

# NATIONAL HEALTH ACCOUNTS - GLOBAL & REGIONAL TRENDS



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# Outline

- Global trends
  - History of national health expenditures
  - Development of national health accounts
  - Early OECD experience
- The OECD System of Health Accounts
- Developments in Asia-Pacific region
- Future agendas

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# History of NHE Estimation

## **1940-60s: Academic studies in a few countries**

Costing of UK NHS (Abel-Smith and Titmuss, 1956)

## **1960: USA Medicare**

Establishment of US National Health Accounts

## **1963 - 67: First cross-country studies**

WHO (Abel-Smith, 1963-67)

## **1970s: OECD mandate**

OECD co-operation to control health spending ⇒ OECD Health Data  
⇒ Comparative analysis of determinants of health spending

## **1990s: Shift from NHE to NHA**

### **Extension of NHA outside OECD region**

China, Philippines, Thailand, Egypt, Russia, Hong Kong, Sri Lanka . . .

# What Are National Health Accounts?

A statistical system comprising descriptive accounts that describe the totality of expenditure flows in both the government and non-government sectors. They describe the source of all funds utilized in the sector and the destination and uses of those funds.

# Typical Health Account Table

Example: Functions by sources

	Total	Government	Private Insurance	Households
Total	100%	48%	1%	51%
Inpatient care	34%	23%	< 2%	9%
Outpatient care & medicines	58%	17%		42%
Public health services	6%	6%	-	-
Administration	2%	2%	0%	-

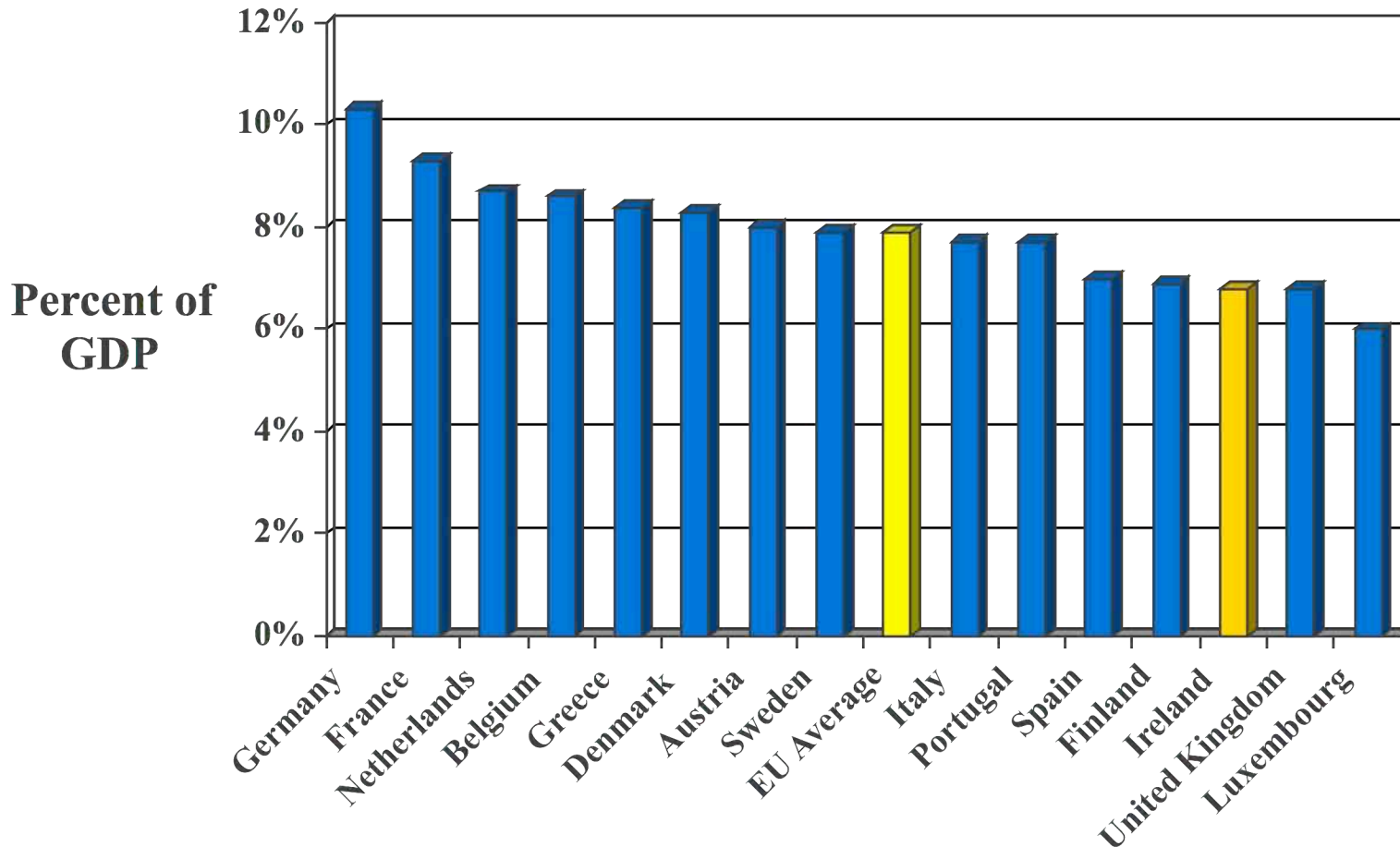
**Total spending = 3.4% of GDP, \$23 per capita**

