



INSTITUTO NACIONAL DE ESTATÍSTICA
PORTUGAL

HEALTH ACCOUNTS

Link with SNA93/ESA95

PORTUGAL

Task force for the development of health-specific purchasing power parities

**June 8, 2007
Paris**

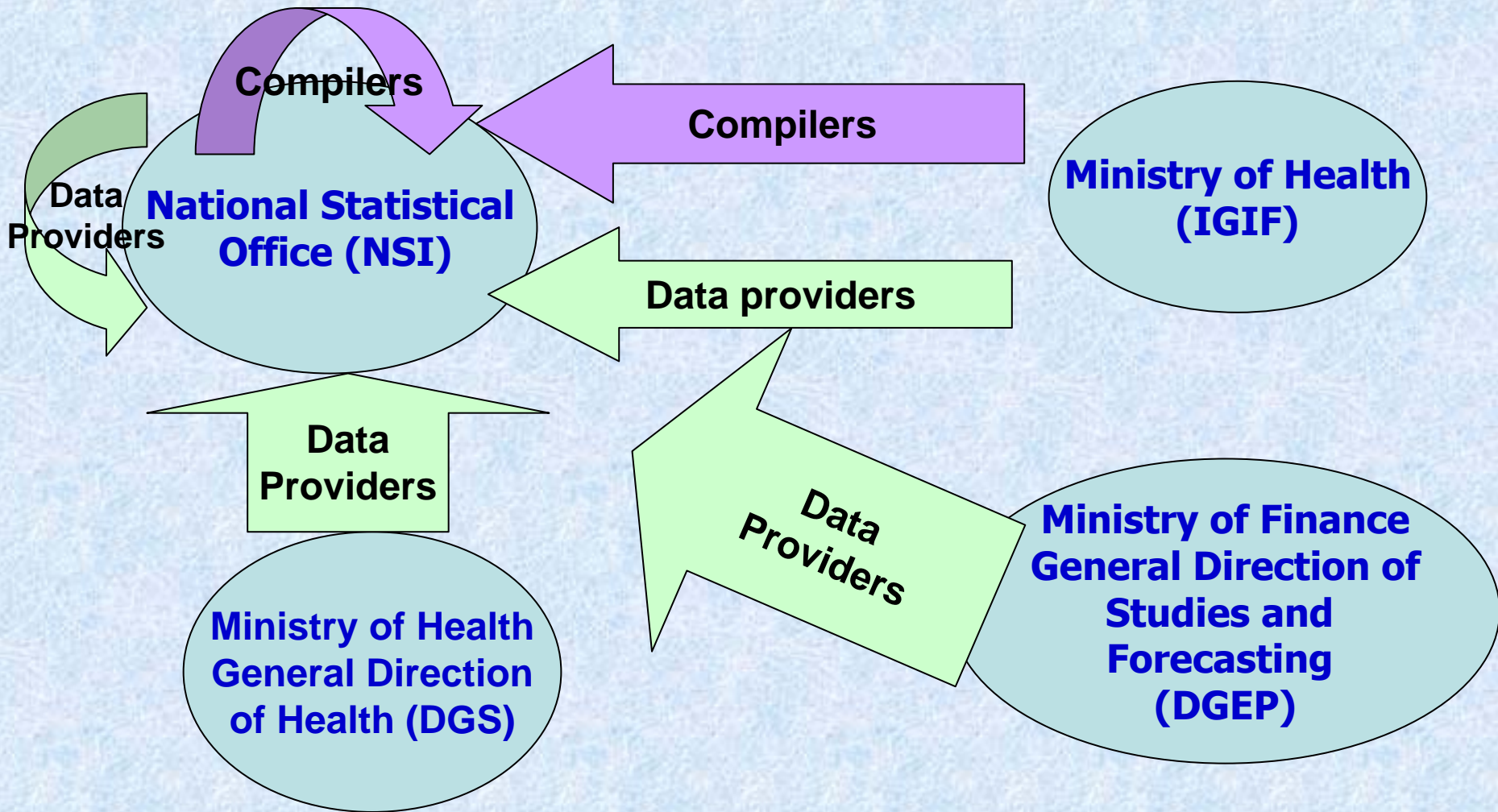
Project “Health Accounts for Portugal” started for the reference year 2000 to answer two important needs:

- ✚ To meet the OECD requirements;
- ✚ To offer to policy-makers an important tool for basing analysis and decision.

