

From:
To: [Community Affairs Committee \(SEN\)](#)
Cc:
Subject: OECD data
Date: Tuesday, 26 August 2014 10:48:08 AM

Hi

One of the issues raised at the recent PBS co-payment hearings was related to the interpretation of OECD data on co-payments. I contacted the OECD on this issue and here is their response:

As you mention, a large part of out-of-pocket spending can relate to the over-the-counter purchases. For the most part, these will clearly cover the non-reimbursed medicines and other items that have a clearly identifiable health benefit. There are, however, a number of items that are borderline products that it can be argued might be included or excluded from the measure of health spending, such as some nutritional supplements, sun-creams, etc. The new health accounts manual (SHA 2011) has gone some way to providing clear guidance to compilers in these areas. That said, undoubtedly countries will still have some differences in their approaches – due to national classifications, data sources etc. However, I would say that the extent to which these ‘borderline’ products affect the overall estimates of out-of-pocket spending is relatively small. We continue to encourage and work with countries to fully document their submissions and be clear on any deviations from the guidelines.

(From David Morgan, Head of Health Accounts, OECD Health Division)

The OECD notes that the extent to which ‘borderline’ products affect overall estimates of out-of-pocket spending is relatively small. For this reason, we argue that their inclusion or exclusion in different countries is unlikely to change Australia's position compared to other wealthy countries (regarding the share of health costs paid by patients). As far as we are aware, the OECD's measure is currently the best internationally comparable measure of the share of health expenditure borne by patients. No data are perfect. However, in the absence of a better indicator, and given reassurances from the OECD, it seems inappropriate to dismiss the measure or what it shows.

Stephen Duckett
Peter Breadon

Stephen Duckett PhD DSc FASSA | Director, Health Program
GRATTAN Institute | 8 Malvina Place Carlton Victoria 3053
<http://www.grattan.edu.au/home/health>

My latest Report is on public hospital workforce realignment:
<http://grattan.edu.au/publications/reports/post/unlocking-skills-in-hospitals-better-jobs-more-care/>