HEALTH EXPENDITURE PER CAPITA

The amount a country spends on health and the rate at which it can grow over time is influenced by a wide array of social and economic determinants, as well as the financing arrangements and organisational structure of the health system itself. In particular, there is a strong relationship between the overall income level of a country and how much the population of that country spends on health care.

Given these factors, there are large variations to be observed in the level and growth of health spending across Europe. High-income countries such as Luxembourg, Norway and Switzerland are the European countries that spent the most on health in 2017 (Figure 5.1). With spending at EUR 4 713 per person – adjusted for differences in countries' purchasing powers – Luxembourg was the biggest spender in the European Union. Among EU member states, Germany (EUR 4 160), Sweden (EUR 4 019) and Austria (EUR 3 945) were also big spenders. At the other end of the scale, Romania (EUR 983) and Bulgaria (EUR 1 234) were the lowest spending EU countries. Taking the European Union as a whole, per capita health spending reached EUR 2 773 in 2017. Among some of the other European states, Switzerland (EUR 5 799) and Norway (EUR 4 653) rank among the high spenders overall while health spending per capita in Turkey, Montenegro, the Former Yugoslav Republic of Macedonia and Albania were all below that of Romania.

After a number of years of slow or even negative health spending growth across Europe following the economic crisis in 2008, growth rates picked up again in nearly all countries in recent years. Across the European Union as a whole, health spending per capita increased by around 1.9% each year in real terms (adjusted for inflation) between 2013 and 2017, compared with an annual growth rate of only 0.6% between 2009 and 2013. During the crisis, ten EU countries saw expenditure on health retract in real terms with only Bulgaria and Romania among the member countries continuing to see growth above 5% per year. During the subsequent four-year period, there has been a large-scale turnaround with all but two EU countries seeing some growth in health spending, albeit growth has remained slow in some countries (Figure 5.2).

On an individual country basis, Greece experienced one of the biggest falls in health spending growth following the crisis. During the period 2009 to 2013, per capita health spending in Greece averaged an 8.7% annual drop. It is notable, however, that during the period 2003-2009, Greece experienced a much steeper increase in real per capita health spending than the average for EU countries. Portugal, Croatia, Cyprus and Spain also experienced negative growth between 2009 and 2013. On the other hand, Malta, Bulgaria and Romania saw health spending continue to grow strongly. While nearly all EU countries have seen positive growth between 2013 and 2017, per capita health spending in countries such as Greece and Portugal continued to be at a lower level in 2017 than in 2009. Outside of the EU, Iceland also experienced negative growth between 2009 and 2013 while Turkey also saw a significant slowdown. Switzerland on the other hand appeared to be little affected with constant annual growth of 2-2.5% throughout.

Definition and comparability

Expenditure on health measures the final consumption of health goods and services, as defined in the System of Health Accounts (OECD, Eurostat and WHO, 2017). This refers to current spending on medical services and goods, public health and prevention programmes, and administration irrespective of the type of financing arrangement.

Under Commission Regulation 2015/359, all EU countries are now obliged to produce health expenditure data according to the boundaries and definitions of the System of Health Accounts 2011 (SHA, 2011). Data on health expenditure for 2017 are considered preliminary, either estimated by national authorities or projected by the OECD Secretariat, and are therefore subject to revision.

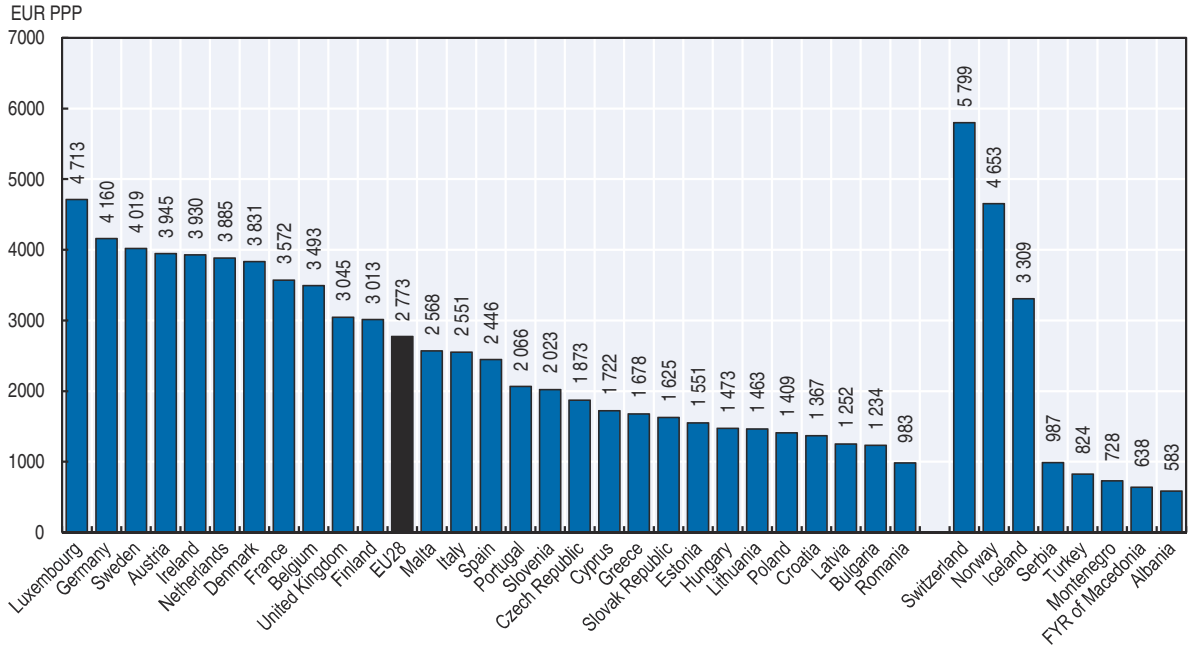
Countries' health expenditures are converted to a common currency (Euro) and are adjusted to take account of the different purchasing power of the national currencies, in order to compare spending levels. Economy-wide gross domestic product (GDP) PPPs are used to compare relative expenditure on health in relation to the rest of the economy.