Example: Sri Lanka

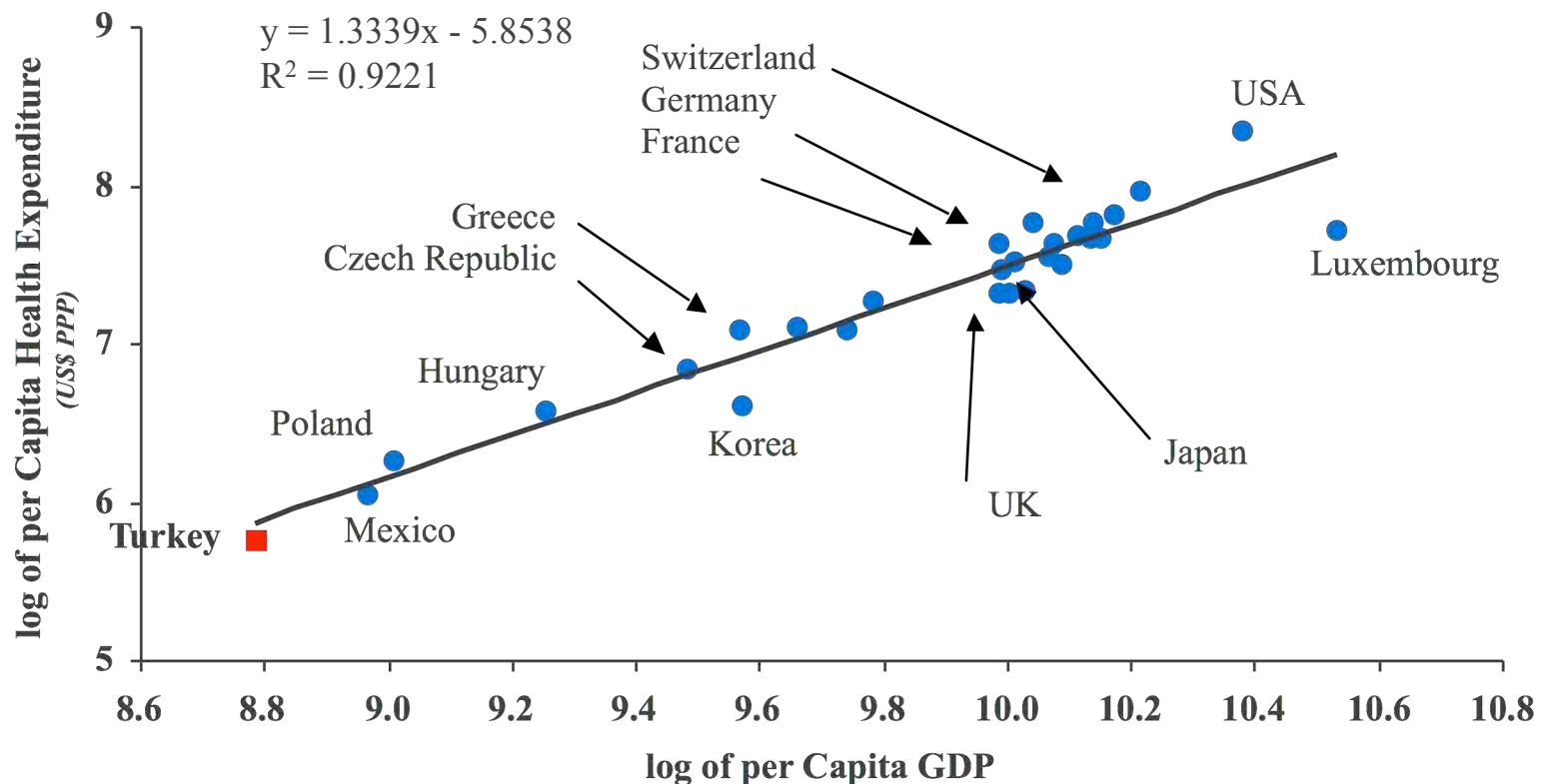


# NHA Uses: International Comparisons

Health Expenditure as a Share of GDP in European Union Countries, 1998

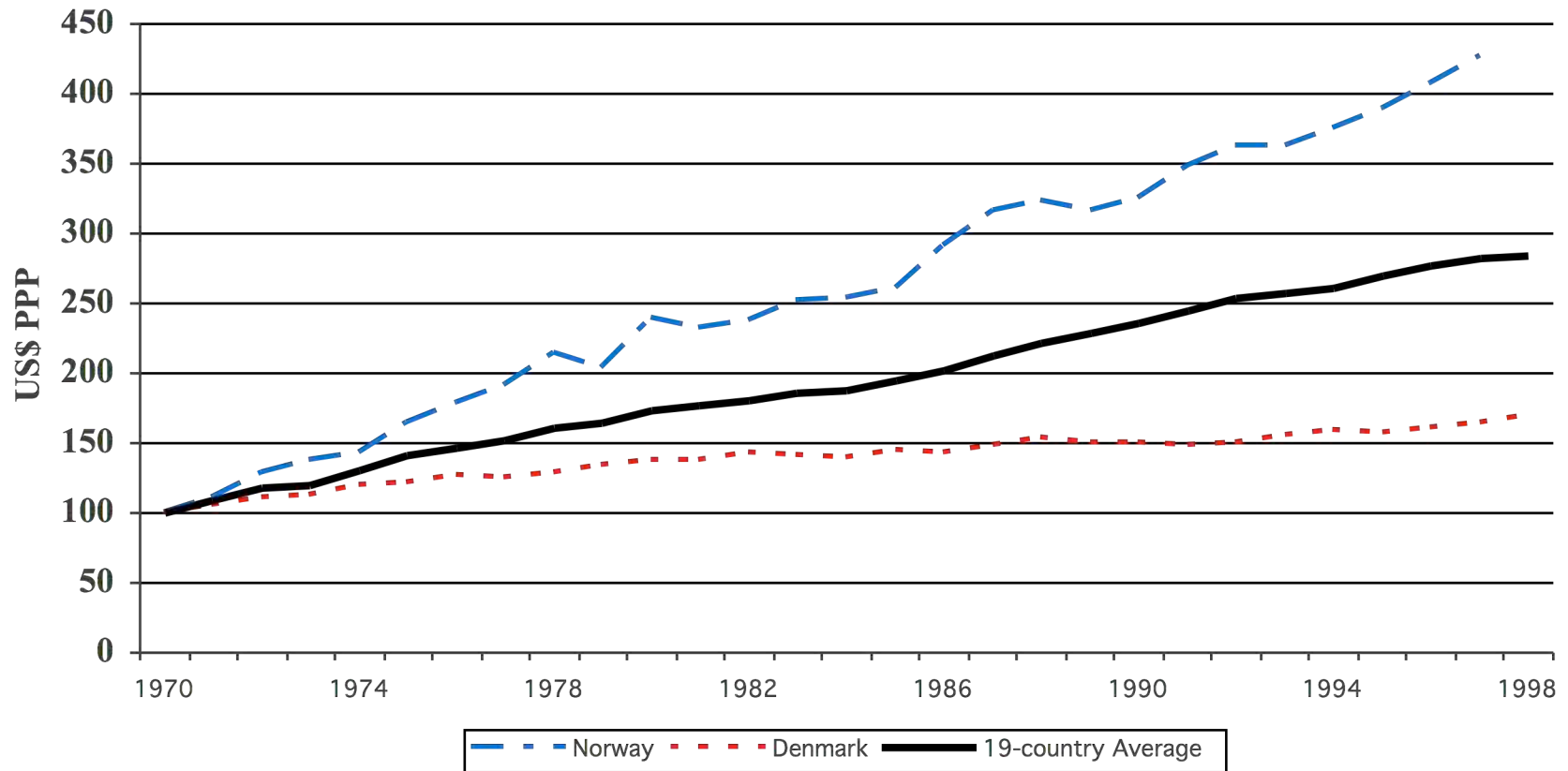


# Close Association Between Wealth and Health, 1998

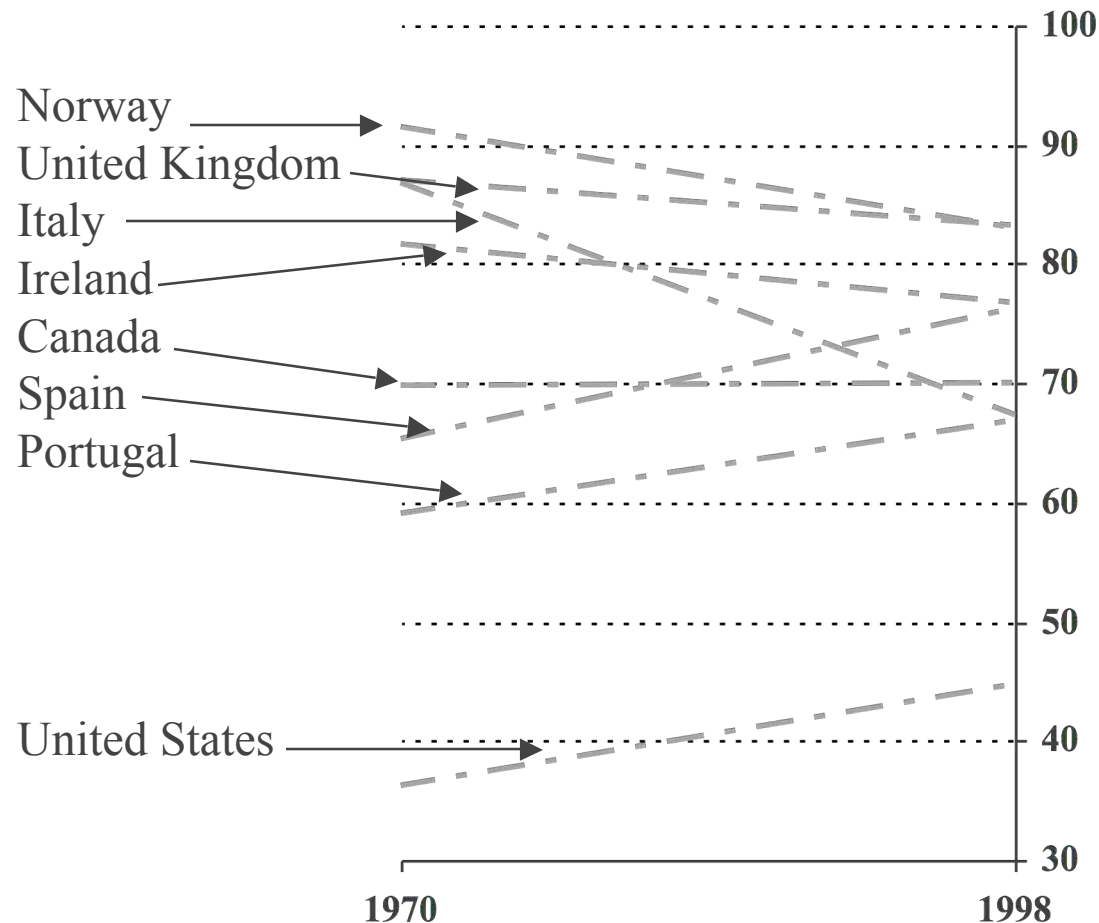




# Increase in Real Health Expenditure per Capita, 1970-98

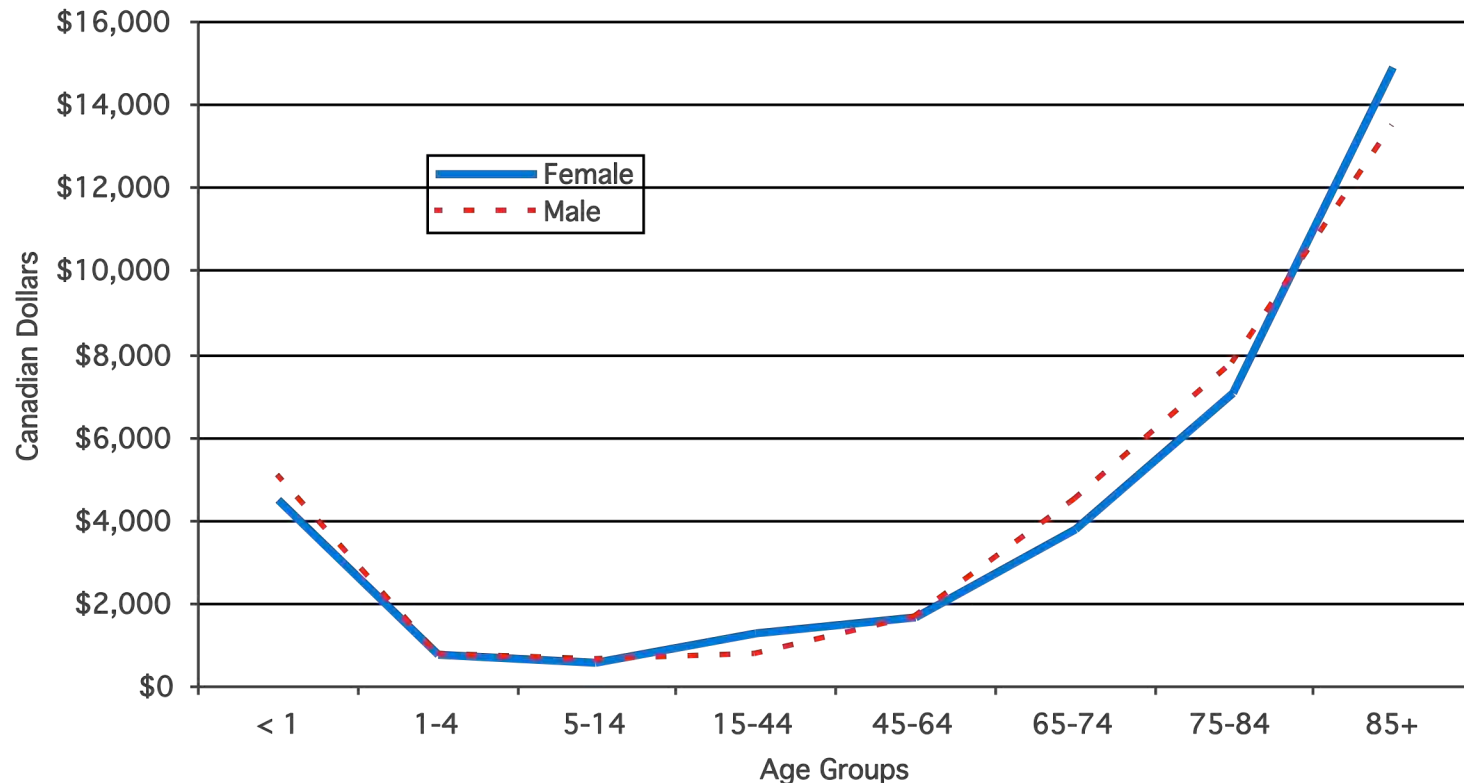


# Convergence in the Public Share of Health Expenditure, 1970-1998



# NHA Uses: Age Specific Expenditure Projections

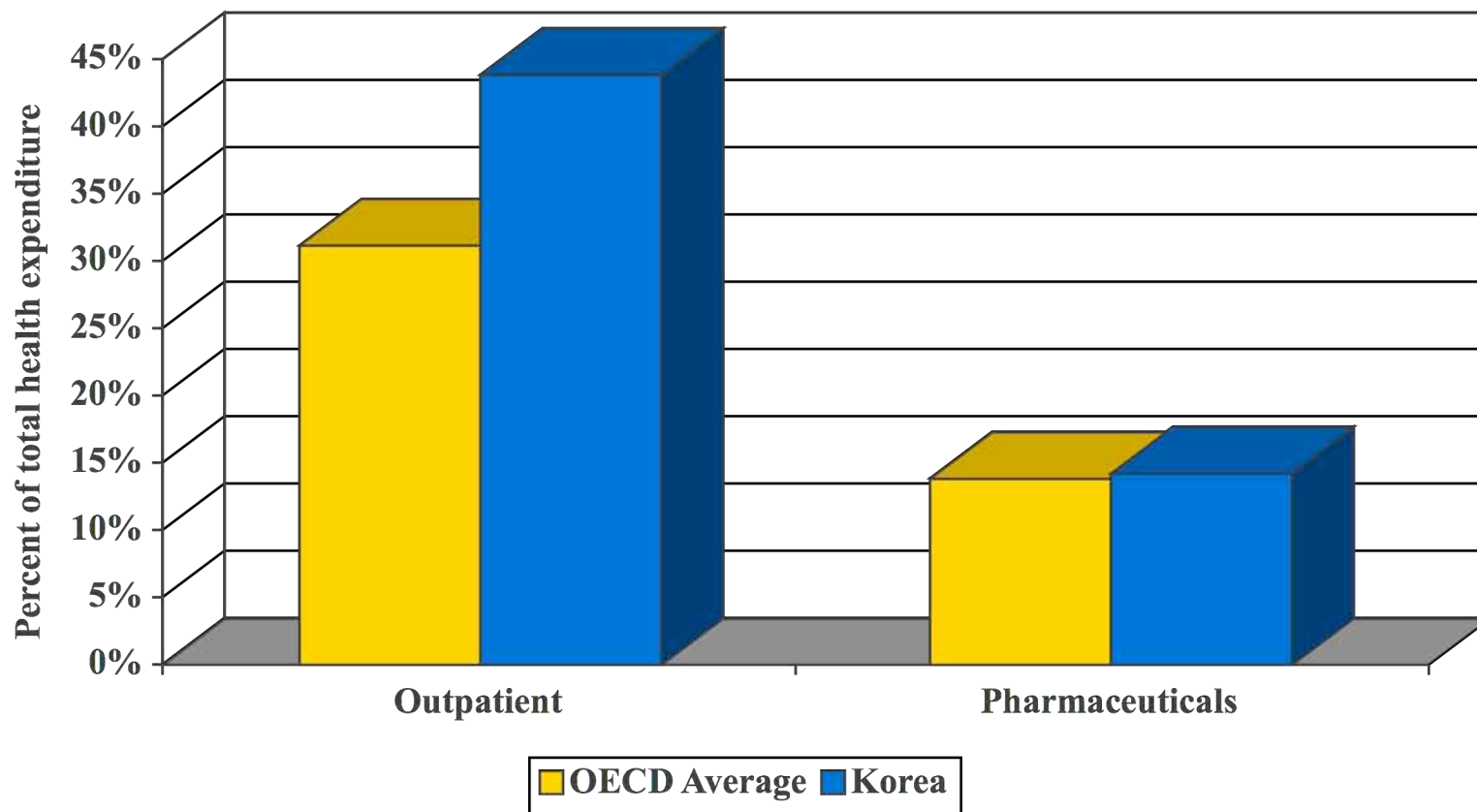
Canada: Provincial Government Per Capita Health Expenditure, by Age and Sex, 1998



Source: National Health Expenditure Trends, 1975-2000  
(Canadian Institute for Health Information, 2000)

# NHA Uses: Monitoring Health Reform

**Korea: Share of Expenditure on Outpatient Services  
and Pharmaceutical Goods, 1999**



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# Issues emerging in late 1990s

- Lack of comparability in published NHE estimates for most OECD countries
- Tendency for estimates to be changed every year
  - Development of OECD Standard for NHA reporting
- Lack of standardisation and compilation of data outside OECD
  - Establishment of WHO NHA Unit, 1998
  - Annual WHO NHA reporting

# A “System of Health Accounts” OECD (2000)



## Developed by OECD:

- To provide standard reporting tables for international comparison
- To provide an internationally harmonized boundary for health care activities
- To provide a consistent framework for analyzing health systems
- To provide a rigid framework for building NHA to permit consistent reporting over time

# Features of OECD SHA



- Provides explicit and comprehensive boundary of health and health-related production
- Analyzes health expenditures in three dimensions: sources, providers and functions
- Detailed sets of classifications for the uses of spending: providers and functions
- Linkages with other international classifications, including SNA
- Basis for adaptation to meet specific national requirements



