

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Budget Estimates 2013-14, 5/6 & 7 June 2013

Question: E13-054

OUTCOME: 0 - Whole of Portfolio

Topic: National Health Priority Areas

Type of Question: Written Question on Notice

Senator: Boyce

Question:

As you know, the nine National Health Priority Areas (NHPAs) are diseases and conditions that the Australian government has chosen for focused attention because they contribute significantly to the burden of illness and injury in the Australian community. The government spends approximately \$21 million through the NHMRC on dementia research – one of the nine NHPA?

- a) Would you please advised how much is spent per annum on research on the other areas – cancer control, cardiovascular health, injury prevention and control, mental health, diabetes, asthma, arthritis and musculoskeletal conditions and obesity?
- b) Would you please advise the annual cost (in monetary terms) of each of the NHPAs on the Australian community – for example, how much does the treatment of asthma cost the Australian community per year?
- c) Would you please provide a breakdown of the number of people who suffer from diseases or conditions that are a NHPA?

Answer:

The following response reflects the state of play as at the time the question was asked.

- a) The Department of Health and Ageing does not collect information on research expenditure for specific diseases, so cannot answer this part of the question in the detail sought. Some information on expenditure on some diseases and conditions can be provided to help develop an overall picture of research per National Health Priority Areas (NHPA).

The estimated cost for research across the whole health field was \$4.3 billion in 2010-11. This figure is sourced from the Australian Institute of Health and Welfare's (AIHW) publication *Health expenditure Australia 2010-11* (Table 4.3) available at <http://www.aihw.gov.au/publication-detail/?id=10737423009>

The AIHW has estimated that state and territory government and Australian Government research expenditure on mental health in 2010-11 totaled \$77.1 million. This total is derived from data on specialised mental health services expenditure provided in the AIHW's online publication *Mental health services in Australia* (Tables 14.13 and 14.28) available at <http://mhsa.aihw.gov.au/resources/expenditure/specialised-mh-services/>

As detailed in the answer provided to Question on Notice E13-154, Cancer Australia, through the Priority-driven Collaborative Cancer Research Scheme partnered with key non-government organisations to coordinate the funding of cancer research at a national level. In 2011–12, 30 grants totalling \$9.35 million were awarded through the Scheme, with the research addressing Cancer Australia’s specified research priorities including the prevention of cancer, early detection of cancer, application of new treatments and technologies, and the coordination, integration and delivery of treatment and care using a multi-disciplinary approach. The grants also fund research in gynaecological cancer, lymphomas, and cancers of the lung, colon, rectum and pancreas.

In addition, the National Health and Medical Research Council (NHMRC) funds a range of activities, aligned with their Strategic Plan, which contribute to the broader knowledge base around human health and medical research. These activities include development, equipment and project grants, fellowships and scholarships. During 2011–12, NHMRC invested over \$750 million to build Australia’s research capacity and support both researchers and facilities.

The following table captures a breakdown of NHMRC expenditure in NHPAs for 2012-13.¹

National Health Priority Area	Expenditure (\$m)
Cancer control	162.39
Cardiovascular health	93.59
Injury prevention and control	32.90
Mental health	55.15
Diabetes	63.07
Asthma	16.32
Arthritis and musculoskeletal conditions	20.76
Obesity	35.73
Dementia	21.56

Expenditure on research, not managed by NHMRC includes:

National Health Priority Area	Expenditure (\$m)
Cancer control	10.73*
Obesity	0.84 (direct) 0.97 (indirect)**

* For 2012-13, broken down into:

\$5.29m for the Priority-driven Collaborative Cancer Research Scheme, and
\$5.44m for the Support for Cancer Clinical Trials program.

** Average spend per year over four years to 2013-14.

Note that these figures are not comprehensive and may involve double counting. The figures on expenditure are the latest available but are across different years and do not give an account of how much is spent in an individual year.

- b) The complexities involved with calculating the annual costs of NHPAs mean that information is not available across all NHPAs, or in comprehensive detail for any NHPA. However, the Department is able to provide some expenditure information to give an indication of the annual costs of NHPA.

The latest data available from the AIHW on disease expenditure is for 2008–09 and is published in *Australia's Health 2012* (Figure 8.8, page 483) available at <http://www.aihw.gov.au/publication-detail/?id=10737422172>. This data includes the estimated costs for disease groups which correspond to the NHPAs. The notable exception is obesity, which is not classed as a disease group in this context. Asthma is included under 'Respiratory diseases' and Dementia is included under 'Nervous system disorders'.

