



Submission to the National Health Amendment (Pharmaceutical Benefits) Bill 2014

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Provided by the
Youth Affairs Council of South Australia Inc.

The Youth Affairs Council of SA (YACSA)
was established by the youth sector in 1980
and is the peak body representing the views and interests
of young people and the youth sector in South Australia.

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Introduction

The Youth Affairs Council of South Australia (YACSA) is the peak body in South Australia representing the interests of young people, youth workers, organisations and networks throughout the non-government youth sector. Policy positions are independent and not aligned with any political party or movement. YACSA's aim is to encourage young people, and those working with them and for them, to achieve meaningful improvements in the quality of young people's lives.

The Youth Affairs Council of South Australia is pleased to have the opportunity to contribute to this Committee as we have serious concerns about the introduction of any increase to the Pharmaceutical Benefits Scheme (PBS) co-payment and the PBS threshold and the impact that this will have on the short and long-term health and wellbeing of young people.

The objective of the PBS was to ensure that all Australians had access to pharmaceuticals regardless of their income. Adding an increase to the co-payment for PBS medication has the potential (particularly in light of the proposed Medicare co-payment) to dissuade young people from seeking diagnosis and treatment of illness simply because they can't afford to.

As many chronic conditions occur in youth and prevention and early intervention is most efficient way of decreasing Australia's primary health care budget, YACSA urges the Committee to reject changes in the areas addressed in this submission.

Young people in context

YACSA advocates for the fundamental right of all young people to participate in and contribute to all aspects of community life, particularly decision making processes which impact upon them directly. Young people's participation in society is vital in ensuring the development of relevant, forward-thinking and representative policy, programs and services. YACSA advances that young people are the experts in their own lives, and it is young people to whom decision-makers should turn when considering solutions to the problems young people face.

However, it is more often the case that young people are excluded from decision making, particularly where those decisions affect them the most. Young people are expected to assume many responsibilities in our society and that same society can devalue their contribution and marginalise their role as stakeholders in civil, political, economic, social and cultural life, simply because of their age.

We live in a world where our perceptions are often shaped by the media and by our politicians, who provide us with an on-going, often negative commentary that serves to limit the roles available to young people. Young people are variously portrayed as the victim, as the criminal, as lazy, as despondent, as disconnected or the symbol of "what is wrong with the world today." Young people are seen as "adults in the making," which suggests they are somehow less capable, less insightful, less intelligent and less valuable than adults. This gives rise to the notion that young people are unable to make proper decisions or contribute in a meaningful way until they are older.

YACSA advocates strongly for young people to receive the support they need, when they need it, and that their needs, opinions, knowledge, experience, and participation are acknowledged.

Key points

The following presents the key areas of the YACSA response to the National Health Amendment (Pharmaceutical Benefits) Bill 2014

- YACSA opposes the introduction of the increase in co-payment for PBS medication and the increase to the PBS threshold as this extra financial impost will dissuade some young people from purchasing medication and treating illnesses, and;
- Evidence demonstrates that prevention and early intervention contributes significantly to ameliorating illnesses that begin in youth from becoming chronic and life-long.

YACSA urges Government to reconsider increasing the co-payment for PBS medications as we believe it will impede access to medications by young people which could lead to a negative experience of health and wellbeing throughout the lifespan.

The Social Determinants of Health

Living in poverty and where we sit on the social gradient has been established as a significant determinant on our experience of health across the lifespan. Those who are on the lower rungs of the social gradient experience an increased risk of serious and chronic disease and death compared to those on the upper rungs of the social gradient^{1 2}. This experience of disadvantage is often replete with unhealthy food choices and food illiteracy, unhealthy lifestyle choices (like smoking and risky levels of drinking), and increased levels of stress and anxiety³.

Further, socio-economic factors play an important role in our health literacy⁴ and our access to timely, appropriate and affordable health services. These two factors should not be underestimated in determining our overall experience of health and wellbeing both now and as we move through the lifespan⁵.

Young people and access to medications and health care

It is important to remember that adolescence in particular is a key period in which young people can face significant challenges to their health and wellbeing. Many of the behaviours

¹ M Marmot and R Wilkinson, (Eds), *Social Determinants of Health*, Oxford University Press, Oxford, 1999.

² R Wilkinson and M Marmot, *Social Determinants of Health: The Solid Facts*. 2nd edition, World Health Organisation, Denmark, 2003.

³ J Menadue, 'Better Choices, Better Health: final report of the South Australian Generational Health Review', Government of South Australia, April 2003.

⁴ Health literacy is vital for consumers to understand and access information regarding their health and to make informed choices that lead to a better experience of health and wellbeing.

⁵ R Cannon, *The Social Determinants of Health*, SACOSS Information Paper, December 2008.

and illnesses that impact on health and wellbeing as we get older have their origins in our childhood and youth⁶.

