

## Health expenditure per capita

The level of health spending in a country and how this changes over time is determined by a wide range of demographic, social and economic factors, as well as the financing arrangements and organisational structure of the health system itself. The COVID-19 pandemic has shown that the extent to which a country was impacted by the crisis may also affect overall spending levels.

Given these factors, there are large variations in the level and growth of health spending across Europe. With spending at EUR 4 997 per person, Switzerland was the biggest spender in Europe, followed by Germany (EUR 4 831). Spending levels in the Netherlands, Austria and Sweden were also well above the population-weighted EU average of EUR 3 159. At the other end of the scale, Romania, Croatia and Bulgaria were the lowest spending countries in the EU, below half the EU average (Figure 5.1). This means that on a per capita basis, there is a three-fold difference in health spending between high-income countries in Western and Northern Europe and some low spending countries in Central and Eastern Europe.

After a period of low growth following the global financial crisis, annual per capita health expenditure growth (adjusted for inflation) picked up and reached 3% on average across EU member states between 2013 and 2019 (Figure 5.2). This ranged from very moderate growth rates of less than 1% in Finland, Greece, Luxembourg, France, and the Netherlands to substantial annual increases in health spending per capita of more than 5% in Estonia, Lithuania, Latvia and Romania.

The onset of the COVID-19 pandemic in early 2020 caused massive disruption to health systems. Expenditure associated with non-COVID-19-related care dropped due to fewer hospitalisations and elective surgeries (for example see indicator “Volume of hip and knee replacements” in Chapter 7). On the other hand, the crisis required countries to rapidly deploy new resources across the health sector – for example, building up testing and diagnostic capabilities, and providing increased capacity for treatment of patients in the hospital sector. In some countries, health providers received substantial subsidies in exchange for reserving treatment capacity for COVID-19 patients. As a result, upward pressures on health spending in 2020 can be observed in nearly all EU member countries. In 2020, per capita health expenditure increased by 5.5% across EU countries compared to 2019, the highest rate since 2004. Among EU member states, health spending per capita increased by around 10% in Estonia, Ireland and Hungary, while it grew by more than 15% in the Czech Republic and almost 20% in Bulgaria. Only Belgium, Poland, and the Slovak Republic show a divergent trend, with health spending per capita in 2020 decreasing compared to 2019 levels.

### Definition and comparability

Expenditure on health, as defined in the System of Health Accounts (OECD/Eurostat/WHO, 2017<sup>[1]</sup>), measures the final consumption of health goods and services. This refers to current spending on medical services and goods, public health and prevention programmes, and overall administration of health care provision and financing irrespective of the type of financing arrangement. Subsidies paid to providers as part of targeted programmes to support the health sector should also be included in the figures.

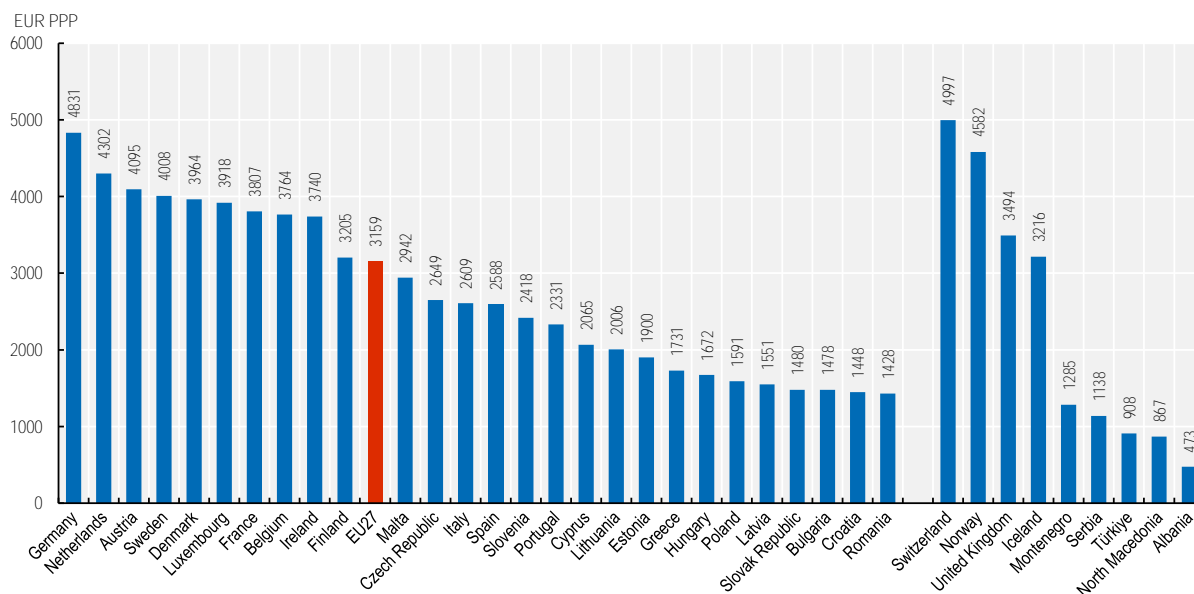
Countries' health expenditures are converted into a common currency (Euro) and are adjusted to take account of the different purchasing power of the national currencies. Economy-wide Actual Individual Consumption (AIC) PPPs are used to compare relative expenditure on health in relation to the rest of the economy.

