

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Additional Estimates 2013 - 2014, 26 February 2014

Ref No: SQ14-000191

OUTCOME: 1. Population Health

Topic: Diabetes Expenditure

Type of Question: Written Question on Notice

Senator: McLucas Jan

Question:

In relation to Australian Government expenditure on diabetes, please provide total costs, a breakdown of costs for each program and outcome for each of the years 1996 to 2013.

Answer:

Reports on diabetes expenditure at a national level have been published by the Australian Institute of Health and Welfare (AIHW) for the 2000-01, 2004-05 and 2008-09 financial years. Estimates from each of these reports, and associated data limitations are provided at Attachment A. Note that these reports do not delineate Australian Government expenditure from state, territory, local government and non-government sector spending.

Australian Government expenditure on diabetes occurs through both generic and disease-specific programs. The majority of funding is directed toward treatment subsidies via the Medical Benefits Schedule and the Pharmaceutical Benefits Scheme; transfer payments to the states and territories for hospitals; preventive and community health; and funding for clinical research studies and disease monitoring and surveillance. Many Australian Government initiatives target chronic disease in a broader integrated manner and it is not possible to apportion diabetes-specific expenditure from these measures. A smaller portion of expenditure can be identified as outlays for diabetes-specific programs.

Attachment B provides a summary of diabetes-specific activity (and associated expenditure) undertaken by the Australian Government between 1996-97 and 2012-13 which can be easily identified. This does not reflect all targeted expenditure.

Attachment A – AIHW diabetes expenditure estimates

Table 1: Allocated national health expenditure for diabetes, by area of expenditure (\$ million)^(a)

	2000-01 ¹	2004-05 ²	2008-09 ³
Admitted patients^(b)	230.9	371.0	647.0
Out of hospital medical services	182.8	288.0	362.0
Prescription pharmaceuticals^{(c)(d)}	203.6	275.0	498.0
<i>TOTAL</i>	<i>617.3</i>	<i>934.0</i>	<i>1,507.0</i>

- (a) No allowance has been made for inflationary effects across the comparison years.
- (b) Includes public and private acute hospitals and psychiatric hospitals.
- (c) Includes all pharmaceuticals for which a prescription is needed, including private prescriptions and below co-payment prescriptions.
- (d) Excludes over-the-counter medicaments such as vitamins and minerals, patent medicines and a number of complementary health products that are sold in both pharmacies and other retail outlets.

In arriving at the figures for 2004-05 and 2008-09, the Institute has conducted a broader estimate of overall health system expenditure, and then apportioned this broader estimate across a range of individual diseases, including diabetes. Available data does not allow for analysis by specific disease. It should be noted that expenditure estimates for these years are necessarily based on the (approximately) 70% of total direct health care expenditure that can be allocated by disease in accordance with available data.

Estimates provided for 2000-01 cannot be accurately compared with the expenditure proportions provided for 2004-05 and 2008-09, given that these earlier estimates do not include a number of areas of expenditure that have been incorporated into the later year estimates.

1 Australian Institute of Health and Welfare: Dixon, T (2005). *Costs of diabetes in Australia, 2000-01*. Bulletin No. 26. AIHW Cat. No. AUS 59. Canberra: AIHW.

2 Australian Institute of Health and Welfare (2010). *Health system expenditure on disease and injury in Australia, 2004-05*. Health and welfare expenditure series no. 36. Cat. no. HSE 87. Canberra: AIHW.

3 Australian Institute of Health and Welfare (2013). *Diabetes expenditure in Australia 2008-09*. Cat. no. CVD 62. Canberra: AIHW.

Attachment B – Identified Australian Government diabetes activity 1996-97 to 2012-13

- **Medicare Benefits Schedule (MBS)** Rebated diabetes-specific items. Diabetes is also managed under generic GP items, but these cannot be tracked (between 1996-97 and 2012-13, almost \$457 million was expended on more than 23.4 million diabetes-specific services).
- **Pharmaceutical Benefits Scheme (PBS)** Subsidised prescription pharmaceuticals for the treatment of diabetes (between 1996-97 and 2012-13, almost \$4.3 billion was expended for this purpose).
- **National Diabetes Services Scheme (NDSS)** Subsidised diabetes equipment and products (between 2002-03 and 2012-13, more than \$1.4 billion was spent).
- **The Diabetes Care Project** Testing new ways of providing diabetes management and care (\$24 million over two years, 2011-12 and 2012-13).
- **The Practice Incentives Program (PIP) Diabetes Incentive** Supports general practice to provide earlier diagnosis and effective management of diabetes (\$184.7 million over twelve years, 2001-02 to 2012-13).
- **Lifestyle modification component of the COAG reducing the risk of type 2 diabetes initiative targeting people at high risk of diabetes** (\$22.3 million expended over four years, 2008-09 to 2011-12).
- **The National Integrated Diabetes Program** Provided funding for activities aimed at ensuring a national approach to improving the prevention, earlier diagnosis and management of diabetes through general practice (\$9.9 million over 7 years 2004-05 to 2010-11).
- **The Type 1 Diabetes Insulin Pump Programme** Means-tested subsidy to provide insulin pumps to Australians, aged under 18 years, with type 1 diabetes (More than \$3 million provided for 439 insulin pumps over five years, 2008-09 to 2012-13).
- **Australian National Diabetes Information Audit and Benchmarking (ANDIAB) Project** Involves the collection, collation, analysis, audit and reporting of clinical diabetes servicing in specialist diabetes centres (\$528,000 over eight years, 2005-06 to 2012-13).
- **NHMRC research grants** More than \$547 million was provided for 4,133 research studies into diabetes between 2000-01 and 2012-13.
- **Australian Type 1 Diabetes Clinical Research Network (CRN)** \$5 million contribution to assist with the establishment and development of the Network across 2010-11 to 2012-13.
- **Australian Islet Transplantation Program (ITP)** Treatment option for a small number of Australians with a severe diabetic condition (\$30 million was provided to the JDRF for the ITP between 2005-06 and 2009-10).
- **National Centre for Monitoring Diabetes (NCMD)** Administered by the Australian Institute of Health and Welfare for developing, collating and interpreting data relevant to diabetes prevention, detection, management and care (\$4.4 million between 2005-06 and 2012-13).
- **National (insulin-treated) Diabetes Register (NDR)** Administered by the Australian Institute of Health and Welfare. Contains records of people in Australia who commenced using insulin to treat their diabetes after 1 January 1999 (\$4 million from 2005-06 through 2012-13).
- **National Gestational Diabetes Register (NGDR)** (\$126,000 provided to establish the Register in 2010-11).
- **Connecting Diabetes – Online diabetes counselling** (\$368,375 for 2012-13).
- **TEAM T1 (Teens Empowered and Actively Managing Type 1) Program** Structured diabetes self-management program for adolescents with type 1 diabetes (\$455,217 for 2012-13).