

Antiretroviral co-payments for people with HIV in Australia

8 October 2013



**National Association of People with HIV Australia (NAPWHA),
on behalf of the PLHIV membership, and in collaboration with Living Positive Victoria,
Positive Life New South Wales, Positive Life South Australia and Queensland Positive People**

On who we are . . .

People living with HIV gather together in many forms such as alliances, collaborations and networks. We acknowledge that our uniqueness is our lived experiences, the voice and action of people living with HIV and that this must remain vital and central to an effective response to HIV locally and globally. Our organisations include all the ways we respond to HIV.

On what we do . . .

People living with HIV organisations are committed to the notion of the greater involvement and meaningful engagement of people living with HIV (GIPA) in the health, social and structural responses to HIV, including government, clinical, research and civil society responses.

People living with HIV organisations aim to represent and advocate on behalf of the diversity of people living with HIV. They are founded in a commitment to the involvement and empowerment of the group most affected by HIV – people living with the virus. The organisations draw on the experience of the consumer health movement, community based health promotion, and community development and they embody and promote the peer legitimacy of peer led approaches to health.

People living with HIV organisations are informed by the lives of people living with HIV and actively seek the engagement of the diversity of people living with HIV to ensure that their organisational voice is credible, relevant and timely.

On how we work . . .

People living with HIV organisations aim to ensure that the voices of people living with HIV are heard as a partner in all research, policy and program responses to HIV and further promote the leadership of people living with HIV as full, equal and essential partners to guide this work. These organisations strive to build the capacity of people living with HIV to participate in all aspects of society as informed, enabled and empowered participants in their own right and for their community's development and social change.

People living with HIV organisations represent and acknowledge the diverse and evolving experiences of living with HIV. This 'lived experience' identity and its authority are essential to the ongoing production of quality and effective prevention, treatment and care responses to HIV. It is the quality of these responses that continues to allow people with HIV to live in dignity, maintain and improve their health, and make choices that have beneficial impacts for themselves, their partners, families and communities.

People living with HIV organisations seek to be responsive to the evolving challenges and strengths of people living with HIV and advocate on behalf of people living with HIV at an individual, a community and a systemic level.

Background

Promoting HIV treatment uptake, making access to treatment easier and supporting treatment adherence are key factors in achieving improved health outcomes for people with HIV in Australia. Antiretroviral treatment (ART) inhibits immune destruction and inflammation associated with the development of cardiovascular disease, renal, hepatic, and neurological disease, malignancies and other serious non-AIDS diseases. It also reduces the onward transmission of HIV.

Financial stress and the cost of the patient co-payment for medicines are significant barriers to the uptake, maintenance and adherence of ART for people with HIV. People with HIV also experience higher rates of multi-morbidity and the management of multiple chronic health conditions is associated with higher out-of-pocket health spending. As people struggle to balance the financial burden of medical and health-related costs with other living expenses, decisions about treatment uptake, maintenance and adherence are negatively impacted.

If ART uptake and adherence levels are to be significantly improved in Australia, financial barriers to starting and staying-on treatment need to be urgently addressed. There is a compelling case in relation to individual and public health, for Australian state governments to consider waiving ARV co-payments for those with diagnosed HIV. The measure would reduce financial stress and improve treatment uptake and adherence as well as individual health outcomes. It would also reduce HIV transmission and long-term public health expenditure associated with further HIV infected individuals. The number of new HIV diagnoses in Australia in 2011 was 1,137, an increase of 8.2% over the number in 2010. The annual number of new HIV diagnoses has gradually increased over the past 12 years, from 719 diagnosed in 1999. In NSW, 330 people were diagnosed with HIV infection in 2011. In 2012, 409 people were diagnosed with HIV infection, an increase of 27% compared with the previous 4 year average. The lifetime cost of each new HIV infection is estimated by the Commonwealth to be approximately \$650,000 to \$749,000. The annual cost to the Commonwealth for infections in NSW therefore, would be approximately \$250 million if current infection rates continue.

