7.1. Health expenditure per capita

How much OECD countries spend on health and the rate at which it grows reflects a wide array of market and social factors, as well as countries' diverse financing and organisational structures of their health systems.

In 2011, the United States continued to outspend all other OECD countries by a wide margin, with the equivalent of USD 8 508 for each person (Figure 7.1.1). This level of health spending is two-and-a-half times the average of all OECD countries and 50% higher than Norway and Switzerland, which were the next biggest spending countries. Compared with large European economies such as France and Germany, the United States spends around twice as much on health care per person. Around half of OECD countries fall within a per capita spending of between USD 3 000 and USD 4 500 (adjusted for countries' different purchasing powers – see Definition and Comparability). Countries spending below USD 3 000 include most of the southern and central European members of the OECD, together with Korea and Chile. The lowest per capita spenders on health in the OECD were Mexico and Turkey with levels of less than a third of the OECD average. Outside of the OECD, among the key emerging economies, China and India spent 13% and 4% of the OECD average on health per capita in 2011.

Figure 7.1.1 also shows the breakdown of per capita spending on health into public and private sources (see also Indicator 7.6 "Financing of health care"). In general, the ranking according to per capita public expenditure remains comparable to that of total spending. Even if 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 all other OECD countries, with the exception of Norway and the Netherlands.

Since 2009, health spending has slowed markedly or fallen in many OECD countries after years of continuous growth. However, health spending patterns across the 34 OECD countries have been affected to varying degrees. On average across the OECD, per capita health spending over the period 2000-09 is estimated to have grown, in real terms, by 4.1% annually (Figure 7.1.2). In stark contrast, over the subsequent two years (2009-11), average health spending across the OECD grew at only 0.2% as the effects of the economic crisis took hold.

The extent of the slowdown has varied considerably across the OECD. While a number of European countries have experienced drastic cuts in spending, other countries outside of Europe have continued to see health spending grow albeit in many cases at a reduced pace.

Some of the European countries hardest hit by the economic downturn saw dramatic reversals in health spending compared with the period before the crisis. Greece, for example, saw per capita health spending falling by 11% in 2010 and 2011 after a yearly growth rate of more than 5% between 2000 and 2009. Ireland and Estonia also suffered significant falls in per capita health spending after previously strong growth.

Away from Europe, health spending growth also slowed significantly in most countries between 2009 and 2011, notably in Canada (0.8%) and the United States (1.3%). Only two OECD countries – Israel and Japan – saw the rate of health spending growth accelerate since 2009 compared with the period before. Health spending in Korea has continued to grow at more than 6% per year since 2009, albeit at a slower rate than in previous years.