For the calculation of growth rates in real terms, economy-wide AIC deflators are used. Although some countries produce their own health-specific deflators, these are not currently used due to the limited availability and comparability for all countries.

### References

- OECD/Eurostat/WHO (2017), *A System of Health Accounts 2011: Revised edition*, OECD Publishing, Paris, [1]  
<https://doi.org/10.1787/9789264270985-en>.

Figure 5.1. Health expenditure per capita, 2020 (or nearest year)

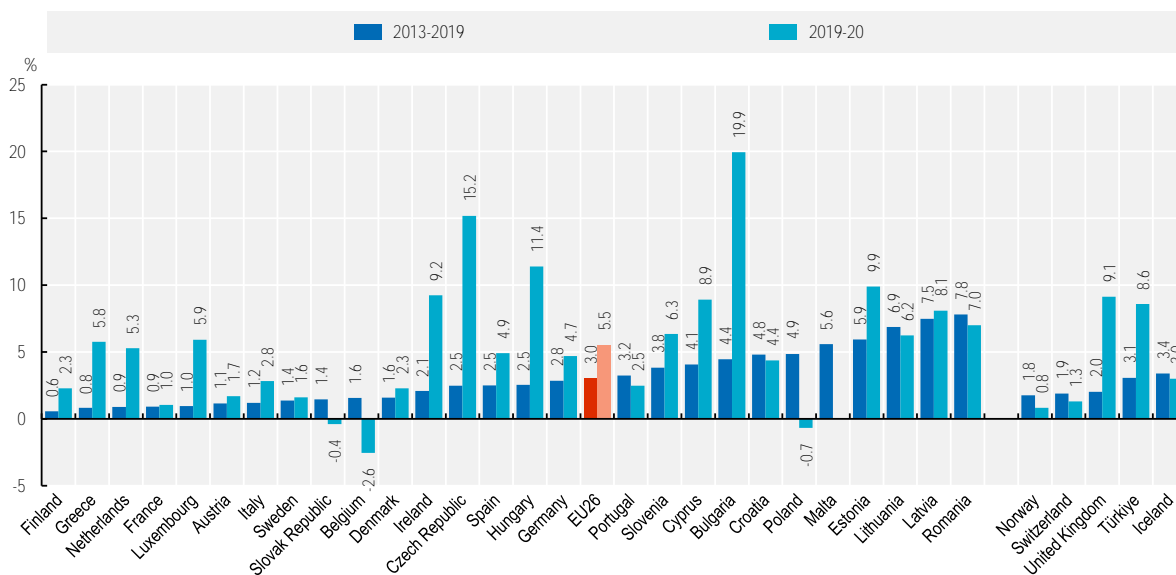


Note: The EU average is weighted.

Source: OECD Health Statistics 2022; Eurostat Database; WHO Global Health Expenditure Database.

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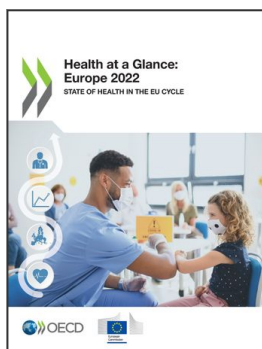
Figure 5.2. Annual average growth rate (real terms) in per capita health spending, 2013-20 (or nearest year)



Note: The EU average is unweighted. If necessary, growth rates and time periods have been adjusted by the OECD Secretariat to take account of breaks in series.

Source: OECD Health Statistics 2022; Eurostat Database; WHO Global Health Expenditure Database.

StatLink <https://stat.link/1j325k>



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