# ICHA Classification of Functions

## **HC.1 Services of curative care**

### **HC.1.1 Inpatient care**

### **HC.1.2 Day cases of curative care**

### **HC1.3 Outpatient care**

### **HC1.4 Home care**

## **HC.2 Services of rehabilitative care**

## **HC.3 Services of long-term nursing care**

## **HC.4 Ancillary services to health care**

## **HC.5 Medical goods dispensed to out-patients**

## **HC.6 Prevention and public health services**

## **HC.7 Health administration and health insurance**

# Reporting National Spending

HC.1 Services of curative care

HC.2 Services of rehabilitative care

HC.3 Services of long-term nursing care

HC.4 Ancillary services to health care

HC.5 Medical goods dispensed to out-patients

HC.6 Prevention and public health services

HC.7 Health administration and health insurance

HC.R.1 Capital formation

HC.R.2 Education and training

HC.R.3 Research and development

HC.R.4 Food, hygiene and drinking water control

HC.R.5 Environmental health

HC.R.6 Social services in-kind

HC.R.7 Health-related cash-benefits

**Total  
Current  
Expenditure  
on Health**

**Total  
Expenditure  
on Health  
(TEH)**

**General  
Expenditure  
on Health  
(GEH)**

# OECD Developments

- 2000-2004
  - Release of OECD SHA and launch of pilot implementations
  - Release of first 17 country reports
- 2004-2005
  - Adoption of SHA as reporting standard for OECD and Eurostat, & SHA mandatory for all EU accession candidates
- 2005
  - Health expenditure work ranked highest priority by OECD ministers
  - October: Joint OECD-Eurostat-WHO NHA Data Reporting agreement

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# Global Developments

- 2000
  - Annual reporting by WHO for all 190 countries in World Health Report
  - WHO endorsement of OECD SHA ad quasi-international standard
- 2003
  - Release of WHO NHA Producers Guide
- 2000 onwards
  - Donor-funded initiatives in 60+ countries to establish NHA systems through country projects and regional networks
  - But increasing evidence of failure to build sustainable NHA systems in developing countries: < 10 countries with sustained NHA systems by 2004
  - Growing awareness of problems in WHO database and lack of reliability in published estimates