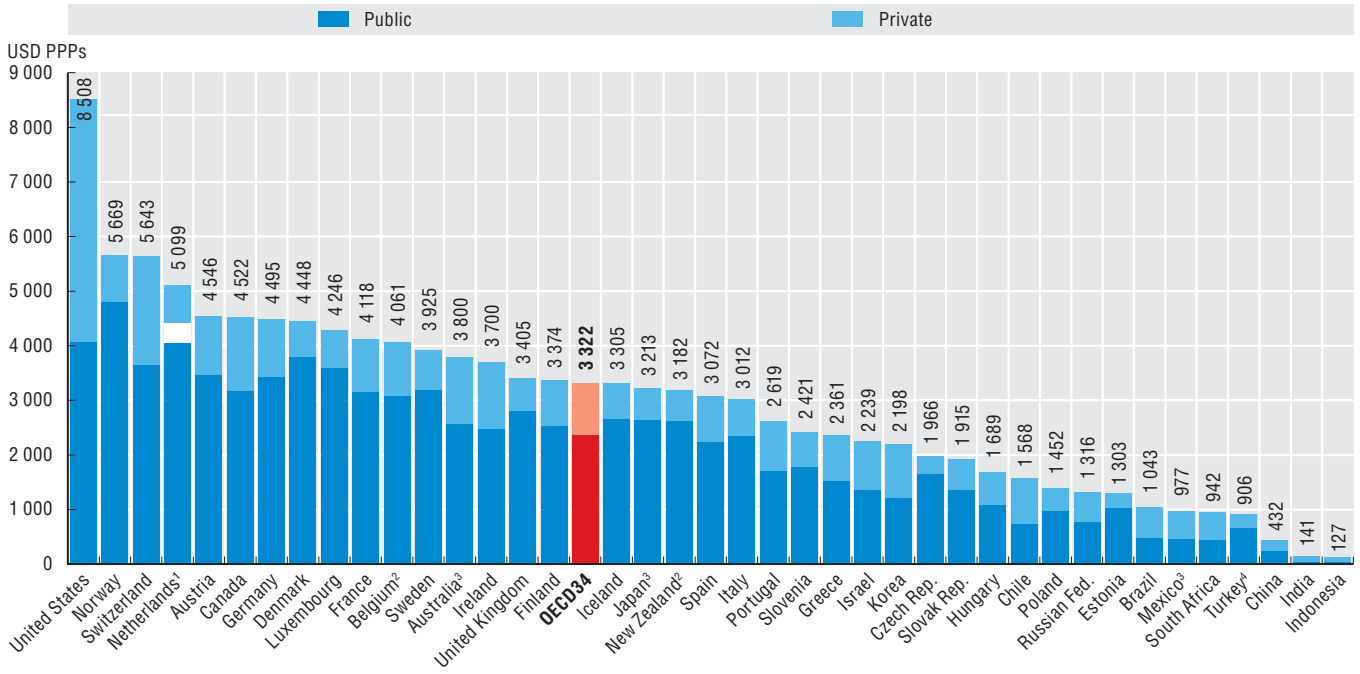
Definition and comparability

Total expenditure on health measures the final consumption of health goods and services (i.e. current health expenditure) plus capital investment in health care infrastructure. This includes spending by both public and private sources on medical services and goods, public health and prevention programmes and administration.

To compare spending levels between countries, per capita health expenditures are converted to a common currency (US dollar) and adjusted to take account of the different purchasing power of the national currencies, in order to compare spending levels. Economy-wide (GDP) PPPs are used as the most available and reliable conversion rates.

To compare spending over time, figures are deflated using the economy-wide GDP implicit deflator for each country. In the case of Chile, the Consumer Price Index (CPI) is preferred since it is considered more representative of price changes in the health sector in recent years.

7.1.1. Health expenditure per capita, 2011 (or nearest year)

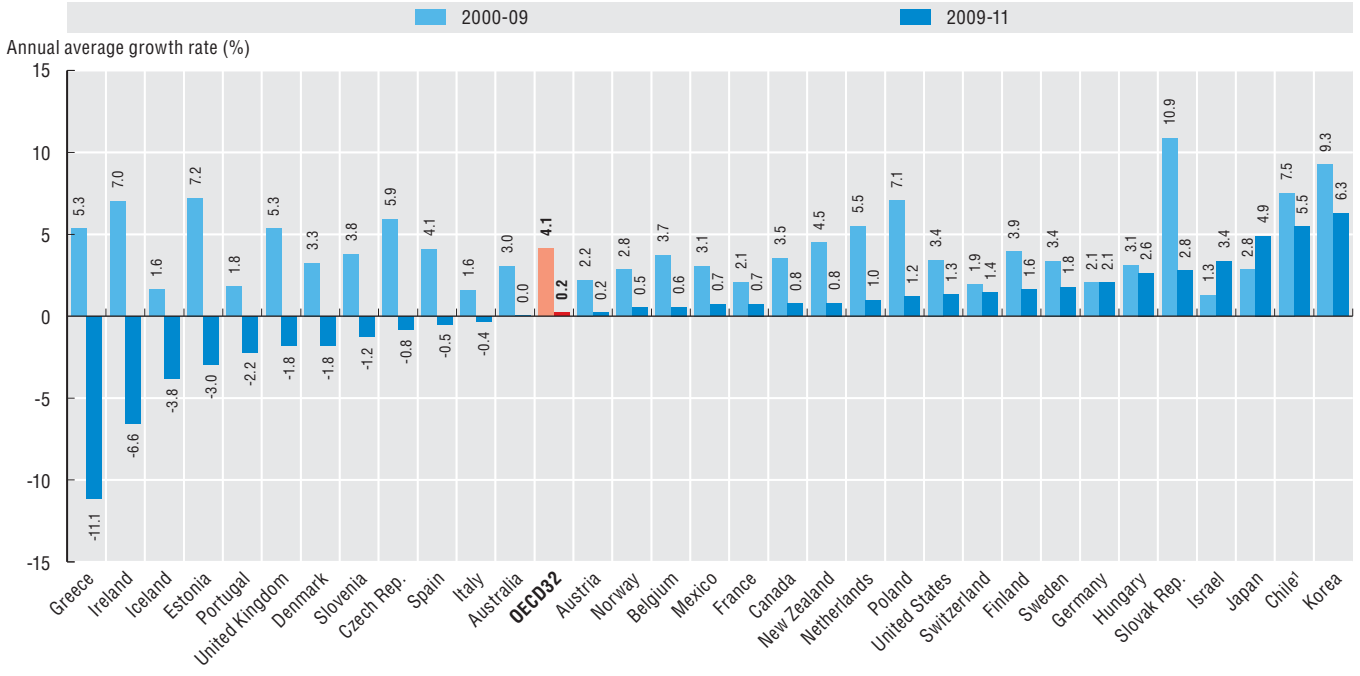


1. In the Netherlands, it is not possible to clearly distinguish the public and private share related to investments.
2. Current health expenditure.
3. Data refers to 2010.
4. Data refers to 2008.

Source: OECD Health Statistics 2013, http://dx.doi.org/10.1787/health-data-en; WHO Global Health Expenditure Database.

StatLink http://dx.doi.org/10.1787/888932918833

7.1.2. Annual average growth rate in per capita health expenditure, real terms, 2000 to 2011 (or nearest year)



1. CPI used as deflator.

Source: OECD Health Statistics 2013, http://dx.doi.org/10.1787/health-data-en.

StatLink http://dx.doi.org/10.1787/888932918852