

## Budget blow

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People living with HIV/AIDS are among the big losers in the 2005/06 federal budget handed down by treasurer Peter Costello on May 10.

While much of the mainstream media attention has been on the budget's surprise tax cuts, substantial changes have been made to both the welfare and health portfolios which have the potential to make life harder for many positive people.

### Welfare-to-work, or work-for-the-DSP?

The most dramatic changes are in the welfare arena, with new eligibility criteria for the Disability Support Pension (

Those who do not meet the new eligibility criteria will be shifted onto an 'enhanced Newstart' (unemployment) benefit, which pays \$77 less per fortnight than the DSP and has much more onerous compliance requirements. The changes, which apply from 1 July next year, do not affect people who are already on the DSP, however there are no firm guarantees that current DSP recipients will not face the harsher rules in the future.

The government proposal also includes a \$2 billion package to boost rehabilitation, retraining and job placement schemes for people with disabilities, however the details of how this package would be implemented, and whether it would have any direct effect for people with HIV/AIDS, are sketchy at the moment.

Changes to the 'taper rate' at which the dole is cut for part-time earnings will partially offset the loss of income for people who are moved from the DSP to Newstart, however PL calculations show that people living with HIV/AIDS and working part-time could be substantially worse off under the new regime ([see story page 2]).

### PBS, Medicare cutbacks

In a worrying sign of the government's renewed enthusiasm for shifting the burden of health costs from the budget bottom line to individual consumers, health minister Tony Abbott told journalists, "There is no such thing as free medicine."

In changes announced ahead of the budget, the government has reneged on the health minister's "rock solid, iron-clad" election promise to maintain the Medicare safety net. The threshold at which the safety net, which provides a rebate of 80 percent of out-of-pocket medical costs, cuts in has been increased to \$1000 (from \$700) for most people, and to \$700 (from \$300) for lower-income earners with children.

A raft of measures designed to cut \$1.3 billion from the cost of the [Pharmaceutical Benefits Scheme](#) [1] [Pharmaceutical Benefits Scheme] The federal government program which subsidises medication costs in Australia. Anti-HIV drugs are part of a special part of the PBS called Section 100 (S100) which is used for expensive, highly specialised drugs. (PBS) will progressively cut back the PBS safety net which protects people with chronic illness from prescription drug costs.

The current PBS safety net cuts in once an individual has filled 52 PBS prescriptions in a calendar year, after which additional scripts are free for concession card holders, or charged at the concession rate for those without a concession card. The safety net threshold will rise to 54 prescriptions next year, and will rise by an additional two scripts per year until 2009, when the safety net will not cut in until 60 scripts have been filled.

Additional new restrictions will mean that some prescription repeats filled less than 20 days apart may not qualify for the safety net threshold, a move the treasurer says is designed to prevent 'hoarding' of prescription medicines. People will still be able to request immediate supply of drugs which have been lost, damaged or are urgently needed, but the new rules mean that drugs dispensed this way will not be eligible for the safety net.

There is some confusion as to how the new arrangements will affect dispensing of [antiretrovirals](#) [2]A medication or other substance which is active against retroviruses such as HIV. and other drugs supplied through hospital pharmacies. In many states, pharmacies dispense three months' supply of HIV drugs at a time, and there is no information available as to how this arrangement will be affected by the new rules. (See [note](#) below).

PBS co-payments remain unchanged at \$4.60 for concession card holders, and \$28.60 for general patients, the rate which came into force on 1 January this year.

The budget also contains plans to review the cost and [clinical](#) [3]Pertaining to or founded on observation and treatment of participants, as distinguished from theoretical or basic science. [effectiveness](#) [4](Of a drug or treatment). The maximum ability of a drug or treatment to produce a result regardless of dosage. A drug passes efficacy trials if it is effective at the dose tested and against the illness for which it is prescribed. In the standard procedure, Phase II clinical trials gauge efficacy, and Phase III trials confirm it. of some PBS-listed drugs, possibly leading to the delisting of some drugs or tightening of restrictions, and previously-announced plans to force drug companies to reduce prices when generic treatments come onto the market.

**Note:** Since this article was published, NAPWA has been informed that the changes to PBS safety net eligibility will **not** affect the dispensing of prescriptions through hospital pharmacies.

- [Disability Support Pension](#)
- [Health, Treatments and Research](#)
- [HIV Living](#)
- [Medicare](#)
- [Pharmaceutical Benefits Scheme](#)

**Links:**

[1] <http://www.napwa.org.au/glossary/term/121>

[2] <http://www.napwa.org.au/glossary/term/122>

[3] <http://www.napwa.org.au/glossary/term/475>

[4] <http://www.napwa.org.au/glossary/term/486>