# A System of Health Accounts

HEALTH



OECD

## Guide to producing national health accounts



with special applications for  
low-income and middle-income countries



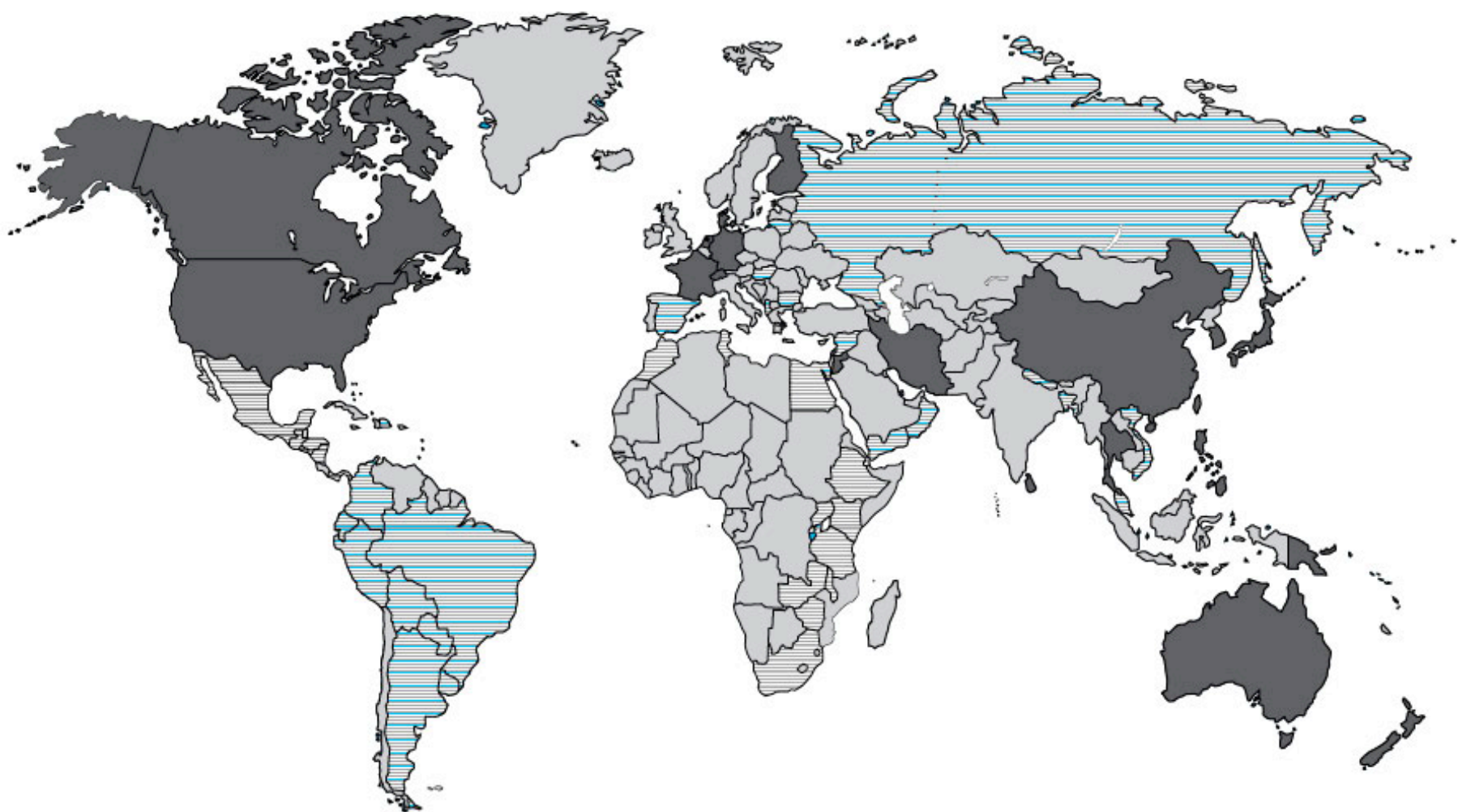
WORLD BANK



WORLD HEALTH  
ORGANIZATION



THE UNITED STATES  
AGENCY FOR INTERNATIONAL  
DEVELOPMENT

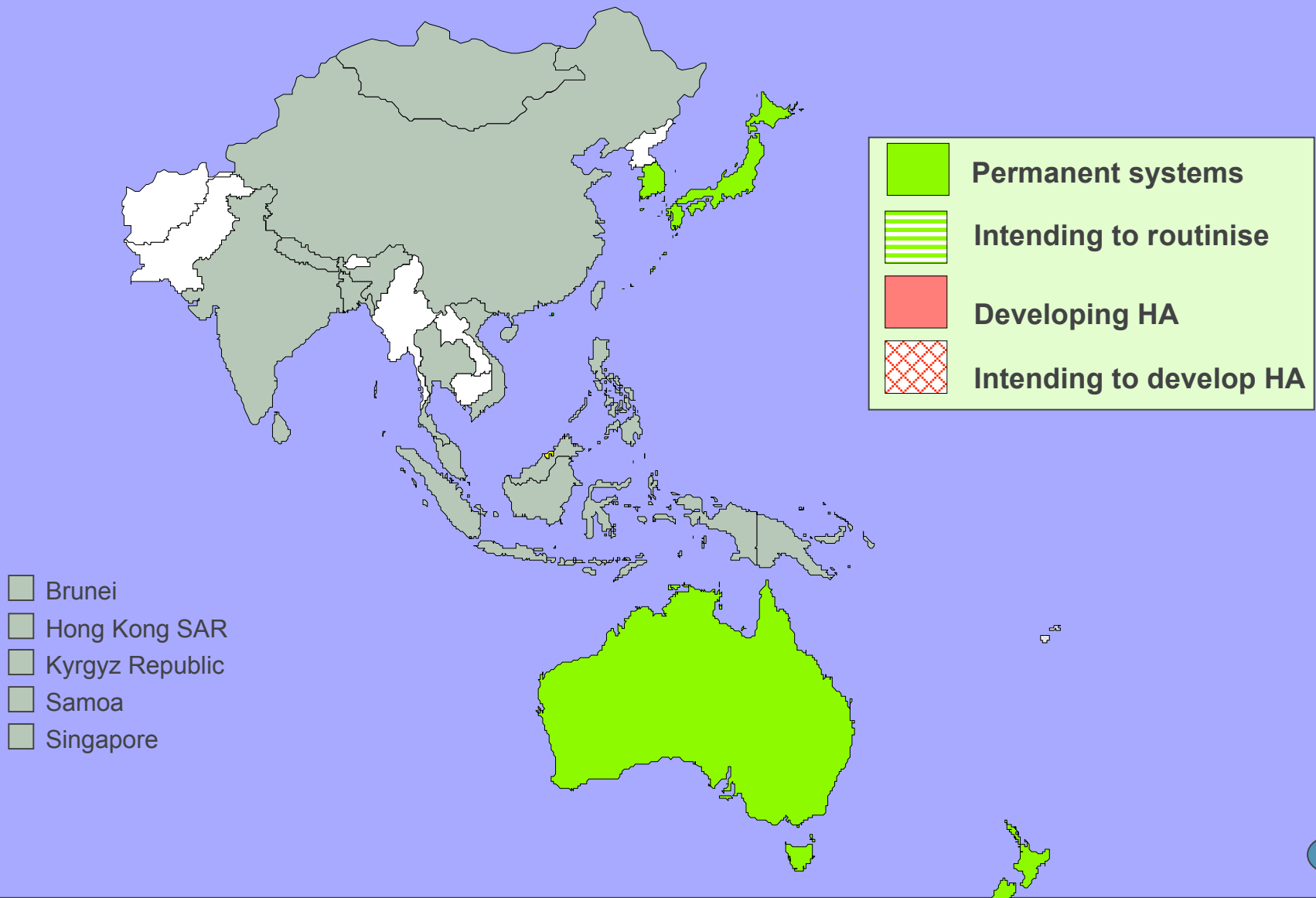


# Regional Developments

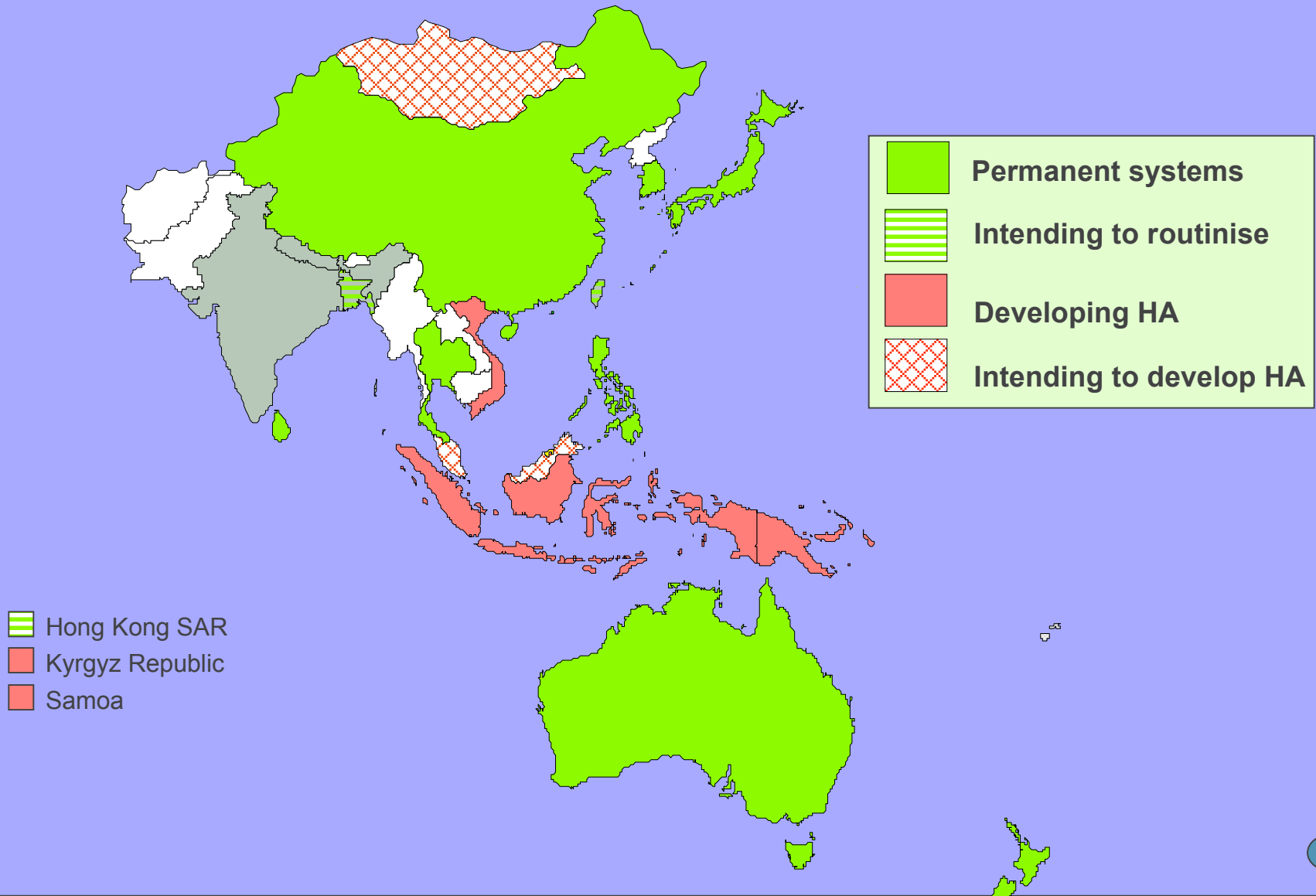
- Country-led initiatives to establish NHA
  - China, Philippines, Sri Lanka, Thailand, Bangladesh
- Asia-Pacific NHA Network established, 1998
- OECD SHA released in 2000
  - Rapid adoption of standard in region
  - Close dialogue between OECD and Asian countries on SHA
  - Desire to emulate OECD region
- Regional Health Accounts meetings
  - Cebu (2001), Bangkok (2002), Manila (2003) Hong Kong (2003), Colombo (2005), Seoul (2005)
- Increasing awareness of problems
  - Move towards harmonization in methods, definitions
  - Lack of regional mechanism for reporting data



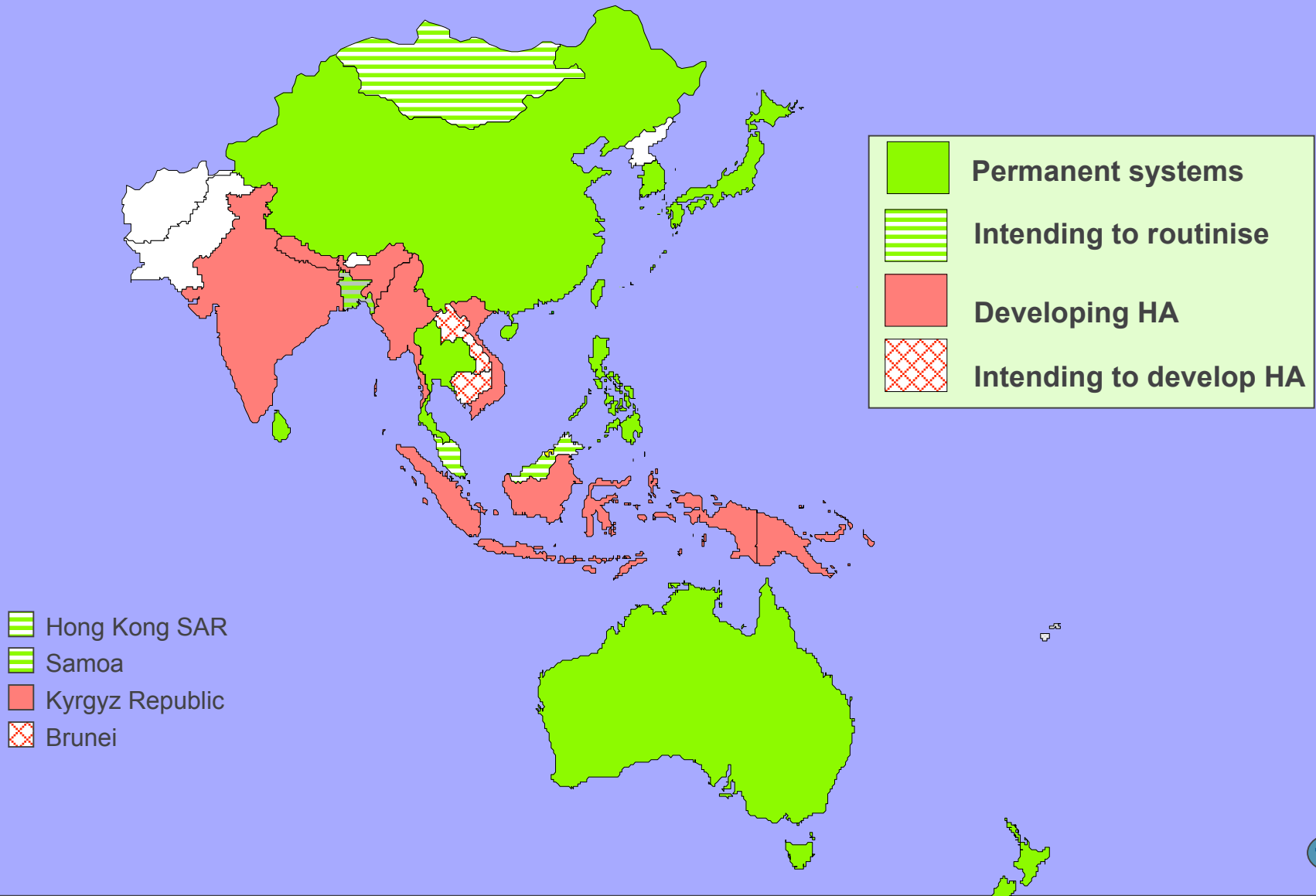
# Health Accounts Status in Asia-Pacific 1990



