In 2010, curative and rehabilitative care provided either as inpatient care (including day care) or outpatient care, accounted for 61% of current health spending (excluding capital investment) on average across EU member states (Figure 5.4.1). A further 23% of health spending was allocated to medical goods (including mainly pharmaceuticals, which accounted for 19% of total health spending), 10% to long-term care and the remaining 6% on collective services including public health services and administration.

The allocation of spending by type of care varies significantly across European countries. Spending for inpatient care, day care and outpatient care depends on the institutional arrangements for health care provision. In Portugal and Sweden, for example, the majority of curative and rehabilitative spending is on outpatient care, with relatively low levels of hospital inpatient activity. In some other countries, such as Bulgaria and Romania, inpatient activity (including day care) plays a more dominant role accounting for over two-thirds of all curative and rehabilitative care expenditure.

The other major category of health expenditure is on medical goods, mainly pharmaceuticals (see Indicator 5.5). In Hungary and the Slovak Republic, expenditure on medical goods is in fact a larger spending category than inpatient care or outpatient care, representing 37% of current health expenditure. In Norway and Switzerland, on the other hand, spending on medical goods represents only 12% of total health spending. Differences in the consumption pattern of pharmaceuticals and relative prices play a role in explaining some of the variations between countries.

There are some large differences between countries in their expenditure on long-term care. Countries such as Denmark, the Netherlands and Norway, which have established formal arrangements for the elderly and the dependent population, allocate more than 20% of current health spending to long-term care. In countries with less comprehensive formal long-term care services such as Portugal, the expenditure on long-term care accounts for a much smaller share of total spending.

Figure 5.4.2 compares the real growth rates in inpatient and outpatient spending over the last decade. With inpatient care being highly labour and capital intensive and, therefore, expensive, certain high-income countries with developed health systems have sought to reduce the share of spending in hospitals by shifting to more outpatient and home based care and improving primary care to prevent hospital admissions in the first place. In Iceland, spending on inpatient services decreased by over 3% per year on average between 2000 and 2010, while outpatient care grew on average at an annual rate of 3.2%. In other countries such as the Czech Republic and Poland, spending for both inpatient and outpatient care increased strongly over the past decade, but the growth in inpatient services exceeded outpatient care. On average across EU member states, the growth in inpatient spending was slightly above the growth in outpatient spending during the past decade.

Figure 5.4.3 shows the share of health expenditure allocated to organised public health and prevention programmes. On average, EU member states allocated less than 3% of their spending on health to prevention activities such as vaccination programmes and public health campaigns on alcohol abuse and smoking. However, where such initiatives are carried out at the primary care level, such as in Spain, the prevention function might not be captured separately and may be included under spending on curative care. Countries adopting a more centralised approach to public health and prevention campaigns are better able to identify spending on such programmes.

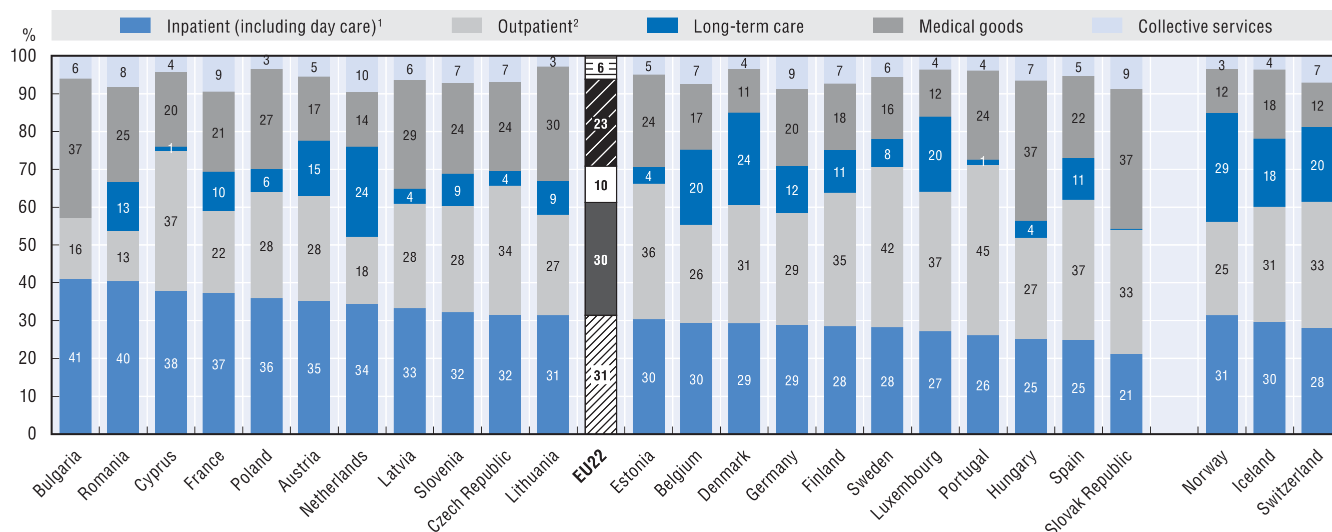
Definition and comparability

The *System of Health Accounts* (OECD, 2000; OECD, Eurostat and WHO, 2011) defines the boundaries of the health system. Current health expenditure comprises personal health care (curative care, rehabilitative care, long-term care, ancillary services and medical goods) and collective services (public health services and health administration). Curative, rehabilitative and long-term care can also be classified by mode of production (inpatient, day care, outpatient and home care). Day care comprises health care services delivered to patients who are formally admitted to hospitals, ambulatory premises or self standing centres but with the intention to discharge the patient on the same day. An outpatient is not formally admitted to a facility (physician's private office, hospital outpatient centre or ambulatory-care centre) and does not stay overnight. Concerning long-term care, only the health aspect is normally reported as health expenditure. This is the reason why some countries with comprehensive long-term care packages focusing on social care might be ranked surprisingly low when analyzing long-term care expenditure based on SHA data.

