555,188	\$493,500	\$431,813
<b>3 ARV items dispensed</b>	22% <sup>11</sup>	1,333	2 ARV	\$433.20	\$577,455	\$519,709	\$461,964	\$404,218
<b>more than 3 ARV items dispensed</b>	7% <sup>12</sup>	424	3 ARV	\$649.80	\$275,515	\$247,963	\$220,412	\$192,860
<b>Total cost of subsidy to this population</b>					<b>\$1,469,846</b>	<b>\$1,322,860</b>	<b>\$1,175,876</b>	<b>\$1,028,891</b>

<sup>5</sup> 2012, NSW HIV Strategy 2012-2015: A New Era, NSW Health, p7

<sup>6</sup> For employed people who are ineligible for a Health Care Card, the full patient co-payment was increased to \$36.10 for most PBS medicines on 1 January 2013.

<sup>7</sup> See Table 4, p6

<sup>8</sup> See Rates of employment for people with HIV in NSW p2

<sup>9</sup> See The number of ARV items dispensed per person in NSW p2

<sup>10</sup> Ibid

<sup>11</sup> Ibid

<sup>12</sup> Ibid

**Table 2**

Provides the annual estimated cost to the NSW Government of an ARV Patient Co-payments subsidy for PWHIV who are ineligible for a Health Care Card; and:

- Employed part-time or self-funded retirees and drawing down income from superannuation or savings
- Charged 1 full patient co-payment dispensing fee of \$36.10, regardless of the number of HIV medication prescribed.
- Where treatment uptake is between 70% - 100%.

NSW Population - diagnosed with HIV	100%	10,170 <sup>13</sup>	Number of ARV items subsidised	Yearly co-payment cost <sup>14 15</sup>	100% ARV uptake	90% ARV uptake	80% ARV uptake	70% ARV uptake
<i>NSW Population diagnosed with HIV working part-time (11.5%) or receiving income from another source (7.3%)</i>	18.8% <sup>16</sup>	1,911			1,911	1,720	1,529	1,338
<b>1 ARV item dispensed</b>	24% <sup>17</sup>	459	nil	nil	\$0	\$0	\$0	\$0
<b>2 ARV items dispensed</b>	47% <sup>18</sup>	898	1 ARV	\$216.60	\$194,507	\$175,056	\$155,605	\$136,155
<b>3 ARV items dispensed</b>	22% <sup>19</sup>	420	2 ARV	\$433.20	\$181,944	\$163,749	\$145,555	\$127,361
<b>more than 3 ARV items dispensed</b>	7% <sup>20</sup>	133	3 ARV	\$649.80	\$86,423	\$77,780	\$69,138	\$60,496
<b>Total cost of subsidy</b>					<b>\$462,874</b>	<b>\$416,585</b>	<b>\$366,298</b>	<b>\$340,012</b>

<sup>13</sup> 2012, NSW HIV Strategy 2012-2015: A New Era, NSW Health, p7

<sup>14</sup> For employed people who are ineligible for a Health Care Card, the full patient co-payment was increased to \$36.10 for most PBS medicines on 1 January 2013.

<sup>15</sup> See Table 4, p6

<sup>16</sup> See Rates of employment for people with HIV in NSW p2

<sup>17</sup> See The number of ARV items dispensed per person in NSW p2

<sup>18</sup> Ibid

<sup>19</sup> Ibid

<sup>20</sup> Ibid

**Table 3**

Provides the annual estimated cost to the NSW Government of an ARV Patient Co-payments subsidy for NSW PWHIV who are eligible for a Health Care Card (pension, social security payment) and:

- Charged 1 concessional Patient co-payment dispensing fee of \$5.90
- Where treatment uptake is between 70% - 100%

NSW Population - diagnosed with HIV	100%	10,170 <sup>21</sup>	Number of ARV items subsidised	Yearly co-payment cost <sup>22, 23</sup>	100% ARV uptake	90% ARV uptake	80% ARV uptake	70% ARV uptake
<b>NSW Population diagnosed with HIV and eligible for a Health Care Concession Card (21.7%)</b>	21.7% <sup>24</sup>	2,207			2,207	1,986	1,766	1,5450
<b>1 ARV item dispensed</b>	24% <sup>25</sup>	459	nil	nil	\$0	\$0	\$0	\$0
<b>2 ARV items dispensed</b>	47% <sup>26</sup>	898	1 ARV	\$35.40	\$31,789	\$28,610	\$25,431	\$22,252
<b>3 ARV items dispensed</b>	22% <sup>27</sup>	420	2 ARV	\$70.80	\$29,736	\$26,762	\$23,789	\$20,815
<b>more than 3 ARV items dispensed</b>	7% <sup>28</sup>	133	3 ARV	\$106.20	\$14,125	\$12,712	\$11,300	\$9,887
<b>Total cost of subsidy</b>					<b>\$75,650</b>	<b>\$68,084</b>	<b>\$60,520</b>	<b>\$52,954</b>

<sup>21</sup> 2012, NSW HIV Strategy 2012-2015: A New Era, NSW Health, p7

<sup>22</sup> For people who are eligible for a Health Care Card (pension/social security, student, and unemployed) the concessional patient co-payment was increased to \$5.90 for most PBS medicines on 1 January 2013.

<sup>23</sup> See Table 5, p6

<sup>24</sup> See Rates of employment for people with HIV in NSW p2

<sup>25</sup> See The number of ARV items dispensed per person in NSW p2

<sup>26</sup> Ibid

<sup>27</sup> Ibid

<sup>28</sup> Ibid

**APPENDIX**

*Table 4*

<b>Yearly cumulative full co-payments costs for ARV medications</b>				
<b>ANTIRETROVIRALS -</b>				
	1x SCRIPT	2x SCRIPT	3x SCRIPT	4x SCRIPT
JAN	36.10	72.20	108.30	144.40
FEB				
MAR	72.20	144.40	216.60	288.80
APR				
MAY	108.30	216.60	324.90	433.20
JUN				
JUL	144.40	288.80	433.20	576.60
AUG				
SEP	180.50	361.00	541.50	722.00
OCT				
NOV	216.60	433.20	649.80	866.40
DEC				
<b>Total</b>	<b>\$216.60</b>	<b>\$433.20</b>	<b>\$649.80</b>	<b>\$866.40</b>

*Table 5*

<b>Yearly cumulative concessional co-payments costs for ARV medications</b>				
<b>ANTIRETROVIRALS</b>				
	1x SCRIPT	2x SCRIPT	3x SCRIPT	4x SCRIPT
JAN	5.90	11.80	17.70	23.60
FEB				
MAR	11.80	23.60	35.40	47.20
APR				
MAY	17.70	35.40	53.10	79.80
JUN				
JUL	23.60	47.20	70.80	94.40
AUG				
SEP	29.50	59.00	88.50	118.00
OCT				
NOV	35.40	70.80	106.20	141.60
DEC				
<b>Total</b>	<b>\$35.40</b>	<b>\$70.80</b>	<b>\$106.20</b>	<b>\$141.60</b>