# Health Accounts Status in Asia-Pacific 2001



# Health Accounts Status in Asia-Pacific 2005

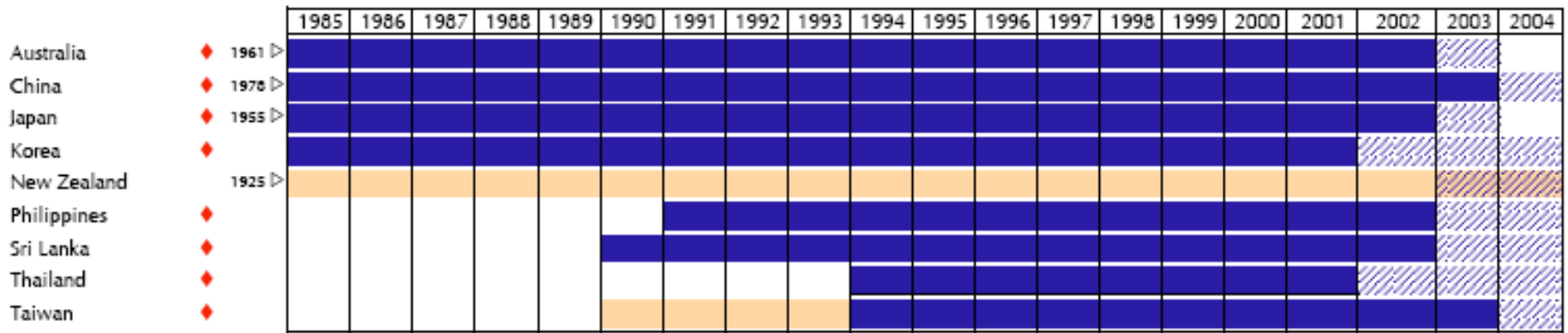


# Status Summary

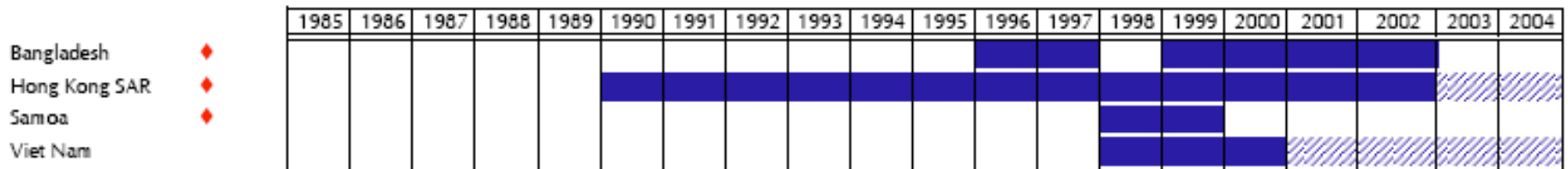
- Permanent systems with continuous updates (10)
  - OECD states: [Australia](#), [Korea](#), [Japan](#), New Zealand
  - Others: [China](#), [Hong Kong SAR](#), Philippines, [Sri Lanka](#), Taiwan, [Thailand](#)
- NHA systems with intent to routinise (6)
  - [Bangladesh](#), [Malaysia](#), [Mongolia](#), Papua New Guinea, [Samoa](#)
- Developing NHA systems
  - Release by end-2006: [Nepal](#), [India](#)
  - Others: Indonesia, Kyrgyz Republic, Myanmar, Viet Nam
- Considering development of NHA systems
  - Brunei, Cambodia, Laos

# Availability of NHE estimates

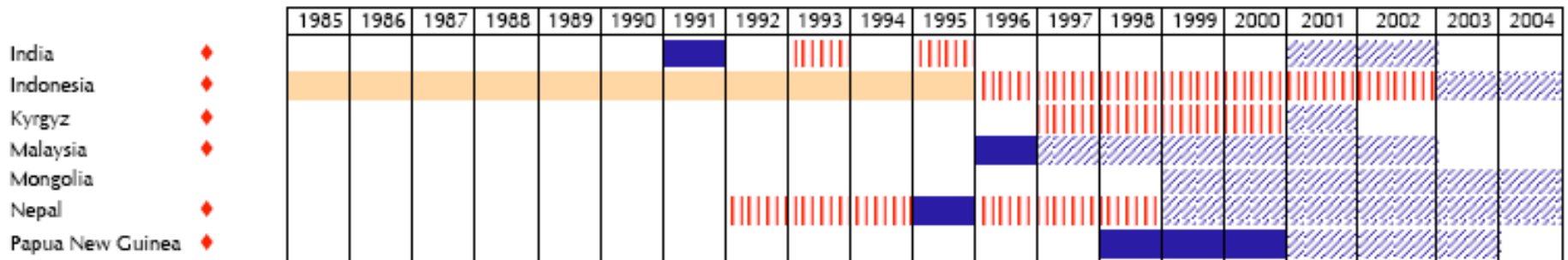
## GROUP I: Territories with permanently established NHA systems with routine updates



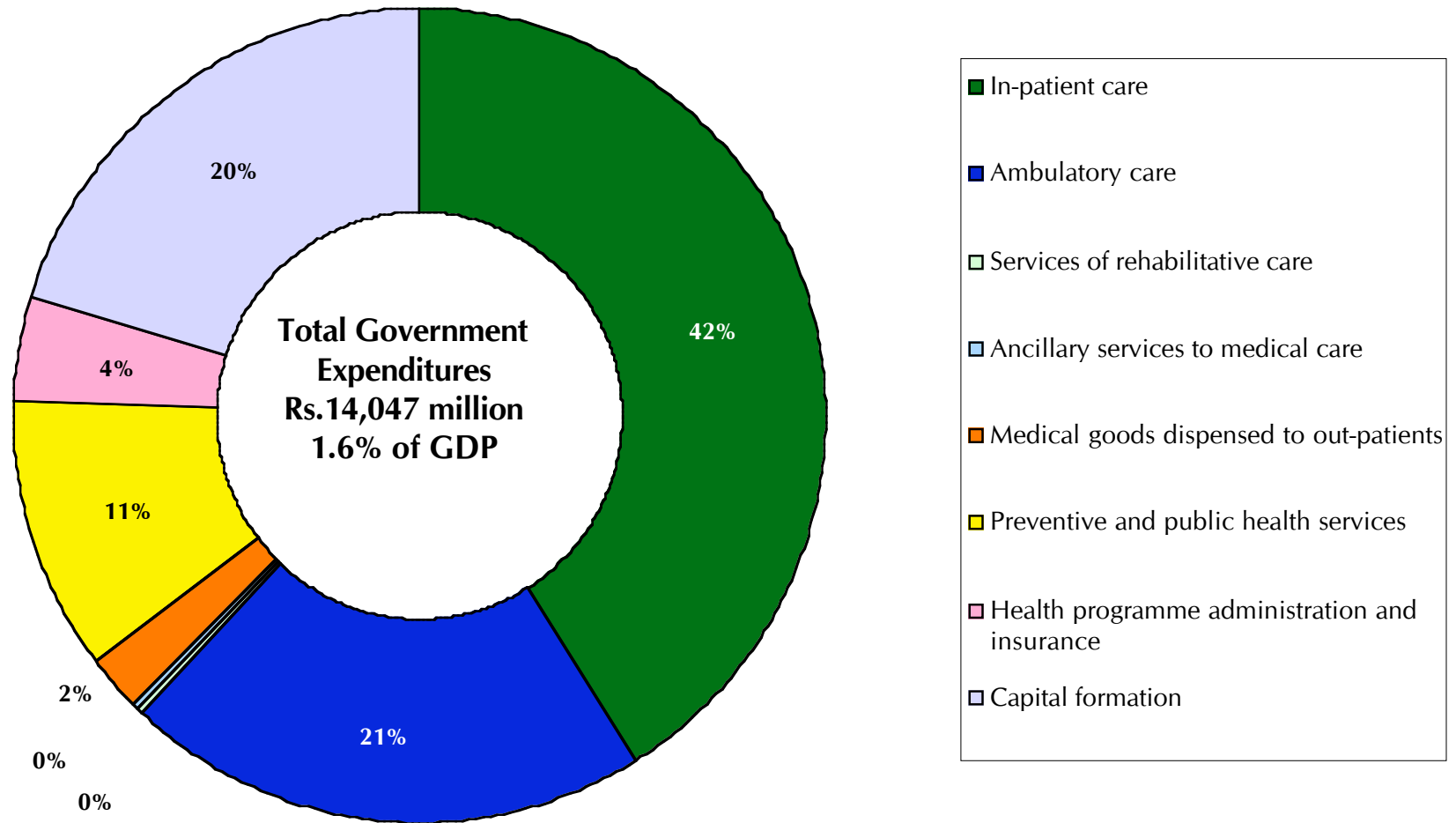
## GROUP II: Territories with NHA systems intending to produce routine updates in future