Table for Figure 8.8 from *Australia's health 2012*: Allocated health expenditure in Australia, by disease group and area of expenditure, 2008-09 (\$ million)

Broad disease group	Admitted patients^(a)	Out-of-hospital medical services	"Optometrical and dental services"	Prescription pharmaceuticals^{(b)(c)}	"Community and public health"^(d)	Total
Infectious and parasitic	845	528	0	214	0	1,587
Respiratory	2,401	1,286	0	784	0	4,471
Maternal conditions	2,450	58	0	16	0	2,524
Neonatal causes	766	33	0	2	0	801
Neoplasms	3,652	479	0	531	336	4,998
Diabetes mellitus	649	387	0	524	0	1,560
Endocrine, nutritional and metabolic	814	630	0	1,172	0	2,616
Mental disorders	2,689	690	0	983	1,708	6,070
Nervous system disorders	1,502	906	282	676	0	3,366
Cardiovascular	4,518	1,592	0	1,772	0	7,882
Digestive system	2,826	722	0	748	0	4,296
Genitourinary	2,257	905	0	280	0	3,442
Skin diseases	667	484	0	309	0	1,460
Musculoskeletal	3,091	1,595	0	935	0	5,621
Congenital anomalies	378	32	0	6	0	416
Oral health	265	58	6,790	11	0	7,124
Injuries	4,068	942	0	315	0	5,325
Signs, symptoms ^(e)	4,836	4,546	0	1,305	0	10,687
Total	38,674	15,873	7,072	10,583	2,044	74,246

(a) Includes public and private acute hospitals, and psychiatric hospitals.

(b) Includes all pharmaceuticals for which a prescription is needed, including private prescriptions and below-copayment prescriptions.

(c) Excludes over-the-counter medicaments such as vitamins and minerals, patent medicines, first aid and wound care products, analgesics, feminine hygiene products, cold sore preparations, and a number of complementary health products that are sold in both pharmacies and other retail outlets.

(d) Comprises expenditure on community mental health services and public health cancer screening programs.

(e) 'Signs, symptoms' includes diagnostic and other services for signs, symptoms and ill-defined conditions where the cause of the problem is unknown. Also covered in this group is 'Other contact with the health system', which includes fertility control, reproduction and development; elective cosmetic surgery; general prevention, screening and health examination; and treatment and aftercare for unspecified diseases.

Source: AIHW Disease expenditure database.

The AIHW has more recently published *Dementia in Australia* (published on 27 September 2012) which provides an estimated expenditure for dementia in 2009–10 in the order of \$2.0 billion (Table 6.1). This publication is available at <http://www.aihw.gov.au/publication-detail/?id=10737422958>

Costs to the Pharmaceutical Benefits Scheme

Expenditure for medicines subsidised under the Pharmaceutical Benefits Scheme and Repatriation Pharmaceutical Benefits Scheme and the number of scripts dispensed for the 2011-12 financial year, for the NHPAs were as follows:

National Health Priority Area	Benefit	Scripts
Arthritis and musculoskeletal conditions	\$270,033,755	9,154,864
Asthma	\$326,081,057	8,977,268
Cancer control	\$1,113,616,981	2,268,757
Cardiovascular health	\$2,429,273,922	75,815,099
Dementia	\$60,632,490	422,606
Diabetes mellitus	\$448,316,157	8,113,751
Mental Health	\$816,453,358	23,376,392
Obesity*	N/A	N/A
Injury prevention and control*	N/A	N/A
Total	\$5,464,407,720	\$128,128,737

* There are no defined drugs in the PBS for obesity or injury prevention.

Costs to Medicare Benefits Schedule

Data on Medicare Benefits Schedule (MBS) expenditure against individual NHPAs is not available for a number of reasons. For example, patients who present to a general practitioner (GP) may be seen under a general consultancy item (e.g. Item 23). Further, the MBS consists of more than 5,700 items used by medical practitioners to treat patients. The majority of items are not disease specific and it is not possible to accurately attribute the items to the NHPAs to produce cost figures. This means that MBS cost cannot be attributed to an individual NHPA, even though the patient may be seen for an NHPA condition.

The Department can advise that for 2011-12, total GP expenditure (including practice nurses) was \$5.58 billion; excluding practice nurses, total GP expenditure was \$5.54 billion. A similar problem also occurs with identifying NHPA costs related to pathology and diagnostic imaging, which accounted for around \$4.76 billion of total MBS expenditure for 2011-12. The majority of pathology testing would be for general disease screening.

