Key messages
Between 2009 and 2012, there was a slight narrowing in the gap between Medicare funding to Northern Territory residents and the amount that would be paid if NT residents had the same average per capita access as other Australians. By contrast, the corresponding funding gap in the Pharmaceutical Benefits Scheme increased substantially. In 2012, the total funding gap from both schemes amounted to $102 million.

Introduction
Medicare is the Australian Government’s universal health insurance scheme and reimburses the cost of primary care services principally provided by General Practitioners (GP). The Pharmaceutical Benefits Scheme (PBS) is a parallel publicly funded plan, which subsidises a wide range of prescribed medicines. In 2012, a total payment of $131 million ($100 million in Medicare and $31 million in PBS) was made on behalf of the Northern Territory (NT) residents.

Access is particularly low in remote Indigenous communities, where despite high levels of health need, there are few GPs. In remote communities, primary care services are frequently provided by remote area nurses and Aboriginal health workers, whose services are not covered by Medicare and PBS. This disadvantage is further compounded by the relatively high costs of providing health services in remote locations.

This fact sheet updates previous publications on Medicare and PBS usage in the NT including long term trends of these payments. A statistical method, called indirect standardisation, is used in this fact sheet to compare the actual payments with the expected payments, and was calculated using age-sex specific national average usage rates and NT population estimates.

Table 1: Average per capita Medicare and PBS benefits ($) by State/Territory, Australia, 2011-2012

<table>
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<th>Medicare</th>
<th>PBS</th>
<th>Ratio Medicare</th>
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Note: Expected payment is calculated by the national average usage rate and NT actual population by age and sex.

Figure 1: Medicare benefits - actual annual payments compared with expected payments based on the national average*, Northern Territory, 2003-2012

Medicare
- The use of Medicare in the NT increased in recent years from $40 million in 2003 to $100 million in 2012 (Figure 1). The rate of increase was similar to the national trend.
- Compared with the national average, there has been a persisting gap of at least $37 million per year between the actual and expected payments to NT residents (Figure 1). This gap is equivalent to approximately one million GP’s visits each year (Figure 2).
• Between 2009 and 2012, there was a slight narrowing in the Medicare funding gap, with a 5% reduction from $39.8 million in 2009 to $37.7 million in 2012. This reduction in the funding gap corresponded to a 12% reduction in the service gap (Figures 1 and 2).

• There have been a range of funding initiatives, particularly in the Aboriginal health sector which are related to primary care. This additional funding has played an increasing role in filling the gap in Medicare payments (Figure 1).

Figure 2: Medicare services - actual services compared with expected services based on the national average,* Northern Territory, 2003-2012

![Graph showing Medicare services comparison]

Note: * Expected service is calculated by the national average usage rate and NT actual population by age and sex. Source: Medicare Australia (2013).  

Pharmaceutical Benefits Scheme

• PBS usage in the NT has also increased in recent years, from $17 million in 2009 to $31 million in 2012 (Figure 3). However, nationally the relative increase has been much greater.

• Compared with the national average, there was a significant and widening funding gap in PBS usage (Figure 3). This funding gap increased from $53 million in 2009 to $64 million in 2012.

• This widening gap between average per capita NT and Australian PBS usage was mainly due to the substantial increase in the national averages in recent years.

• Under Section 100 of the National Health Act (1953) pharmaceuticals can be funded through special arrangements, including for populations living in remote areas of Australia. Section 100 expenditure appeared to cover about one-third of the PBS funding gap (Figure 3).

• Current NT PBS usage rate was approximately one-quarter of the national average (Figure 4).

References

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