However there can be a series of barriers for young people more regularly accessing health care services. We know that these can include embarrassment, issues of confidentiality, knowledge of health conditions and their treatments (health literacy) and young people not knowing what services are available. This is particularly true for young people in rural and remote areas⁷.

An accessible and affordable health care system is important for young people. In fact just under 50% of respondents (47.8%) to YACSA's pre-state election survey indicated that they would be voting for 'affordable access to health care'⁸. This is clearly an issue for young people and one where Government can play a significant role in removing barriers to more regular access to health care services.

With this in mind, more needs to be done to encourage young people to access health services on a regular basis and we believe this will be impacted upon by increases in fees to access health care and increases in costs for medication.

The increase in Medicare co-payment and PBS co-payment

While the Abbott Government has tried to sell the Federal Budget by suggesting that the co-payments are necessary to build a sustainable health care system, the real impact of these co-payments has not been addressed.

Recently released modelling by the University of Sydney⁹ demonstrates that the effect of the PBS co-payment, coupled with the Medicare co-payment will have a deleterious effect on the finances and access to health care of many Australians.

The study found that while the cost increase of PBS medications for concession card holders is 80 cents, this actually means 80 cents per medication. If an individual takes several medications, then this additional cost will mount up. Modelling suggests that if both policies (PBS co-payment and the Medicare co-payment) were introduced, the average additional

⁶ Australian Institute of Health and Welfare, *Young Australians: their health and wellbeing* 2011. Cat. no. PHE 140 Canberra: AIHW, 2011.

⁷ NSW CAAH, 'Young People's Access to Health Care: Exploring Youth Health Programs and Approaches in NSW', NSW Centre for the Advancement of Adolescent Health / The Children's Hospital at Westmead, Westmead NSW, 2005.

⁸ Youth Affairs Council of South Australia, 'What will I be voting for Survey Analysis: What young people think is important for the 2014 state election', viewed 23 July 2014, available from, <http://www.yacsa.com.au/documents/item/215>, 2014.

⁹ Dr C Bayram and C Harrison, 'Estimated impact of proposed GP, pathology and imaging co-payments for Medicare services, and the increased PBS threshold: Additional cost burden to patients from budget co-payment proposals: BEACH data', viewed 23 July 2014, available from: <http://sydney.edu.au/medicine/fmrc/beach/bytes/BEACH-Byte-2014-003.pdf>, 2014.

cost to a patient per year increases with age from \$36 for children to \$122 for patients aged 65 years or more¹⁰.

This is important when you consider that young people have described the negative economic impacts of current levels of GP co-payments and the cost of pharmaceuticals and signalled that the effect of the proposed co-payments will be significant on their already tight budgets.

The impact of Federal Budget changes

Add to this potentially dire situation the proposed changes to welfare which will see an increase in the age at which a young person can receive Newstart (which is a higher rate than Youth Allowance) and the exclusion period in which young welfare recipients will have to wait six months to access income support.

This will leave some young people without an income for extended periods of time, and with an increased cost to access health care and pharmaceuticals, YACSA is concerned that young people will increasingly avoid accessing health services and their experience of good health both now and into the future will decline significantly.

Prevention and early intervention

YACSA strongly advocates for a focus on prevention and early intervention in regards to the health and wellbeing of young people and as this submission previously highlighted, the role of accessible and affordable health services is vital in treating illness that may impact on an individual across their lifespan.

This must be a priority if the Abbott Government is serious about decreasing the long-term health budget and preventing chronic disease from impacting on individuals, communities and health systems into the future.

Conclusion

The recent federal budget contained measures for projected savings that are set to disproportionately affect young people across the country and particularly those that are already disadvantaged. This includes dismantling many of the safety nets, programs and services that were designed to assist those who are most vulnerable and disadvantaged to achieve some semblance of equity.

For young people in particular, the proposed Medicare co-payment and the increase to the PBS co-payment has the very real potential to decrease health service use by young people particularly in light of changes to welfare and the resultant low levels of income for those disadvantaged young people under the age of 30.

¹⁰ Dr C Bayram and C Harrison, 'Estimated impact of proposed GP, pathology and imaging co-payments for Medicare services, and the increased PBS threshold: Additional cost burden to patients from budget co-payment proposals: BEACH data', viewed 23 July 2014, available from: <http://sydney.edu.au/medicine/fmrc/beach/bytes/BEACH-Byte-2014-003.pdf>, 2014.

If young people avoid accessing health services due to the Medicare co-payment and the rise in the PBS co-payment, a greater disparity will occur in the experience of health between young people and the rest of the population. This also has the potential to increase chronic and life threatening conditions into adulthood which of course will place greater long-term financial costs on an already burgeoning health sector.

With this in mind it is reasonable to advance that more regular access by young people to affordable health services ensures greater social and financial benefits to Government, individuals and the community.