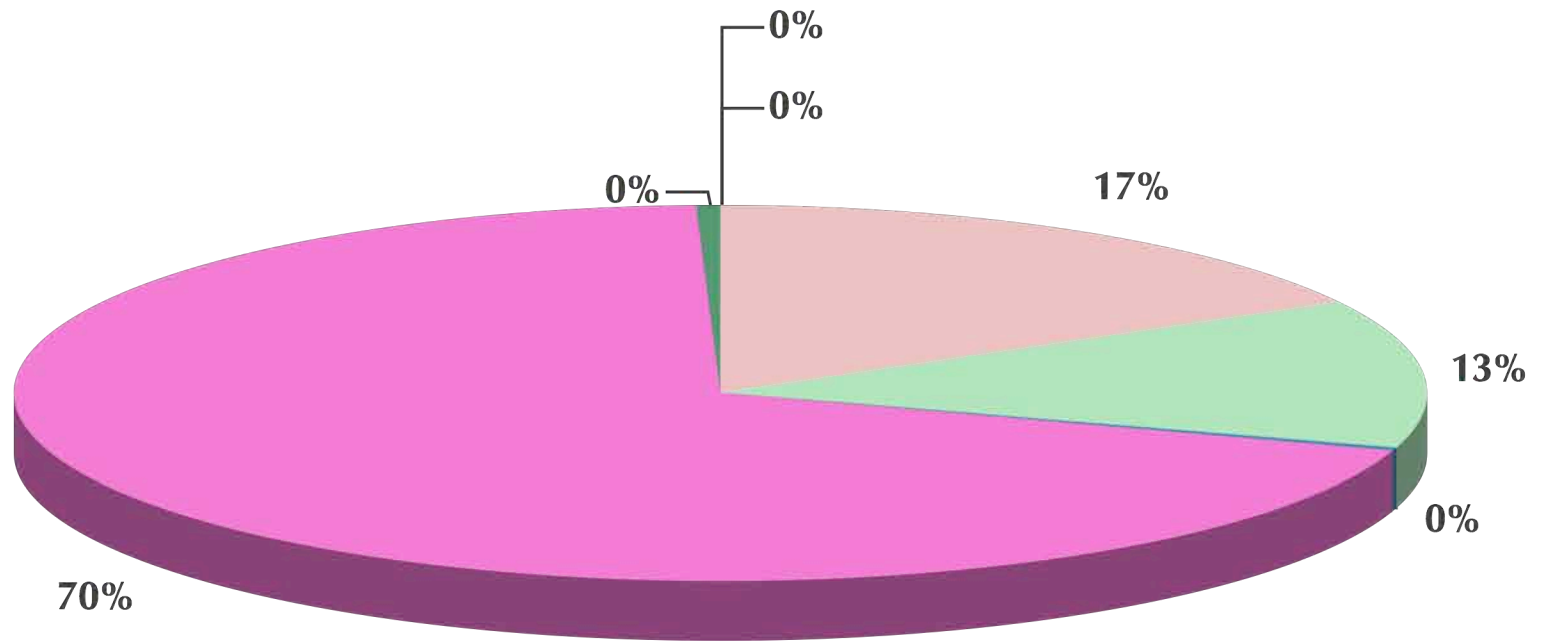
## GROUP III: Territories currently constructing NHA systems



