eliminate, although there are increasing pressures on pricing and significant terms of policy impact, China's health care reform—via massive health insurance spending and income play a major role in determining health care expenditure. In total health care expenditure is projected to grow 15.8% this year and 14.8% next. To capture health care policy's impact on health care expenditure were made for the forecast period (2012-2020). The elasticity of real health care expenditure is 15%. Based on the estimations, forecasts on total health care expenditure were made for the forecast period (2012-2020). To capture health care policy’s impact on health care expenditure and factors were used in the forecast. According to the forecast, China’s total health care expenditure is projected to grow 15.8% this year and 14.8% next. CONCLUSIONS: In terms of economic impact, relative price for consumer health spending and income play a major role in determining health care expenditure. In terms of health care policy impact, China’s health care expenditure expansion—will be a key driver of health care expenditure growth throughout the forecast horizon, although there are increasing pressures on pricing and significant regional disparities.

**PHG48** HEALTH FINANCING FOR PRISONERS WITH HIV: LESSON LEARNED FROM INDONESIA
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**OBJECTIVES:** Observation on spending on prevention and care-treatment programs among prisoners in two prisons: Jakarta and Bali and who finance the program. METHODS: Retrospective data was collected from two prisons: Bali and Jakarta. Cost was estimated from government and partners perspective. Both quantitative and qualitative analysis were done. A modified activity-based costing was done supported with document review and interviews. RESULTS: HIV intervention in Indonesia has been improving with support from the Government and international partners. At the moment several prisons in Java are chosen as model for HIV/AIDS programs for prisoners, including VCT, Lab-test, ART, OI treatment and hospital care. Total spending in Bali was USD 26,239 per-year and unit cost was USD 78, while in Jakarta unit cost was USD 426. These spending even higher if other activities such as substitution and treatment at hospital were included. Some programs such as Methadone therapy, condom and ART were conducted in collaboration with District Health Office and local hospital, and funded by government. Interestingly, program for prisoners in Bali includes spiritual therapy such as yoga and dancing, initiated using funds from international partners. High cost for CD4 and ART were covered by central government, while operational cost was supported by local government. Networking with other institution brought the benefit that no direct costs actually covered by the prisons themselves. CONCLUSIONS: Most of program intervention for prisoners supported by external partners. Sustainabilty issue remain unclear since donor funding will be finished soon and must be replaced by government. Local government is expected to support continuity of the program, but regions with low fiscal capacity are not able to ensure program continuity.

**PHG49** DOWN-SCHEDULING MEDICINES FROM PRESCRIPTION TO OVER-THE-COUNTER: WIN-WIN?
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**OBJECTIVES:** Each year over a million patients in Australia delay seeing a General Practitioner (GP), and a similar number do not fill their prescriptions, because of the cost. This failure to access necessary medications has economic and morbidity implications in the long-term. In addition, reduced uptake affects company revenue. Currently the US Food and Drug Administration (FDA) is considering a range of measures to improve access to medicines, including making more drugs used for common, under-treated conditions, available over-the-counter (OTC). This study aimed to group together the patient and retail manufacturer price for a sample of medicines that are available both OTC and on prescription in Australia. METHODS: Costs of accessing diclofenac (25mg tablets) and omeprazole (20mg tablets) via a GP prescription were compared to those for OTC. For medicines obtained from local community pharmacy, we compared the wholesale price quoted by several local and discount companies. For medicines not available from local companies or those in high-volume categories, we compared pharma- cial Benefits Schedule (PBS) website, and the average cost of a GP visit. Costs of OTC formulations were estimated on a sample of pharmacies. The resultant cost to patient and potential price to the manufacturer were calculated and compared. RESULTS: For patients, OTC sales are approximately 30% of the GP sales. The OTC price was up to 50% less expensive per tablet than accessing treatment via GP prescription. The per- tablet savings for patient were greater for omeprazole than for diclofenac. At the point of sale, the cost per tablet of OTC products was 150%-500% of the ex-manufacturer cost for the PBS listed product. Therefore, an OTC strategy also appears to be a commercially viable for manufacturers, even allowing for a pharmacy mark-up. CONCLUSIONS: Down-scheduling from prescription-only to OTC may decrease the direct costs of treatment for patients, while simultaneously increasing the price per tablet to manufacturers: a win-win situation.

**PHP50** INTERRATIATED CLOSED INTRAVENOUS CATHETER SYSTEM REDUCES THE OCCURRENCE OF THE CATHETER REPLACEMENT AND THE COST
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**OBJECTIVES:** Replacement of Peripheral Venous Catheter (PVC) is sometimes required prematurely due to extravasation, catheter damage, complications such as phlebitis. PVC is often used in Japan. The main independent variables were real health care expenditure (RPCHE). The explanatory variables included real per capita GDP (RPCGDP), relative price for consumer health spending (RPCMED) and lagged variables. The analysis used data from WHO, China Statistical Yearbook and IHS Healthcare Forecasting. The main results can be summarized as follows: 1) For every 1% rise in the growth rate of RPCGDP, there is a 1.36% decrease in the level of RPCHE, and 2) the income elasticity of real health care expenditure is 15%. Based on the estimations, forecasts on total health care expenditure were made for the forecast period (2012-2020). The main independent variables—RPCMED and RPCGDP—were derived from IHS Macro for the forecast period. To capture health care policy’s impact on health care expenditure, and factors were used in the forecast. According to the forecast, China’s total health care expenditure is projected to grow 15.8% this year and 14.8% next. CONCLUSIONS: In terms of economic impact, relative price for consumer health spending and income play a major role in determining health care expenditure. In terms of health care policy impact, China’s health care expenditure expansion—will be a key driver of health care expenditure growth throughout the forecast horizon, although there are increasing pressures on pricing and significant regional disparities.