➤ **Institutional Arrangements**

- **Creation of a Coordination Group – responsible for planning, major decisions and approval of the work carried out in the working group.**
- **Creation of a Working Group- responsible for the compilation of the Health Accounts and approval of the methodology.**

➤ Working Group:



- **The health accounts in Portugal are compiled according to the methodology used in the Portuguese National Accounts which is in line with the ESA95 and SNA93. The differences between each system (SHA and NA) are also considered.**
- **The same sources and procedures wherever similar to the NA are used. However the Health Accounts increased the data quality of the NA's in this sector due to the availability of new and very detailed data sources.**

➤ HEALTH ACCOUNTS vs. NATIONAL ACCOUNTS- LINKS: (Total Expenditure in Health by provider and function of health care)

HEALTH ACCOUNTS

Providers:

The use of a classification of providers (HP) very detailed to serve the purposes of SHA;

Functions of health care:

The use of a detailed functional classification (HC) to describe the health care services.

Possibility of
making
correspondences

NATIONAL ACCOUNTS

Activities:

The use of NACE codes (851,751, 244, 331, 334, 3543, 65, 853ex);

Products:

The use of CPA codes for Products (851, 244, 331, 334, etc.).

Functional Classifications:

Availability of COFOG and COICOP.

The sources concerning providers are usually available in Central Registers' by NACE codes and not according to providers classification (HP). Industrial Surveys are usually according to PRODCOM/CPA.

➤ HEALTH ACCOUNTS vs. NATIONAL ACCOUNTS- LINKS: (Total expenditure in health by financer)

HEALTH ACCOUNTS

Measures the total expenditure in health by financing agent.

Different concepts implicit in both systems

NATIONAL ACCOUNTS

Final Consumption Expenditure by product and by source of expenditure:

P3-Final Consumption Expenditure of General Government

P3- Final Consumption Expenditure of Non-Profit Institutions Serving Households (NPISH)

P3- Final Consumption of Households

P2: Intermediate consumption

➤ HEALTH ACCOUNTS vs. NATIONAL ACCOUNTS-LINKS: (Total expenditure in health by financier)

Financing Agents in SHA

HF1- General Government
HF1.1 – General Government (except Social Security Funds)
HF1.1.1- National Health Service
HF1.1.2- Public Subsystems in Health
HF1.1.3- Others
HF1.2- Social Security Funds
HF2- Private Sector
HF2.1- Private subsystems in health
HF2.2- Other private insurance
HF2.3- Private Household out-of-pocket payments
HF2.4- Non-Profit organisations (other than social insurance)
HF2.5- Corporations (other than social insurance)

Consumption of Health Services in NA

Final Consumption Expenditure of General Government:
HF1.1.1- National Health Service
HF1.1.3- Others, part of financing to cover deficit
HF1.2- Social Security Funds
Final Consumption Expenditure of NPISH:
HF2.1- Private subsystems in health (part of Banking systems managed by NPISH)
HF2.4- Non-Profit organisations (other than social insurance)
Final Consumption Expenditure of Households;
HF1.1.2- Public Subsystems in Health
HF1.1.3- Others
HF2.1- Private subsystems in health
HF2.2- Other private insurance
HF2.3- Private Household out-of-pocket payments
Intermediate Consumption:
HF2.5- Corporations (other than social insurance)
All financiers of occupational health services

➤ HEALTH ACCOUNTS vs. NATIONAL ACCOUNTS- LINKS: (Additional data to be added to expenditure in the health)

Health Accounts

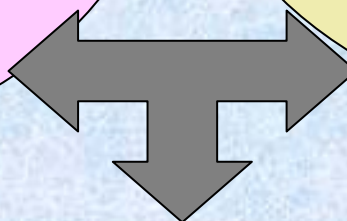
A) Expenditure of productive units in Occupational health services – recorded as output of the respective units.

B) Production of the households that take care of their dependents- recorded as output in SHA.

National Accounts

A) Expenditure of productive units in occupational health services – recorded as intermediate consumption of the respective units.

B) Production of the households that take care of their dependents- recorded as Transfers in the NA.

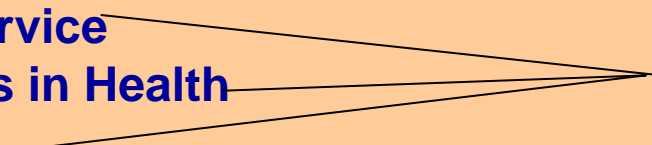


Somehow there can be a link between NA and HA but to have correspondent figures it is necessary to carry out additional work.

Taking the traditional figures of NA from the Supply-Use Table or the functional tables it is not possible to obtain the same figures. In order to have the same figures additional estimation of the adjustments must be made.