# Sri Lanka: Expenditures by Function



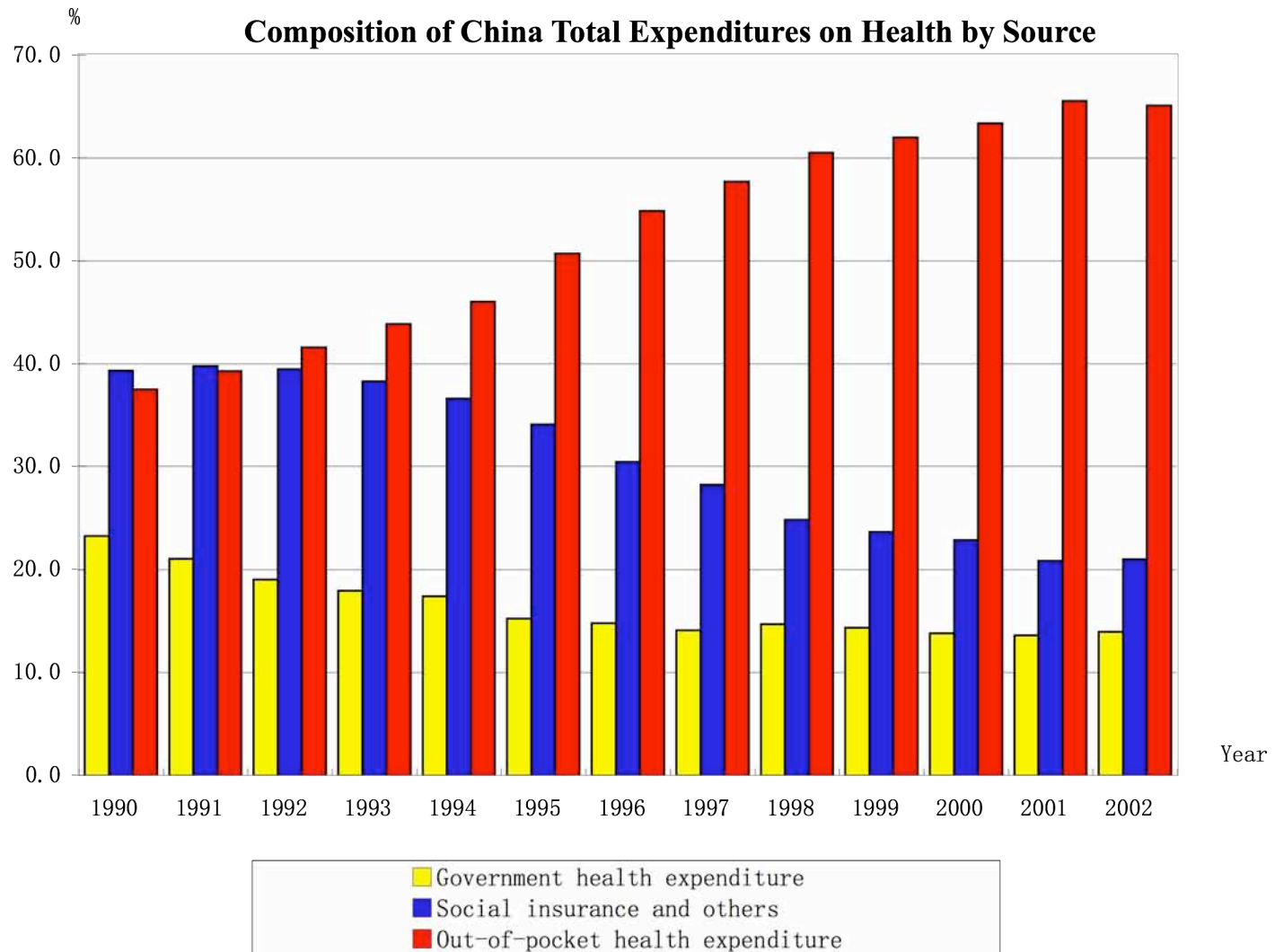
# Bangladesh: Expenditures by Source



Example: Bangladesh 1999-2000

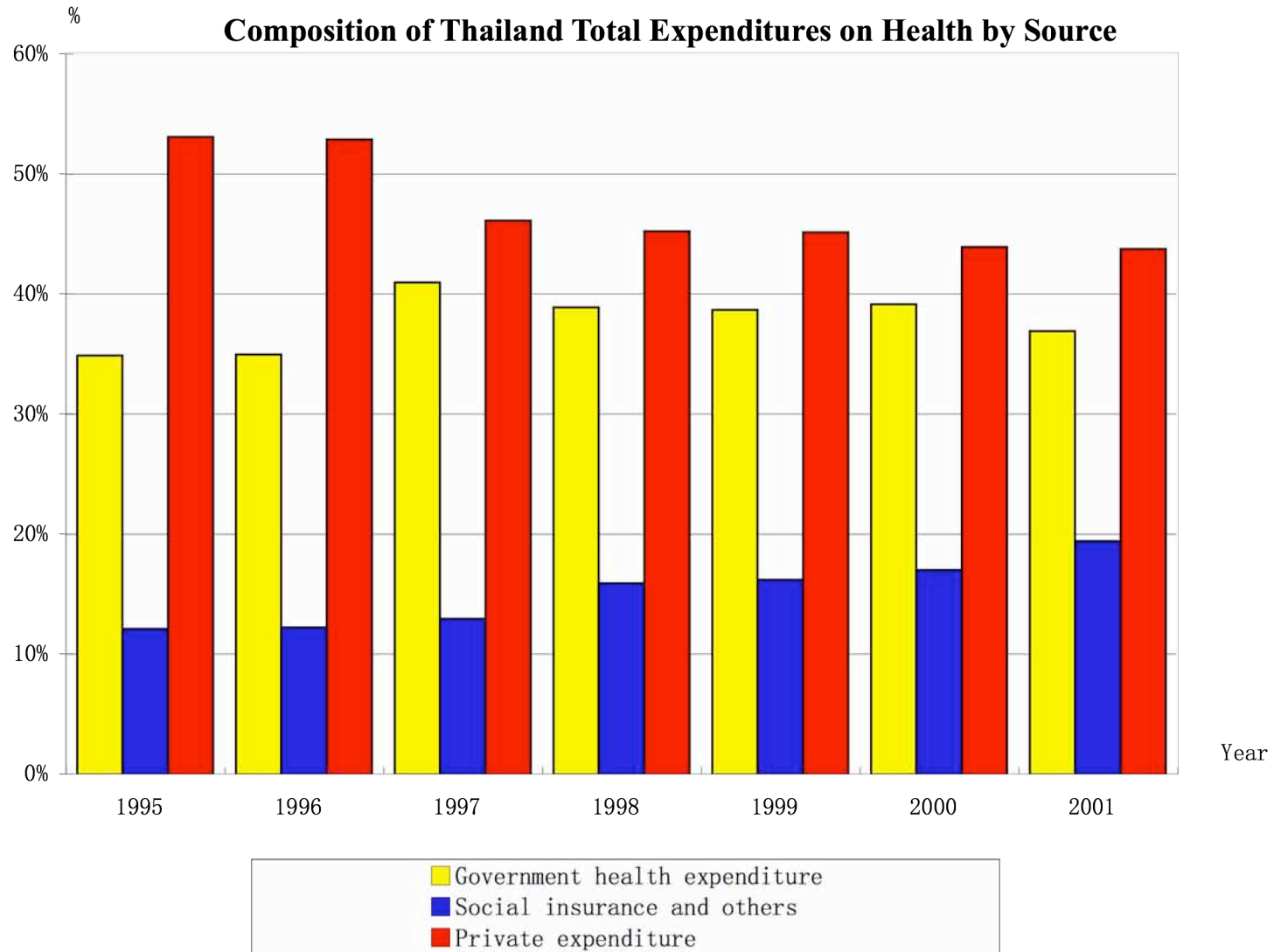


# China: Trends in Health Spending





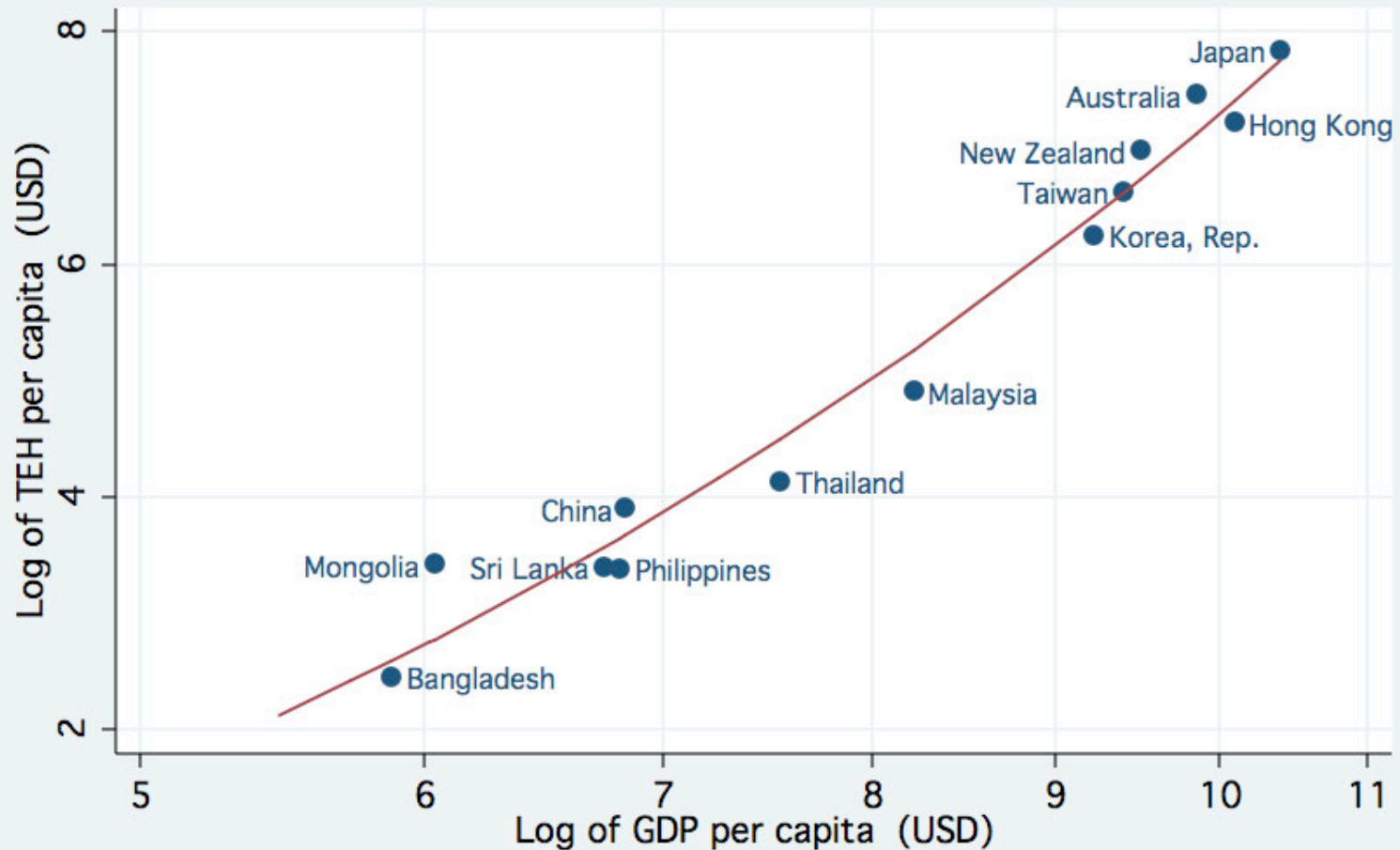
# Thailand: Trends in Health Spending



# Expenditures versus income

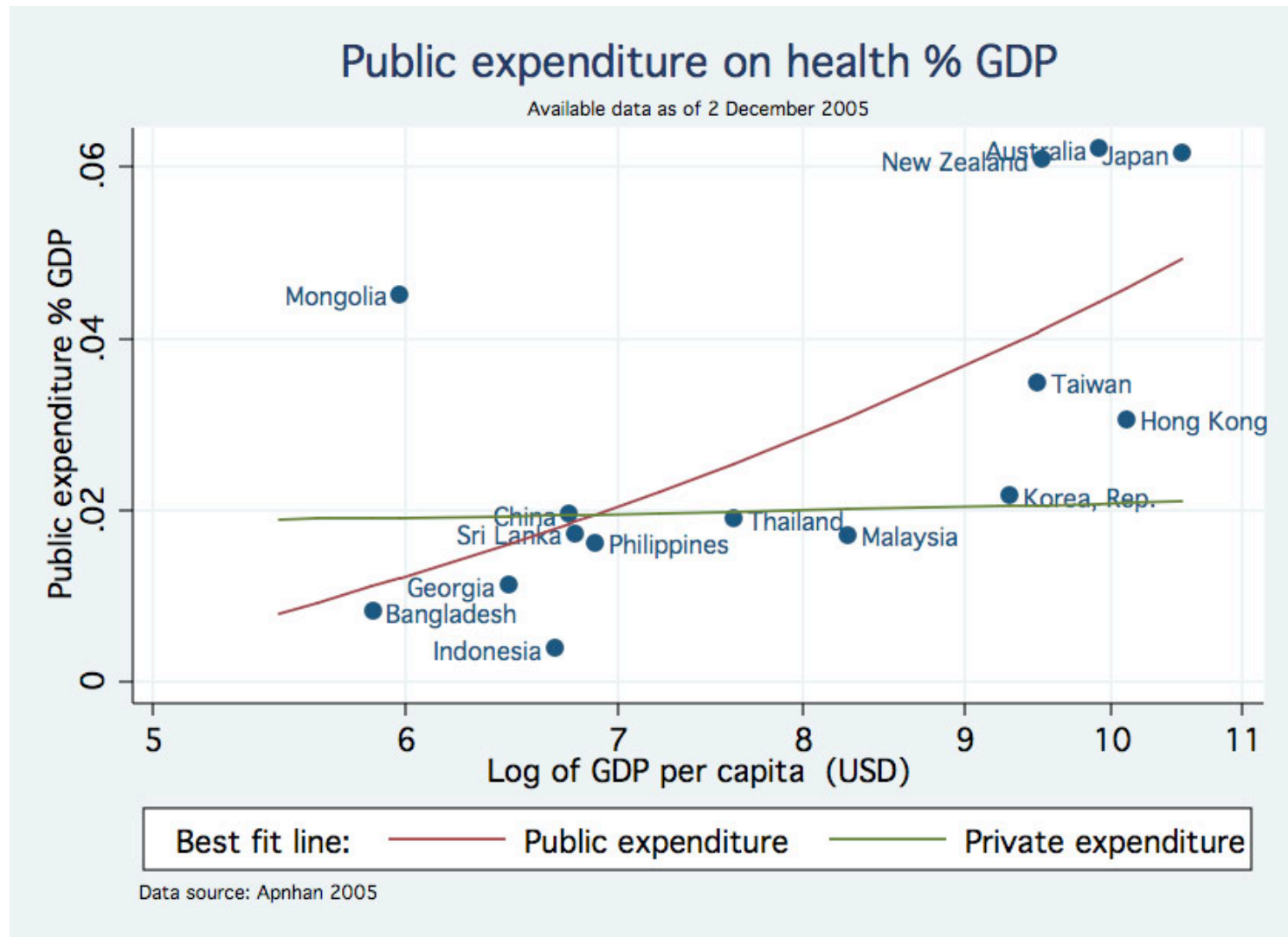
## Total health expenditure vs. GNP per capita

