

PUBLIC AND PRIVATE HEALTH EXPENDITURE

In most OECD countries, expenditures on health are a large and growing share of both public and private expenditure. The level of health spending varies widely across countries, reflecting different market and social factors as well as the different financing and organisational structures of the health system in each country.

Long-term trends

In terms of total health spending per capita, the United States is way ahead of the next highest spending countries – Luxembourg, Switzerland and Norway, and well over double the unweighted average of all OECD countries. At the other end of the scale, Poland, the Slovak Republic, Mexico and Turkey spend well below half the OECD average.

Since 1990, health spending has grown faster than GDP in every OECD country except Finland, although this growth has not been constant. For example, between 1997 and 2004, health expenditure increased by 4.3% per year on average, twice the overall economic growth rate. This compares with the previous period (1992-1997), when the growth rate of health expenditure was 2.6% – only slightly above that of overall economic growth.

In most OECD countries, the bulk of healthcare costs is financed through taxes, with 73% of health spending on average publicly funded in 2004. Ensuring sustainable financing of health systems is critical for governments, as health spending as a share of GDP is projected to increase further due to costly new medical technologies and population ageing.

Although the public share of health spending has fallen in countries such as Poland, Hungary and the Czech Republic which had a relatively high public share of health spending in 1990, it has risen in countries where it was low, such as Korea, Mexico, Switzerland and the United States. In Korea, for example, the public share of health spending rose from 39% in 1990 to just over 50% in 2004. In the United States, it increased from 40% to 45% between 1990 and 2004. Although the private sector in the United States continues to play the dominant role in financing, public spending on health per capita is still greater than that in most other OECD countries, because overall spending on health is much higher than in other countries.

Definition

Total expenditure on health measures the final consumption of health care goods and services (i.e. current health expenditure) plus capital investment in health care infrastructure. This includes spending by both public and private sources (including households) on medical services and goods, public health and prevention programmes and administration. Excluded are health-related expenditure such as medical training and research and development. The two major components of total current health expenditure are expenditure on personal health care and expenditure by governments on collective services.

Comparability

The definition of total health expenditure can vary among countries: particular areas affecting the comparability are the treatment of long-term care, the degree of inclusion of expenditure of non-profit institutions and corporations, and the coverage of capital formation. For Belgium, Japan and the Slovak Republic, data shown for 2004 actually refer to 2003. The 1990 data for Germany refer to 1992 and to 1991 for Hungary. For Denmark, the chart shows current expenditure rather than total.

Health expenditure per capita, converted to US dollars using purchasing power parities (PPP), can be used to compare the overall level of consumption of health goods and services across countries. The economy-wide PPPs for GDP are used as these are the most available and reliable conversion rates.

Source

- OECD (2006), *OECD Health Data 2006*, OECD, Paris.

Further information

Analytical publications

- OECD (2004), *The OECD Health Project: Towards High-Performing Health Systems*, OECD, Paris.
- OECD (2004), *The OECD Health Project: Private Health Insurance in OECD Countries*, OECD, Paris.

Statistical publications

- OECD (2007), *Health at a Glance: OECD Indicators*, OECD, Paris.

Methodological publications

- OECD (2000), *A System of Health Accounts*, OECD, Paris.

Online databases

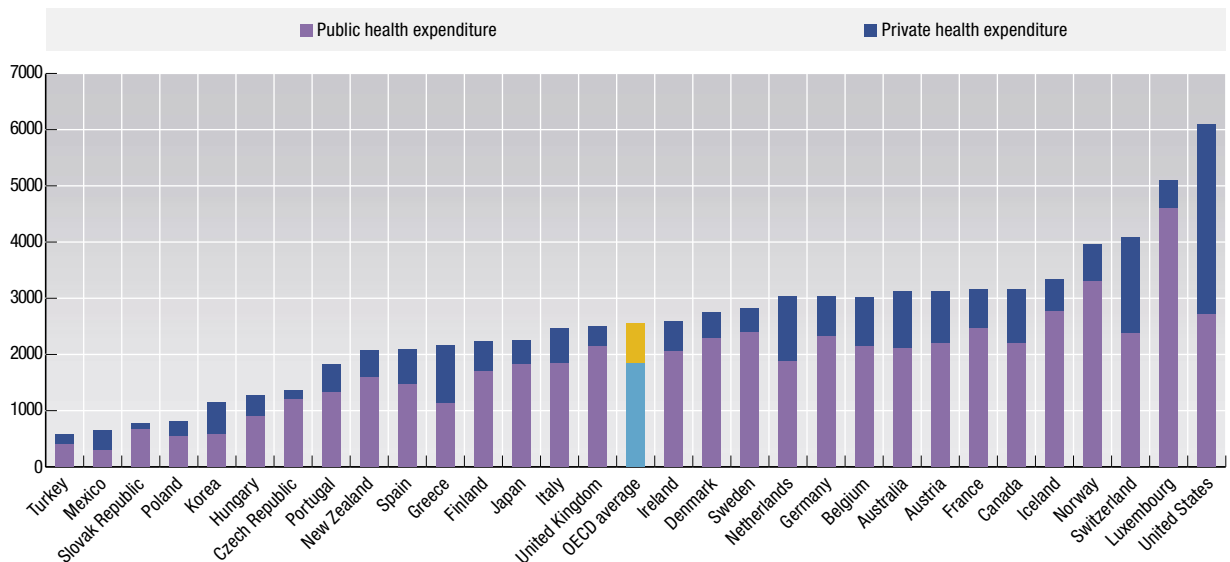
- OECD Health Data.


