Comparative Cost of Treatment for a Chronic Complicated Medical Condition in Campsie NSW and Ramingining NT

Submission to the Australian Productivity Commission Horizontal Fiscal Equalisation Inquiry

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Indigenous Population of the NT

NT Department of Health: Health Gains Planning
Fact Sheet NT: Demography 2015

- NT Indigenous Population 68.850 (30% of NT Population)
- NT Population living in Remote and Very Remote Areas (NTPRVRA) 59, 250 (23.4% of NT Population).
- 47,400 (80% of NTPRVRA) Indigenous

Aboriginal Population Distribution in the NT

Figure 2: Population distribution by Indigenous status and Remoteness Area, Northern Territory, 2011.

Data source: Australian Bureau of Statistics, 2013, Estimates of Aboriginal and Torres Strait Islander Australians, June 2011. ABS Cat No 3238.0.55.00.

Prevalence of Diabetes and Diabetic Foot Ulcer

- Prevalence of Diabetes: Ramingining NT 18%
- Prevalence of Diabetes: Campsie NSW 5%
- 15% of Individuals with Diabetes experience a diabetic foot ulcer


Ramingining
Northern Territory 0822

Two Patients with a 10 year history of Type II Diabetes and a Chronic Foot Ulcer, eventually requiring hospitalisation because of a superimposed infection

- Gina (55yo Italian female living in Campsie)
- Care provided by local GP Service in Campsie under Chronic Disease Management Plan (Medicare Items 23,36, 721,723, 10997)
- Brenda (55yo Aboriginal female resident in Ramingining)
- Managed in Ramingining by NT Health Services

Cost Equivalents

- Cost of Hospitalisation for Gina in Canterbury Hospital for one week for treatment of an acquired infection in her foot ulcer
- Cost of Hospitalisation for Brenda in Royal Darwin Hospital for one week for treatment of an acquired infection in her foot ulcer
- A$ 2004 (Zhao et al 2006)
- A$ 2004 in A$2017 CPI equivalents
- A$ 1.00 (2004) = A$ 1.38 (2017)
- A$ 2017

Health Costs 2004-2017 CPI Equivalents (NT Treasury)

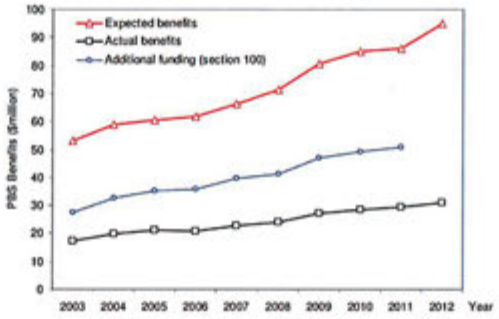
	HEALTH - Sub Index CPI		Total CPI	
	DARWIN	8 Capital Cities	DARWIN	8 Capital Cities
Values June 2004	30 June 2017	30 June 2017	30 June 2017	30 June 2017
$10,800	$18,584	$19,491	$14,833	$14,893
$10,200	$17,551	$18,408	$14,009	$14,065
$3,216	$5,534	$5,804	$4,417	$4,435
$24,216	$41,669	$43,703	$33,259	$33,393

Pharmacy Disadvantage for Indigenous NTPRVRA

- People are not able to access Commonwealth funded professional services that community pharmacists provide in relation to improving medicines management
- People cannot access over the counter medicines and other health products and advice to be self-managing
- Results in NT Health Department clinical staff (predominately nurses and Aboriginal health practitioners) having to provide some of these services as an extended scope and costs borne by the NTG budget
- Patients may have to access the health centre more frequently due to lack of health hardware (eg fridge for insulin or no safe place to securely store medicines in the house)

Reduced PBS Funding for the NT
NT Health Department: Health Gains Planning Fact Sheet: Medicare and PBS Usage 2003-2012

Figure 3: PBS benefit ($million): Actual payments compared with age standardised expected payments based on the national average, Northern Territory, 2003-2012



Source: Medicare Australia (2013).[1] Additional funding data source: request from Australian Government (pbs-indigenous@health.gov.au)

Assumed Management of Care for Diabetes and Leg Ulcer over 3 Months Prior to Hospital Admission with acquired infected ulcer

- Daily (Monday to Friday) Nursing Management of Infected Ulcer
- Weekly Medical Review of Ulcer
- Physiotherapy and Dietician Consults as required

Additional Cost Impost on NSW State Budget for Gina's Care for the 3 months preceding her hospital admission and transport to and from hospital

- No cost to NSW for care provided to Gina by her GP under Chronic Illness Management Plan
- The cost of an ambulance service to and from Canterbury Hospital from Gina's residence in Campsie
- Evacuation from Gina's home in Amy St Campsie to Canterbury Hospital by NSW Ambulance $349 call out fee and $3.15 per km for 3 km
- $358.45
- Return from Canterbury Hospital to Gina's residence in Amy St Campsie by NSW Ambulance $275 call out fee and $1.69 per km for 3 km
- $280.07

Additional Cost Impost on NT Budget for Brenda's Care for the 3 months preceding her hospital admission and transport to and from hospital (Zhao et al 2006)

- Daily Review (Monday to Friday) by a Nurse, accompanied by an Aboriginal Health Worker (AHW) to provide Brenda with cultural security. A District Medical Officer (DMO) will review Brenda weekly
- Nurse 60 days attendance @$180 per occasion
- $10,800 $14,904
- AHW 60 days attendance @$170 per occasion
- $10,200 $14,076
- DMO 12 days attendance @$268 per occasion
- $3,216 $4,438.08
- Cost to the NT of standard community care for Brenda for three months $24,216 $33,418.08

Additional costs for Brenda's hospitalisation at Royal Darwin Hospital for treatment of infected leg ulcer

- Cost of Evacuation of Brenda from Ramingining to Darwin $4,076.10.
- Hostel Stay in Darwin post discharge for Hospital in the Home Care for 5 days @ $60 per day $300
- Airfare, Commercial aircraft from Darwin back to Ramingining $570

Comparative Costs for 3 Months Standard Care and Acute Admission

- Cost to NSW for the Care of Gina
- $638.52
- Cost to NT for the Care of Brenda
- $4,946.10 (Evacuation) and
- 3 Months Community Care $33,418.08
- = $38,364.18

Comparative Costs for 12 Months Standard Community Care

- Cost to NSW for the Care of Gina
- $0
- Cost to NT for the Care of Brenda
- $133,672.32

The GST and Remote Health Services in the NT (Zhao and Malyon 2010)

- In 2003–04, a typical NT remote health clinic was 275 km from the nearest hospital, had a service population of 523 people, employed 5.9 full-time-equivalent (FTE) staff (3.4 nurses,1.3 AHWs, 0.2 physical aides and 1 administrative worker) and was supported by a visiting medical officer who made 35 trips per year on average to the clinic.
- The staffing of clinics differs from the GP-based model of primary care, in part, because of cultural and linguistic factors such as the need for AHWs and the difficulty of recruiting and retaining medical practitioners due to shortages and geographic imbalances in their distribution.
- The NT government is particularly reliant on the Goods and Services Tax (GST) revenue to fund public services, including remote health clinics.

References

- Zhao Y et al: Cost estimates of primary health care activities for remote Aboriginal communities in the Northern Territory. Department of Health and Community Services, Darwin, 2006
- Zhao Y and Malyon R: Cost drivers of remote clinics: remoteness and population size. Australian Health Review. 2010, 34, 101-105