A limited benefit from the PBS Safety Net

The PBS Safety Net does not provide sufficient assistance to people with HIV, particularly those on low incomes. It can typically take many months of purchasing medication before the Safety Net threshold is reached. This can mean that some individuals struggling with low incomes may decide not to start treatment, or to cease treatment because financially they are unable to sustain an additional month's co-payments before the Safety Net threshold is reached. People taking multiple HIV and non-ARV medications are required to purchase antiretroviral (ARV) medications from a hospital outpatient pharmacy and other medications from a community pharmacy. The requirement to obtain dispensing records from all pharmacies during a calendar year before a pharmacist can issue the Safety Net Entitlement Card can be time consuming and onerous. Community pharmacies provide electronic dispensing records, however hospital pharmacies have varying systems, and they are not linked to community pharmacy records. People therefore need to manage two record cards to track their spending and satisfy the threshold claim. Feedback from people with HIV suggests that few understand the Safety Net system and application process. It is also likely that many reach the Safety Net threshold late in the calendar year and believe that the time taken for the collection of dispensing records and application for a Safety Net Entitlement Card is outweighed by the limited financial benefit.

For example; if an individual is prescribed three ARV medications and two other medications (for the control of lipids and depression) and they are employed and not eligible for a Health Care Card and concession, they would pay the full co-payment amount of \$36.10 per item up to the Safety Net threshold of \$1,390.60 – which would be reached sometime in November of that calendar year. If they applied for a Safety Net Card, they would be eligible for a concession co-payment (\$5.90 per item) in the month of December only, before reverting to the full co-payment amount in January of the next year. In the case of an individual taking three ARV medications and four other medications (seven medications in total), they would reach the Safety Net threshold in September and after applying for the Safety Net Card, they would be eligible for a concessional co-payment for the last three months of the year. These two examples illustrate the fact that the PBS Safety Net provides limited benefit to people with HIV unless they are prescribed more than three ARV medications and more than three non- ARV medications.

Calculating the cost of waiving ARV co-payments: a case study

The following NSW example provides the methodology for calculating the cost of waiving ARV co-payments. Using the following methodology, Positive Life NSW developed cost estimates for the NSW Ministry of Health to waive ARV co-payments for the 10,170 people with diagnosed HIV in NSW. The costings were calculated by estimating the annual cost of ARV co-payments for the proportion of the NSW population with HIV who are employed or unemployed and eligible or not for a Health Care Card. The population proportions are based on Sydney Gay Periodic Survey 2012 employment data. The data identifies the proportion of HIV-positive respondents who are working full-time (59.6%), working part-time, or retired (18.8%)(i.e. drawing down income from savings, superannuation, or a partner) or receiving a pension or social security payment and therefore eligible for a Health Care Card concession (21.7%).

The other vital element in any calculation of the cost of waiving ARV co-payments is an understanding of the number of HIV medications dispensed per person. Most respondents to the 2011 Tracking Changes study reported currently taking a HIV regime of three ARV agents (85.9%). Overall, those on ARV therapy took between one and seven ARV agents, though most took between two and four agents. The Albion Centre Outpatient pharmacy in inner Sydney also reviewed the HIV dispensing patterns of 1,573 patients in late 2012. They found that 24% were dispensed one individual item (e.g. 3-drug fixed dose combination pill), 47% of patients were dispensed two items, 22% were dispensed three items and 7% were dispensed more than three items. It is therefore concluded that an average of three ARV items dispensed per person is a reasonable estimate for the purpose of the calculations.

From 1 January 2013, the patient co-payment was increased to \$36.10 for most PBS medicines and to \$5.90 if people have a concession card. Patients can be dispensed two months' supply of each ARV medication per co-payment and one month's supply of non-ARV medications per co-payment.

Table 1 illustrates the total cost over a 12 month period for one to four ARV medications and one to five non-ARV medications where the full co-payment of \$36.10 per medication is charged. On 1 January 2013, the Safety Net threshold changed to \$1,390.60.