Available data as of 2 December 2005

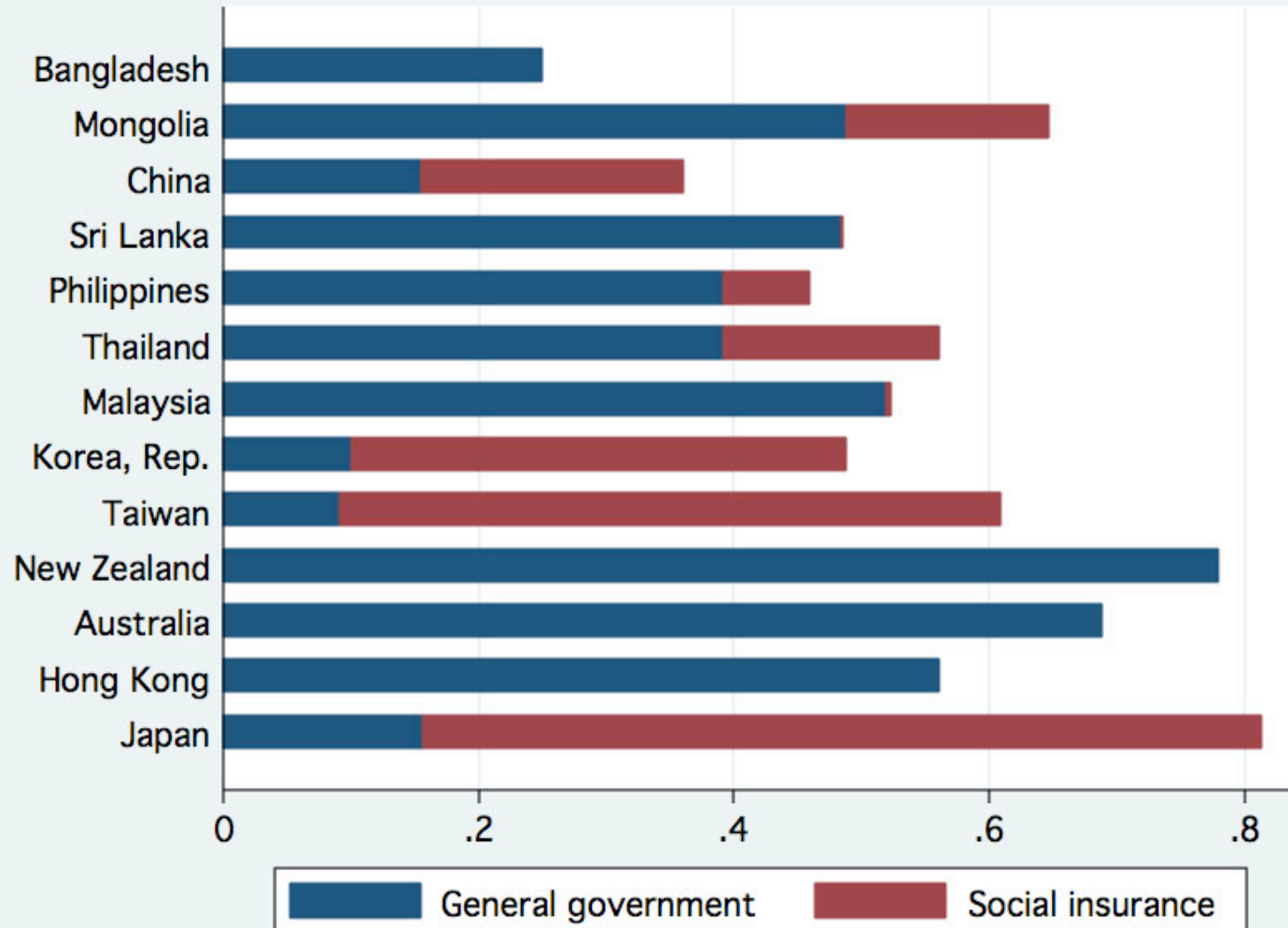


Data source: Aphnan 2005

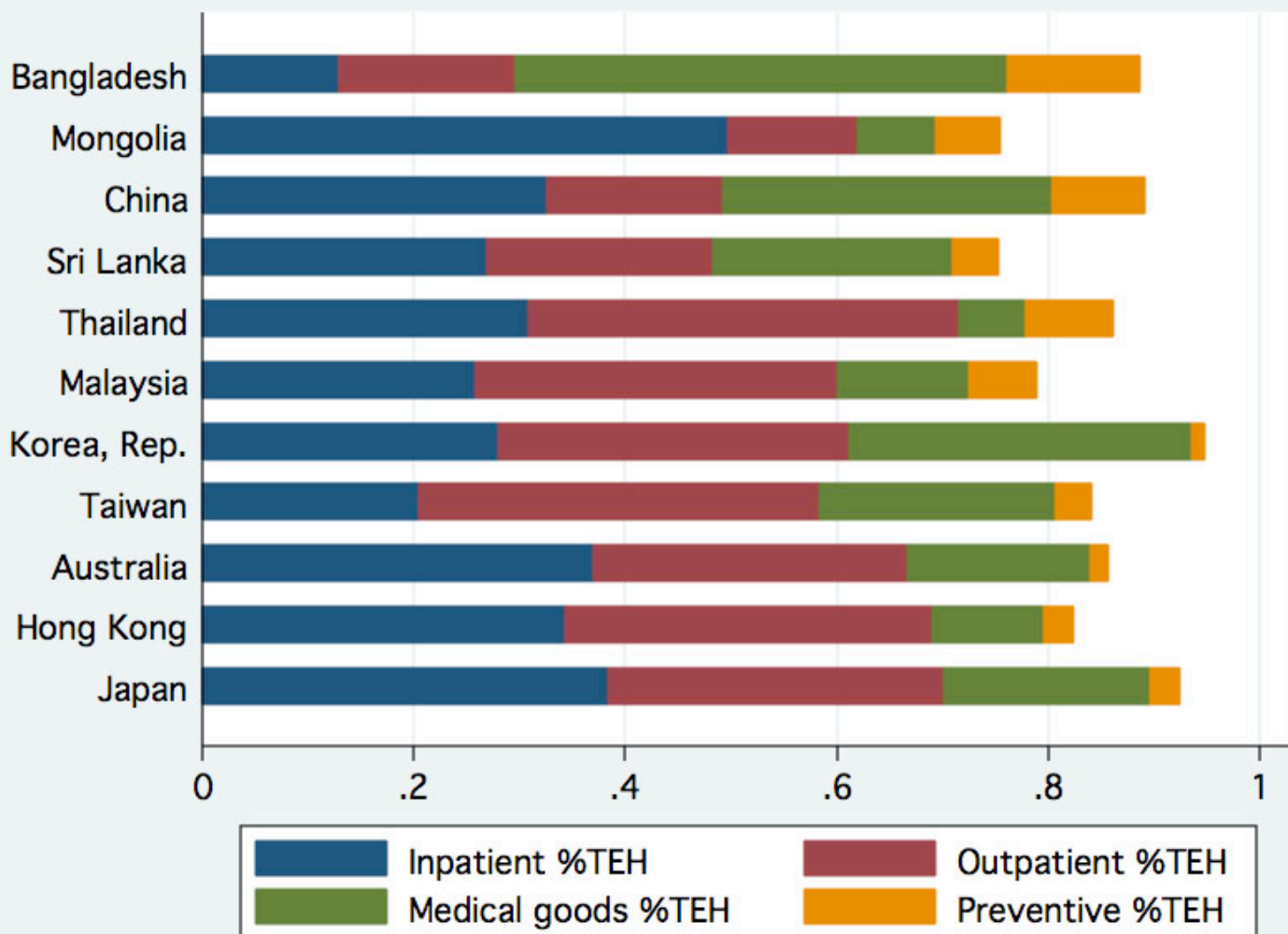
# Income trends in public-private mix



# Source of public financing (ICHA-HF)



# Composition of spending (ICHA-HC)



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# Current issues

- Lack of mechanism to collate, review and report data at regional level
- Institutionalisation and need to consolidate work in countries with first phase HA estimates
- Expansion of NHA coverage in region
  - Peer support important
  - Support for lessons sharing
- Improvement of quality in HA estimates
  - Documentation of methods
  - Improvement of methods
  - Sharing of experience



**OECD-APNHAN**  
**Regional Meeting of Health Accounts**  
**Experts**  
**Seoul, Korea**  
**5-6 December 2005**

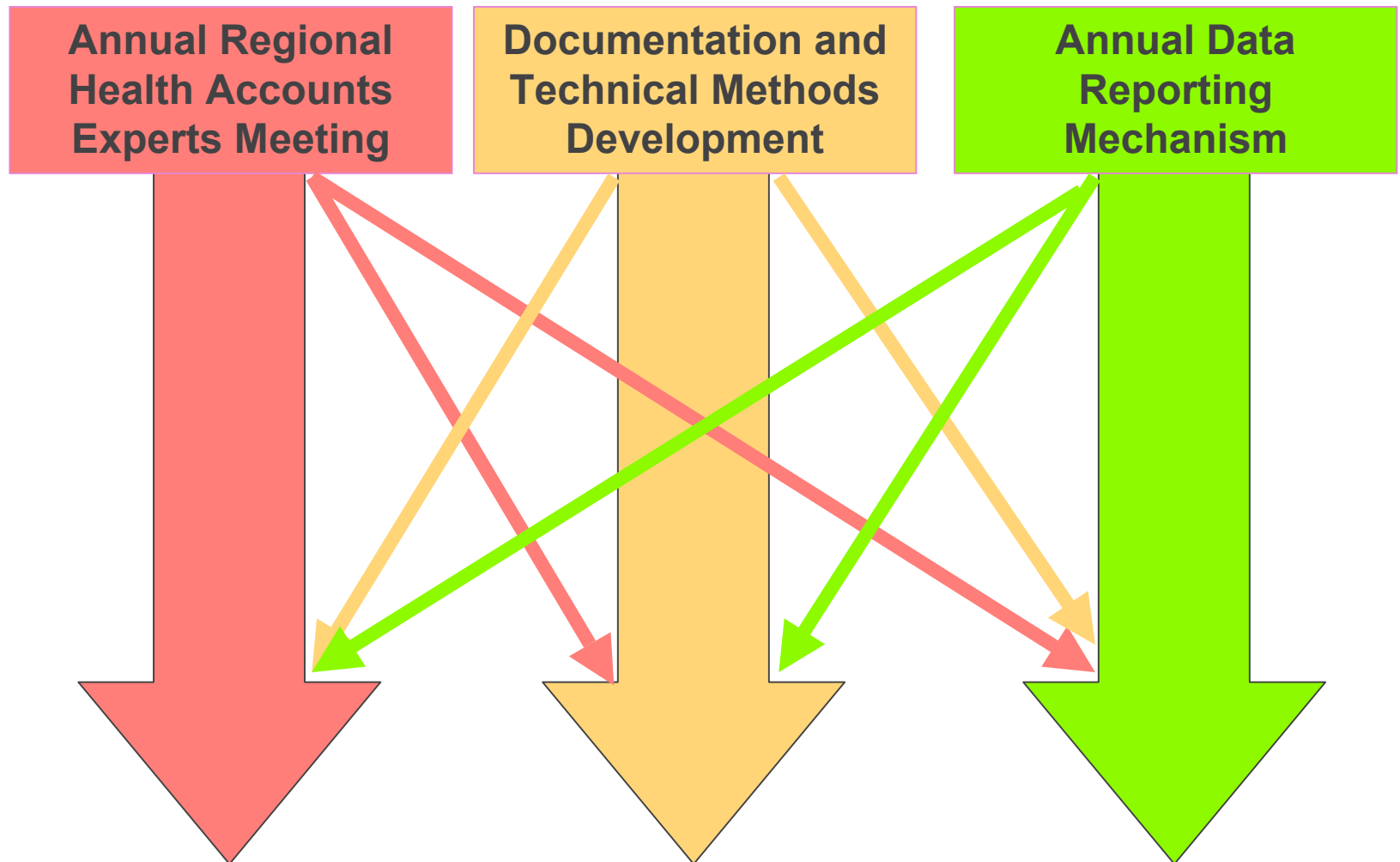




# OECD-APNHAN Regional Meeting of Health Accounts Experts, Seoul, Dec 2005

- Participants from OECD, WHO, World Bank, Ellison Institute and 15 countries
- Provisional Agreement to:
  - Establish joint OECD-WHO-APNHAN regional data reporting mechanism
  - Annual regional experts meetings to foster development and support dialogue with OECD
  - Systematic documentation of country activities

# Way Forward



# Prospects for 2010

- Substantial coverage of standardised NHA data for most countries in Asian region in form comparable to OECD countries
  - 20+ countries based on international standards
- Substantial improvement in methods and quality of data, particularly for household spending
- Significant impetus to regional comparative health policy analysis

Thank You