

# Pharmaceutical Benefits Scheme data linked to the ALSWH and the co-payment

## 6.1 PBS Data Description

The Pharmaceutical Benefits Scheme (PBS), which was first established in 1948, subsidises the cost of medicine to Australian residents holding a Medicare card for most medical conditions. A key component of the scheme is the co-payment which is the amount you pay towards the cost of your PBS medicine. The co-payment differs depending on your concession status and is set by the government each year. The co-payment is also reduced if a family unit reaches within a 12-month period what is known as the Safety Net threshold, an amount set by the government. The current co-payment amounts and Safety Net thresholds can be found on the PBS website here: <http://www.pbs.gov.au/pbs/home>.

For a more detailed description of the PBS data refer to this article here: <http://dx.doi.org/10.17061/phrp2541546>

## 6.2 PBS – Under co-payment

Many PBS medicines cost a lot more than you actually pay as a co-payment but also many common items actually cost less than the co-payment threshold and so do not attract a benefit. This lack of a benefit is especially true for non-concessional card holders.

Before July 2012 the PBS did not record data on scripts dispensed which were under the co-payment threshold cost. Therefore there were always an unknown proportion of drugs dispensed but not recorded in the data during that time. Since 2012 the PBS has recorded all scripts dispensed regardless of co-payment status which means that we are now able to quantify this proportion.

Figure 1 shows the mean number of scripts by co-payment status, whether under co-payment or not. Figure 2 shows the percentage of scripts costing under the co-payment threshold for the three ALSWH cohorts by age.

What is clear from these two figures is that at younger ages a considerable proportion of scripts (>50%) cost under the co-payment threshold while at very old ages only a small proportion are (~4%). The reason for this difference is that women at older ages are much more likely to be concession card holders meaning the co-payment threshold is much lower (in fact no drugs in the PBS are priced lower than this threshold). Also as women age they have more scripts meaning that generally patients reach the Safety-Net threshold sooner resulting in the threshold for co-payment being reduced to the concession patient level.

When analysing pre-2012 PBS data the issue of under co-payment must be considered. Even if your drug of interest is priced above the general co-payment it does not mean that it will stay at that level. Once a drug comes out of patent and generic brands appear the price will drop and it will disappear from the PBS data. The same applies to confining your analysis to concession card holders, because some participants may change status over the course of your analysis.

