

7. HEALTH EXPENDITURE AND FINANCING

7.7. Trade in health services

Trade in health services and its most high-profile component, medical tourism, has attracted a great deal of media attention in recent years. The growth in “imports” and “exports” has been fuelled by a number of factors. Technological advances in information systems and communication allow patients or third party purchasers of health care to seek out quality treatment at lower cost and/or more immediately from health care providers in other countries. An increase in the portability of health coverage, whether as a result of regional arrangements with regard to public health insurance systems, or developments in the private insurance market, are also poised to further increase patient mobility. All this is coupled with a general increase in the temporary movement of populations for business, leisure or specifically for medical reasons between countries.

While the major part of international trade in health services does involve the physical movement of patients across borders to receive treatment, to get a full measure of imports and exports, there is also a need to consider goods and services delivered remotely such as pharmaceuticals ordered from another country or diagnostic services provided from a doctor in one country to a patient in another. The magnitude of such trade remains small, but advances in technology mean that this area also has the potential to grow rapidly.

Data on imports of health services and goods are available for most OECD countries and amounted to more than USD 7 billion in 2011. The vast majority of the trade recorded is between OECD countries. However, due to data gaps and under-reporting, this is likely to be a significant underestimate. With health-related imports of nearly USD 2.3 billion, Germany is the greatest importer in absolute terms, followed by the United States and the Netherlands. Nevertheless, in comparison to the size of the health sector, trade in health goods and services remains marginal for most countries. Even in the case of Germany, reported imports represent only around 0.6% of Germany's current health expenditure. The share rises above 1% of health spending only in Iceland and Portugal, as these smaller countries see a higher level of cross-border movement of patients. Luxembourg is a particular case because a large part of its insured population is living and consuming health services in neighbouring countries. In the majority of OECD countries reporting imports of health care goods and services, these have been increasing in the last five years, in many cases with double-digit annual growth rates.

A smaller number of countries can quantify total exports of health-related travel expenditure and other health services totalling around USD 6.9 billion in 2011 (Figure 7.7.2). For many countries these figures are, again, likely to be significant underestimates. In absolute values, the United States reported exports around USD 3 billion, while the exports of France and the Czech Republic exceeded USD 500 million. In relation to overall health spending, health-related exports remain marginal in most countries, except for the Czech Republic where they account for 3.6%. Slovenia, Poland and Hungary have also recorded shares above 1%. These countries have become popular destinations for patients from other European countries, particularly for services such as dental surgery. The growth rate in health-related exports has been around 20% per year over the past five years in Slovenia and Poland, but also in Korea.

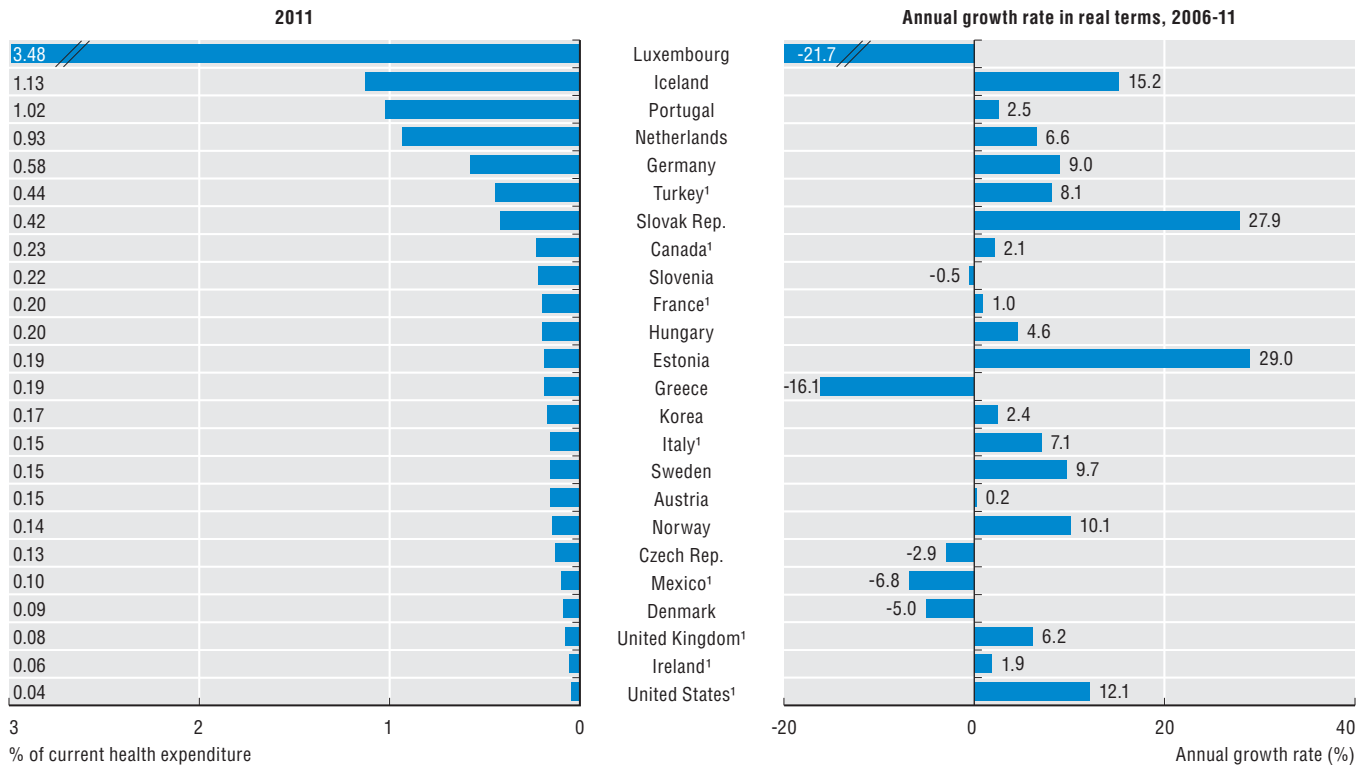
Patient mobility in Europe may see further growth since the adoption of a EU directive in 2011 (Directive 2011/24/EU). The directive supports patients in exercising their right to cross border health care and promotes co-operation between health systems.