Table 1 Yearly cumulative full co-payment cost of ARV and non-ARV medications in total dollars (\$)

ANTIRETROVIRALS	1 item	2 items	3 items	4 items	
	216.60	433.20	649.80	866.40	
NON-ANTIRETROVIRALS	1 item	2 items	3 items	4 items	5 items
	433.20	866.40	1299.60	1732.80	2166.00

Table 2 illustrates the total cost over a 12-month period for multiple ARV and non-ARV medications where a concessional co-payment of \$5.90 per medication is charged. On 1 January 2013, the concessional Safety Net threshold changed to \$354.00.

Table 2 Yearly cumulative concessional co-payments costs for ARV and non-ARV medications in total dollars (\$)

ANTIRETROVIRALS	1 item	2 items	3 items	4 items	
	35.40	70.80	106.20	141.60	
NON-ANTIRETROVIRALS	1 item	2 items	3 items	4 items	5 items
	70.80	141.60	212.40	283.20	354.00

Table 3 below estimates the yearly cost of waiving ARV co-payments for the 10,170 people with diagnosed HIV in NSW – where people are prescribed an average of three ARV items. The estimates include calculations for different population treatment uptake levels from 70-100%.

Table 3 Yearly costs of waiving ARV co-payments for those with an average of three ARV items

Employment status	Treatment uptake			
	70%	80%	90%	100%
Full-time (59.6% of 10,190)	\$2,756,905	\$3,150,749	\$3,544,593	\$3,938,437
Part-time/other(18.8% of 10,190)	\$869,236	\$993,413	\$1,117,590	\$1,241,767
Concession (21.7% of 10,190)	\$164,068	\$187,506	\$210,944	\$234,383
Total	\$3,790,210	\$4,331,669	\$4,873,128	\$5,414,587

Table 4 estimates the yearly cost of waiving ARV co-payments for the estimated 20-30% of people living with HIV in NSW who are yet to be diagnosed and treated with three ARV items (70-100% treatment uptake levels).

Table 4 Yearly costs of waiving ARV co-payments for those yet to be diagnosed with three ARV items

Undiagnosed and untreated	Treatment uptake			
	70%	80%	90%	100%
20% of 10,170	\$780,042	\$866,333	\$974,625	\$1,082,917
30% of 10,170	\$1,137,063	\$1,299,500	\$1,461,938	\$1,624,376

The annual cost to government of waiving ARV co-payment charges in NSW

The annual cost of waiving ARV co-payments in NSW for the 10,170 people with diagnosed HIV would be less than \$5 million dollars if 90% of all people with diagnosed HIV were treated free of charge. If a similar percentage of the 20-30% of people with undiagnosed HIV in NSW were also to receive free treatment, the cost of waiving ARV co-payments to this group would be less than an additional \$1.5 million.

Currently in other jurisdictions (WA, NT and a major Sexual Health clinic in Victoria) the co-payment charges are waived and supported through the respective health system. In the United Kingdom, Canada, and in various US states with large numbers of people with HIV, there is now public health funding providing free access to ARVs to all HIV positive patients.

NSW is currently considering a single ARV co-payment scheme. Under the scheme, people would be charged a single co-payment for their HIV medication. This would be levied regardless of the number of different drugs prescribed in combination. The measure would significantly reduce the cost burden of ARV treatment to people with HIV and prevent suboptimal treatment decisions being made based upon cost. It is estimated that if ARV treatment uptake was 90% in NSW and that if all people with diagnosed HIV 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 per year. If treatment uptake were 80%, the cost would be \$1.6 million and if uptake were 70%, the cost would be \$1.42 million.

The single co-payment scheme could be expected to improve treatment uptake and adherence levels in NSW. However, optimum individual and public health benefit would be achieved with a full waiver of ARV co-payments.

Conclusion

NAPWHA and its member organisations believe there is a strong case for Australian state and territory governments to consider waiving co-payments for antiretroviral medication.

Future action

NAPWHA calls on member organisations to commit to working with their state or territory health departments to achieve the waiving of ARV co-payments for people with HIV within their jurisdiction.

Further information

For further information on the preparation of co-payment costings in your state or territory, please contact Lance Feeny at Positive Life NSW on (02) 9206 2174 or email lancef@positivelife.org.au