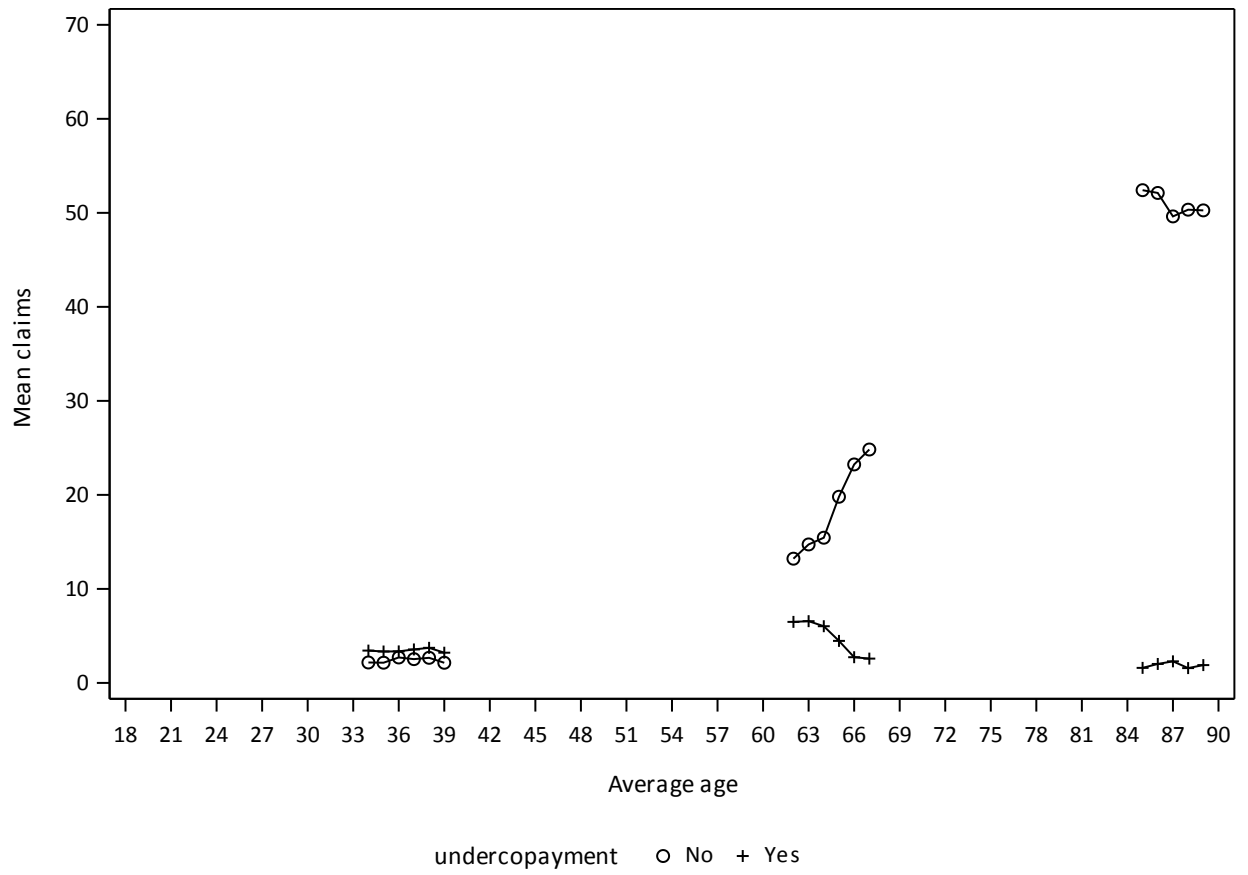


Figure 1: Mean PBS scripts by co-payment status 2012-13 and age at survey.

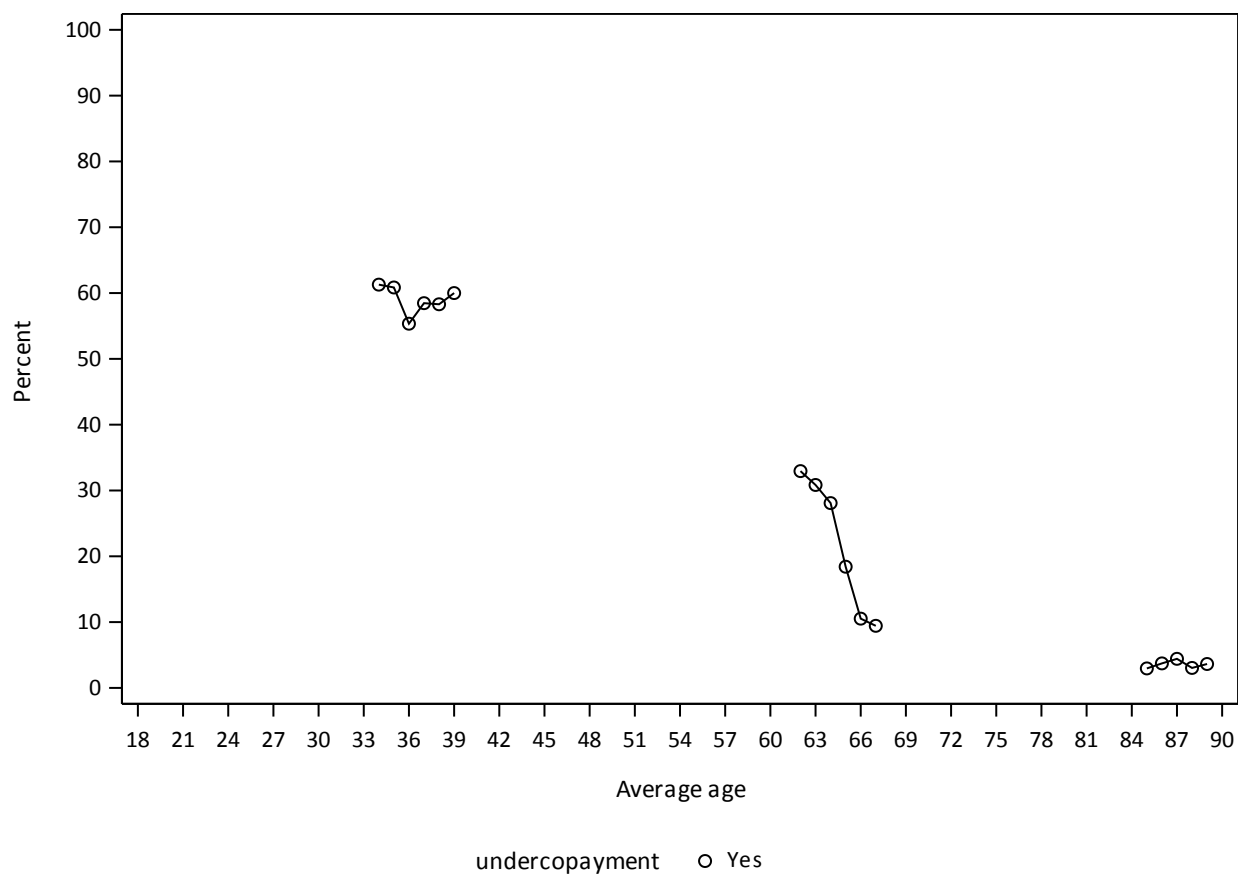


Figure 2: Percent PBS scripts under co-payment 2012-13 by age at survey.