Definition and comparability

The *System of Health Accounts* includes imports within current health expenditure, defined as imports of medical goods and services for final consumption. Of these the purchase of medical services and goods, by resident patients while abroad, is currently the most important in value terms.

In the balance of payments, trade refers to goods and services transactions between residents and non-residents of an economy. According to the *Manual on Statistics of International Trade in Services*, “Health-related travel” is defined as “goods and services acquired by travellers going abroad for medical reasons”. This category has some limitations in that it covers only those persons travelling for the specific purpose of receiving medical care, and does not include those who happen to require medical services when abroad. The additional item “Health services” covers those services delivered across borders but can include medical services delivered between providers as well as to patients.

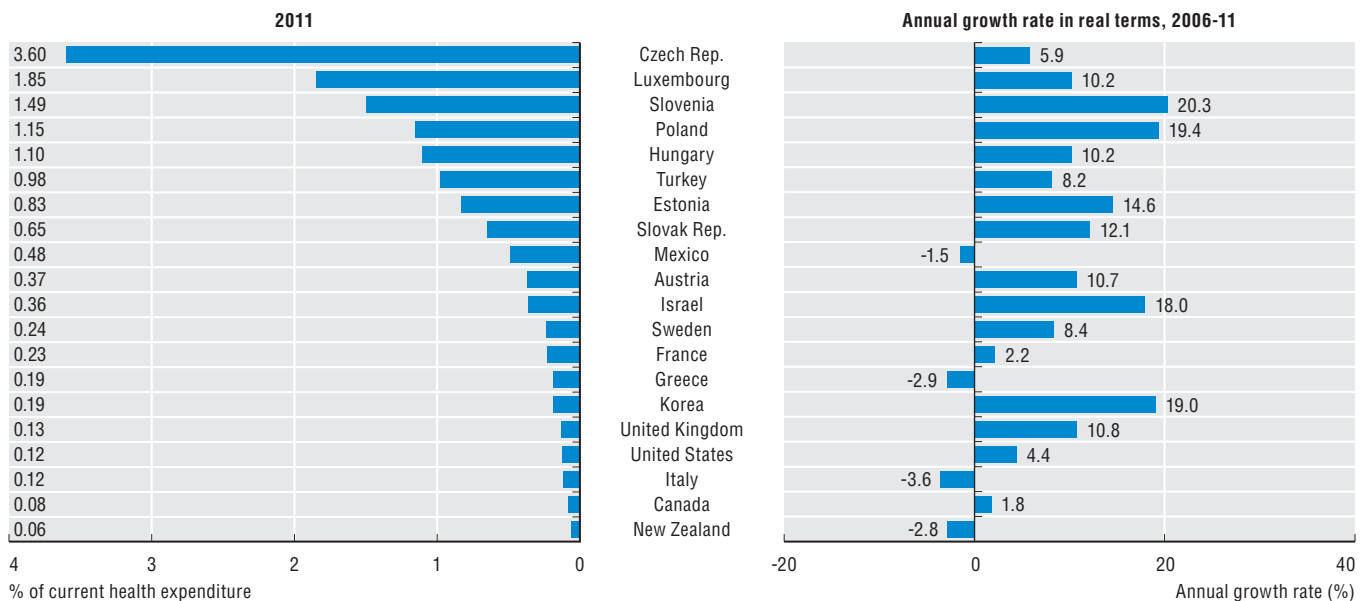
7.7.1. Imports of health care services as share of health expenditure, 2011 and annual growth rate in real terms, 2006-2011 (or nearest year)



1. Refers to balance of payments concept of health-related travel plus health services within personal, recreational and cultural services.
 Source: OECD Health Statistics 2013, <http://dx.doi.org/10.1787/health-data-en>; OECD-Eurostat Trade in Services Database.

StatLink <http://dx.doi.org/10.1787/888932919118>

7.7.2. Exports of health-related travel or other services as share of health expenditure, 2011 and annual growth rate in real terms, 2006-2011 (or nearest year)



Note: Health-related exports occur when domestic providers supply medical services to non-residents.
 Source: OECD-Eurostat Trade in Services Database; Hungarian Central Statistical Office – Tourism Statistics.

StatLink <http://dx.doi.org/10.1787/888932919137>



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