For the calculation of growth rates in real terms, economy-wide GDP deflators are used. Although some countries (e.g. France and Norway) produce their own health-specific deflators, based on national methodologies, these are not currently used due to the limited availability and comparability for all countries.

Reference

OECD/Eurostat/WHO (2017), *A System of Health Accounts 2011: Revised edition*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264270985-en*.

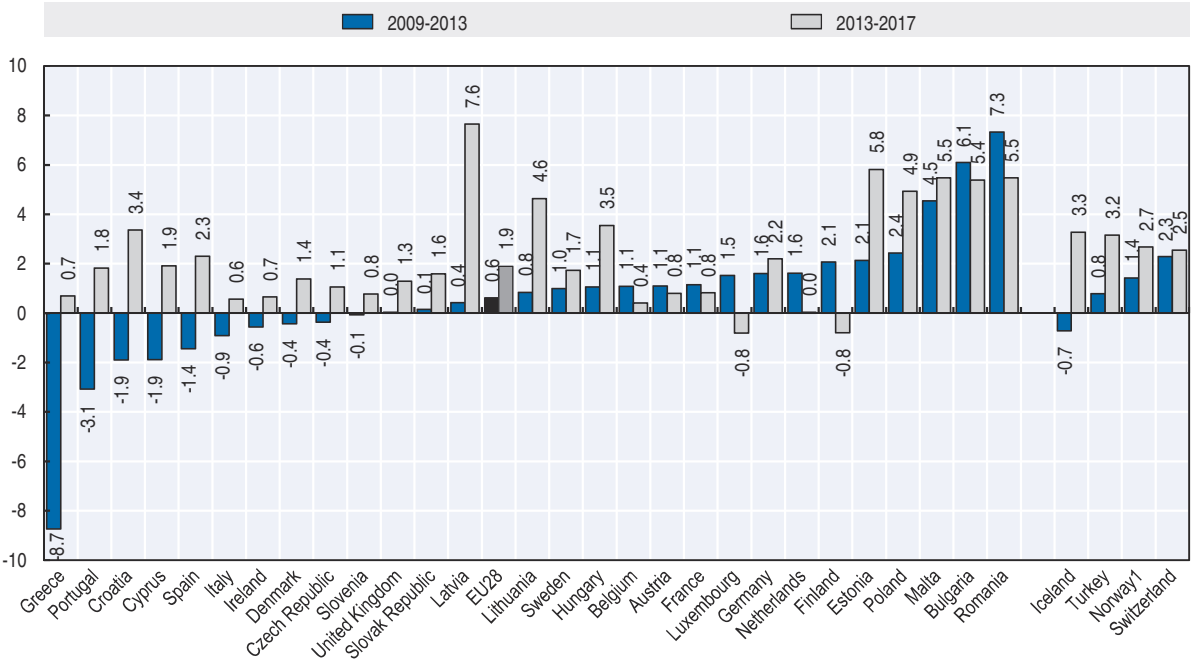
5.1. Health expenditure per capita, 2017 (or nearest year)



Source: OECD Health Statistics 2018, *https://doi.org/10.1787/health-data-en*; Eurostat Database; WHO Global Health Expenditure Database.

StatLink http://dx.doi.org/10.1787/888933835345

5.2. Annual average growth rate (real terms) in per capita health spending, 2009 to 2017 (or nearest year)



1. Mainland Norway GDP price index used as deflator.

Source: OECD Health Statistics 2018, *https://doi.org/10.1787/health-data-en*; Eurostat Database.

StatLink http://dx.doi.org/10.1787/888933835364