Total and public expenditure on health

	US dollars calculated using PPPs						As a percentage of the OECD average					
	Public expenditure on health per capita			Total expenditure on health per capita			Public expenditure on health per capita			Total expenditure on health per capita		
	1990	2000	2004	1990	2000	2004	1990	2000	2004	1990	2000	2004
Australia	876	1 653	2 107	1 306	2 398	3 120	101	117	114	110	122	122
Austria	976	1 863	2 207	1 328	2 667	3 124	113	132	120	112	136	122
Belgium	..	1 726	2 165	1 341	2 277	3 044	..	122	117	113	116	119
Canada	1 295	1 760	2 210	1 737	2 503	3 165	149	125	120	146	128	124
Czech Republic	547	887	1 214	561	980	1 361	63	63	66	47	50	53
Denmark	1 259	1 962	..	1 522	2 380	2 881	145	139	..	128	121	113
Finland	1 148	1 289	1 712	1 419	1 716	2 235	132	91	93	120	87	87
France	1 174	1 858	2 475	1 532	2 450	3 159	135	132	134	129	125	123
Germany	1 576	2 097	2 341	1 934	2 632	3 043	182	149	127	163	134	119
Greece	453	849	1 141	844	1 616	2 162	52	60	62	71	82	84
Hungary	530	606	917	594	856	1 276	61	43	50	50	44	50
Iceland	1 380	2 166	2 777	1 593	2 623	3 331	159	154	151	134	134	130
Ireland	571	1 326	2 063	794	1 809	2 596	66	94	112	67	92	101
Italy	1 097	1 499	1 852	1 387	2 083	2 467	126	106	100	117	106	96
Japan	866	1 599	1 832	1 116	1 967	2 249	100	113	99	94	100	88
Korea	139	359	591	361	778	1 149	16	25	32	30	40	45
Luxembourg	1 427	2 663	4 603	1 533	2 982	5 089	165	189	250	129	152	199
Mexico	124	235	307	306	506	662	14	17	17	26	26	26
Netherlands	962	1 424	1 894	1 435	2 257	3 041	111	101	103	121	115	119
New Zealand	820	1 252	1 611	995	1 605	2 083	95	89	87	84	82	81
Norway	1 153	2 541	3 311	1 393	3 080	3 966	133	180	180	117	157	155
Poland	275	413	552	300	590	805	32	29	30	25	30	31
Portugal	441	1 178	1 334	674	1 624	1 824	51	83	72	57	83	71
Slovak Republic	..	532	687	..	595	777	-	38	37	-	30	30
Spain	687	1 088	1 484	873	1 520	2 094	79	77	80	74	77	82
Sweden	1 428	1 928	2 399	1 589	2 271	2 825	165	137	130	134	116	110
Switzerland	1 063	1 768	2 382	2 029	3 179	4 077	123	125	129	171	162	159
Turkey	103	284	418	168	451	580	12	20	23	14	23	23
United Kingdom	825	1 502	2 164	987	1 858	2 508	95	106	117	83	95	98
United States	1 093	2 017	2 727	2 752	4 588	6 102	126	143	148	232	234	238
OECD average	867	1 411	1 844	1 186	1 961	2 560	100	100	100	100	100	100

 StatLink <http://dx.doi.org/10.1787/553146018005>
Public and private expenditure on health

US dollars per capita, calculated using PPPs, 2004 or latest available year


 StatLink <http://dx.doi.org/10.1787/741434626747>