Obesity Costs

According to the Australian Bureau of Statistics' Report *Overweight and Obesity in Adults in Australia: A Snapshot, 2007–08* (4842.0.55.001), in 2008, it was estimated that the overall cost of obesity to Australian society and governments was \$58.2 billion, which included:

- a burden of disease cost of \$49.9 billion; that is, the cost of disability, loss of well-being and premature death resulting from obesity and its impacts; and
- direct financial costs of \$8.3 billion, including productivity costs due to short and long-term employment impacts (\$3.6 billion), health system costs (\$2 billion) and carer costs (\$1.9 billion).²

Mental Health Costs

The most accurate estimate available to the Department is approximately \$6.9 billion, which was spent by the Australian and state and territory governments on Mental Health Services in 2010-11 (source: AIHW Mental Health Services in Australia, 2013) as follows:

State and territory government	\$4,188,000,000
Australian government	\$2,420,000,000
<u>Private health funds</u>	<u>\$ 257,000,000</u>
Total	\$6,865,000,000

The Department advises that these figures are only for mental health specific services and do not include out-of-pocket costs to the consumer, or the range of community support services needed by mental health patients that are not mental health specific (e.g. public housing, income support payments, aged care programs, disability services, home and community care programs). It has been further estimated that for the Australian Government, for every dollar allocated to mental health services in the specialised sector, an additional \$3.10 is spent on providing support services to people with mental illness (source: Department of Health Ageing (2007) National Mental Health Report 2007).

Complexities in reporting against NHPA

The Department cannot provide a comprehensive picture of the costs of NHPAs.

Many of the conditions that are identified as NHPAs are co-morbid, i.e. occur together. For example, obesity and diabetes tend to be highly correlated, as does cancer and mental health. As such, it would be difficult to distinguish costs between comorbid conditions. This would lead to double or more counting of costs where co-morbidity does occur.

In addition, there is a difference between the cost of NHPAs and expenditure by Government on them, and the Department does not keep records of costs to the community of each NHPA.

c) The AIHW has collated the following information from a number of published sources.

National Health Priority Area	Number of Australians suffering from NHPA-related diseases or conditions ^{1,2}	
	Prevalence (thousands of cases)	Incidence (thousands of new cases per year)
Cancer control	775 ^a	121
Cardiovascular health	3,396	Not available
Injury prevention and control	Not available	400
Mental health	3,198 ^b	Not available
Diabetes	999 ^c	Not available
Asthma	2,049 ^d	Not available
Arthritis and musculoskeletal conditions	6,345	Not available
Obesity	3,000	Not available
Dementia	322 ^e	Not available

Notes:

1. Figures are as reported from available sources in the Australian Institute of Health and Welfare's *Australia's health 2012* report, unless otherwise indicated.
2. Figures are given to the nearest thousand cases and, in the main, are estimates only. Some are derived from registers of cases.
 - a. Reported in the AIHW's publication *Cancer survival and prevalence in Australia: period estimates from 1982 to 2010*. The figure is for 26-year prevalence as at the end of 2007 and is for the longest duration possible given the earliest (1982) and latest (2007) years of incidence data used to derive it.
 - b. Reported in Australian Bureau of Statistics 2008, *National Survey of Mental Health and Wellbeing 2007: Summary of results*. ABS Cat. No. 4326.0. The figure represents persons who met criteria for diagnosis of a lifetime mental disorder and had symptoms in the 12 months prior to interview.
 - c. Reported in Australian Bureau of Statistics 2013, *Profiles of health, Australia, 2011-13*. ABS Cat. No. 4338.0.
 - d. The figure represents persons with current asthma.
 - e. Reported in the AIHW's publication *Dementia in Australia*. AIHW Cat. no. AGE 70 (Table A2.2).

Departmental Information:

National Health Priority Area	Prevalence
Mental health	3.2 million*
Asthma	2.3 million**
Arthritis and musculoskeletal conditions	6.3 million***
Obesity	4,287.6m(obese); 5,621.6m (overweight)****

Notes:

* It was estimated that 3.2 million people (20% population) in 2007 suffered from mental and behavioural conditions (including substance abuse) (Source: Council of Australian Governments (COAG) National Action Plan for Mental Health 2006-2011 Fourth Progress Report).

**Source: Australian Bureau of Statistics, Australian Health Survey, First Results 2011-12

***Source: 2007-09 National Health Survey

**** Adults and children 2years and over. Source: Australian Health Survey 2011-12 First Results

This data is likely to double count individuals, especially as those suffering more than one condition may be counted against each NHPA or only one.