

Money and mental illness

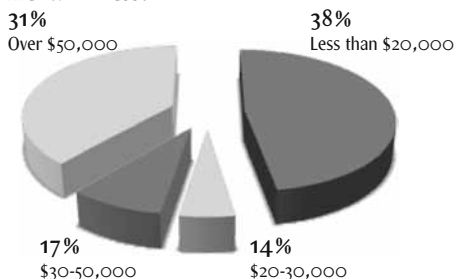
Australians with a mental illness struggle to pay for their own healthcare, as well as to make ends meet. Government needs to take a range of targeted measures so that they are able to afford the treatments they need, as well as to participate in the community and improve their quality of life . . .

People living with a mental illness are far more likely to have a lower income than the average Australian, with many relying on the Disability Support Pension. Furthermore, while we are proud of our Medicare system, there are significant additional costs of ill health which it does not cover, and many cannot afford.

Australians face some of the highest co-payment costs for medication in Organisation for Economic Cooperation and Development (OECD) countries, and have out-of-pocket costs close to those faced by Americans.* This SANE Research Bulletin looks at the income levels of people affected by mental illness, the costs associated with their illness, and the impact of poverty on their capacity to look after their own overall health.

The survey was conducted during April and May 2009, using a convenience sample of 371 people who completed a questionnaire anonymously via the SANE website. The most common diagnoses reported were depression (35%), bipolar disorder (26%), and schizophrenia (21%).

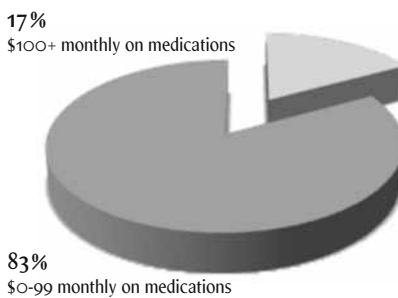
What is the income level of people with a mental illness?



Over a third of those surveyed (38%) had an annual income of less than \$20,000, and the majority (54%) lived in rented or public accommodation.

Over half (56%) could not afford private health insurance. A similar proportion (53%) used a credit card to help make ends meet, but many were concerned at the level of debt they were building up.

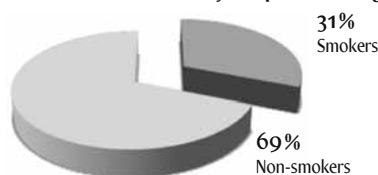
What are the costs of living with a mental illness?



Many costs of having a mental illness are unmet (or only partially met) by Medicare and the social security system. These include co-payments for medications and the cost of over-the-counter medicines; gap payments for medical appointments, plus other recommended health services such as podiatry, dentistry and dietitians.

The majority of people with a mental illness also have chronic physical health conditions (90%) and require a range of medications, as well as having other healthcare needs.** For those on a low income, these costs mount up and can be substantial. One in six (17%) of those surveyed were spending \$100 or more a month on medications. Despite this, around a third of those who took part (32%) were not registered with the Medicare Safety Net.

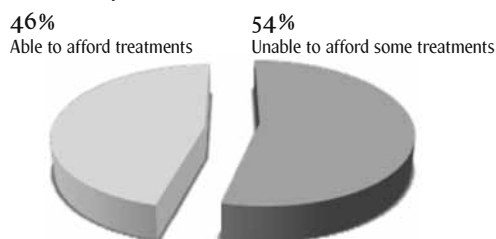
Does cost influence ability to quit smoking?



Thirty-one per cent of respondents were smokers, compared to around 18% in the general population, contributing to significant overall health. Nicotine replacement therapy (NRT) is the most effective aid to quitting, yet is not subsidised by the PBS. Almost half of smokers (45%) said that they could not afford NRT, even though they wanted to quit.

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What is the impact of low income on the daily life of people with a mental illness, and on their ability to look after their health?



The majority of those surveyed reported that they often had to choose between paying for healthcare or meeting daily needs. Ninety-six per cent said there were times when they were unable to afford essentials such as food. Two-thirds (64%) of those with a credit card were concerned about their level of debt, and, overall, 29% had been contacted by debt collectors in the past year.

Over half of the respondents (54%) said they had not been able to afford treatments recommended by their doctor, and 42% had not filled scripts for medication they had been prescribed because of the expense. A recent study has confirmed that the cost of co-payments does indeed act as a disincentive for people to fill scripts and get the treatment they need, especially if prescribed antidepressants.^{***} This study also finds that the Pharmaceutical Allowance paid to pensioners has not kept pace with the annual increase in PBS co-payments, and that the Medicare Safety Net threshold is also becoming progressively less generous.

Despite all these challenges, 75% had not seen a financial counsellor for help and advice on managing their money.

In summary

- The majority of people with a mental illness live on below average incomes, with one third surviving on less than \$20,000 a year.
- The cost of living with a mental illness is high, with many expenses not fully met by Medicare or social security payments.
- The smoking rate among people with a mental illness is very high, yet they often cannot afford quitting aids such as NRT, which are not subsidised.
- People with a mental illness often have to choose between going without medical treatment or without essentials such as food.

Recommendations

1 FINANCIAL SUPPORT FOR HEALTH CARE

Improved financial support for health care is needed, targeted at making PBS co-payments, gap payments to health professionals, and other recommended medical services affordable for people on low incomes, including those with a mental illness.

2 FINANCIAL SKILLS

Many people living with a mental illness need help with managing money, yet the majority have never seen a financial counsellor. Pro-active steps are needed by government and mental health services to ensure financial literacy and counselling is available for people living with a mental illness.

3 MEDICARE SAFETY NET

One third of people with a mental illness surveyed were not registered with the Medicare Safety Net. The process is too complex and is not automatic. Government needs to ensure all people on low incomes are registered as a matter of course.

4 SUBSIDISED HELP TO QUIT SMOKING

The smoking rate among people with a mental illness is very high, yet many are unable to afford aids to quitting such as NRT. PBS subsidy of such aids is urgently needed, so they can be prescribed to people with a mental illness, pensioners, and others on a low income.

* Hynd, A & Russell, L, 2009. *Recession and depression*. Menzies Centre for Health Policy.

** SANE Australia, 2007. *SANE Research Bulletin 6: Physical health care and mental illness*. SANE Australia.

*** Hynd, A, et al, 2008. The impact of co-payment increases on dispensings of government-subsidised medicines in Australia. *Pharmacoepidemiology and Drug Safety*.

SANE Australia

A national charity working for a better life for people affected by mental illness – through campaigning, education and research.

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