Factors limiting the comparability across countries include estimations of long-term care expenditure. Also, expenditure in hospitals may be used as a proxy for inpatient care services, although hospital expenditure may include spending on outpatient, ancillary, and in some cases drug dispensing services (Orosz and Morgan, 2004).

5.4.1. Current health expenditure by function of health care, 2010 (or nearest year)

Countries are ranked by inpatient curative care as a share of current expenditure on health

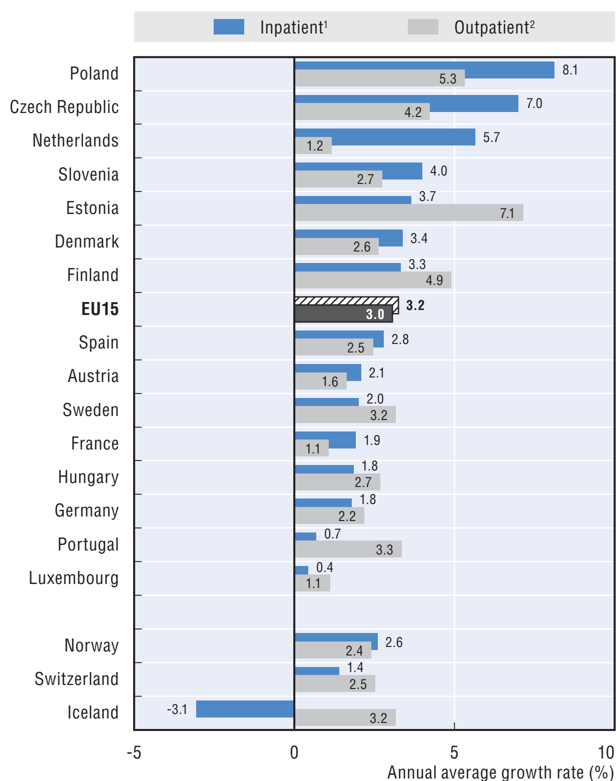


1. Refers to curative and rehabilitative inpatient and day care provided in hospitals, day surgery clinics, etc.
2. Refers to curative and rehabilitative care in doctors' offices, clinics, outpatient departments of hospitals, home care and ancillary services.

Source: *OECD Health Data 2012*; *Eurostat Statistics Database*.

StatLink http://dx.doi.org/10.1787/888932705520

5.4.2. Growth in inpatient and outpatient expenditure per capita, in real terms, 2000-10 (or nearest year)

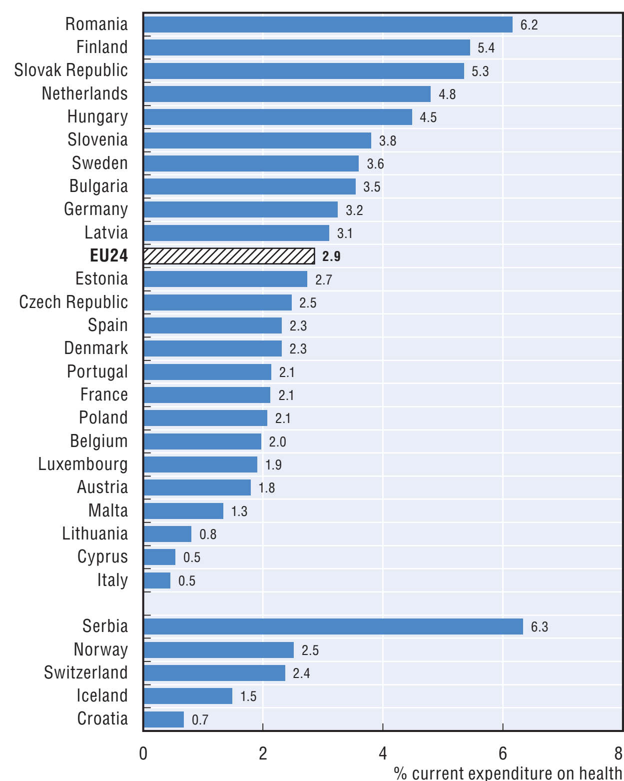


1. Including day care.
2. Including home care and ancillary services.

Source: *OECD Health Data 2012*; *Eurostat Statistics Database*.

StatLink http://dx.doi.org/10.1787/888932705539

5.4.3. Expenditure on organised public health and prevention programmes, 2010 (or nearest year)



Source: *OECD Health Data 2012*; *Eurostat Statistics Database*; *WHO Global Health Expenditure Database*.

StatLink http://dx.doi.org/10.1787/888932705558