Structure of Financing Agents:

Organised by General Government:

- National Health Service
 - Public Subsystems in Health
 - Other public units
 - Other financing by Ministry of Finance and Ministry of Health (cover deficits)
- Payments for services provided to beneficiaries by public and private providers**
- 

Organised by the private sector:

- **Private subsystems in Health** (banking employees, health schemes organised by the enterprises collectively or individually)
- **Private Insurance** (collective health insurance or individual health insurance)
- **Households** (co-sharing and full payment for the services of health care)
- **Non-Profit organisations** (to cover administrative cost when they act as providers in co-sharing the costs of provision of services of health care)
- **Corporations (others than health insurance)** (health services organized by corporations individually for their own-employees)

Types of Producers:

Public (Non-market (2000-2002)/Non-market and Market (2003 onwards):

- ❖ **Hospitals (HP1-all the levels)**
- ❖ **Nursing and health care facilities (HP2 ?- under study)**
- ❖ **Providers of ambulatory health care (HP3, HP 3.4, HP3.5 and HP3.9))**
- ❖ **General health administration and insurance (HP6- all except HP6.4))**
- ❖ **Other industries (rest of the economy) (HP7 – all levels)**

Types of Producers:

Private Providers – includes private market providers and non-market institutions

- ❖ **Hospitals (HP1-all the levels)**
- ❖ **Nursing and health care facilities (HP2)**
- ❖ **Providers of ambulatory health care (HP3- all levels)**
- ❖ **General health administration and insurance (HP6.3 and HP6.4)**
- ❖ **Other industries (rest of the economy) (HP7.1)**

Market providers include units that are corporations, own-account workers and self-employed, market units that are managed by non-profit institutions (NPI) and non-market units managed by NPI.

- **Compilation of the Health Accounts on a bottom-up approach, according to the SHA Manual of OECD. Price and volume indices for measuring health output volume and for estimating preliminary accounts. The health output volume obtained were already integrated in the NA, health product (851).**

- **Tables compiled so far:**
 - ✚ **Table 2 (Current expenditure on health by function of care and provider industry)**
 - ✚ **Table 3 (Current expenditure on health by provider industry and source of funding)**
 - ✚ **Table 4 (Current expenditure on health by function of care and source of funding)**
 - ✚ **Table 5 (Total expenditure on health including health-related functions)**

- **Changes considered in the classification breakdown presented on the tables due to domestic needs:**
 - **HF1.1** (General Government, excluding social security funds) is shown differently from what is proposed in SHA:
 - ✚ **HF1.1.1** – National Health Service;
 - ✚ **HF1.1.2** – Public health subsystems;
 - ✚ **HF1.1.3** – Other units.
 - Also in **HF2.1** (Private social insurance), private health subsystems are shown separately.
 - **Moreover HP3 is presented in an different level of aggregation than the proposed one in the SHA tables.**

- **The work was based on the basic definition in SHA (Chapter 5) on the measurement of expenditure on health care.**

Total Expenditure on health *measures the final use of resident units of health care goods and services plus gross capital formation in health care provider industries (institutions where health care is the predominant activity).*

- **Therefore the methodology used for the compilation is based on the identity :**

**Expenditure in goods and services of health care
(=)
Goods and services produced / available to be used**

Main Stages of the compilation process Project:

- + Set up of the universe: creation of a data set starting with the classification of the units as providers and financers;**
- + Estimation of the output for the health providers by provider and by function of health care- transitional matrix;**
- + Estimation of the Expenditure by financer, by provider and by function of health care- transitional table;**
- + Conciliation of the data starting with table 3 to establish the level of Output/expenditure;**
- + Compilation of the tables.**

Data Sources:

- The main sources used on the providers' side are the following:
 - ✚ Business Survey;
 - ✚ Financial Reports of individual enterprises that are providers that are not covered by other sources;
 - ✚ Financial Reports of individual enterprises that are responsible for social protection in health for its employees and private subsystems in health;
 - ✚ Data for the Non-Profit Institutions engaged in health. These data are available at an individual level;
 - ✚ Financial data for the units belonging to the National Health Service supplied by the Ministry of Health.
 - ✚ Financial reports of General Government units engaged in health, including public subsystems in health. The reports are available for each unit;
 - ✚ Survey to the insurance companies: in particular data on health insurance;

Data Sources:

- The main sources used on the providers' side are the following (continued):
 - + Annual Survey to the Output of Manufacture;
 - + Imports of retail sale of medical goods, except medicines;
 - + Statistical Report of INFARMED (the agency that controls and supervises the market of medicine products in Portugal);
 - + Health Statistics to estimate the occupational medical care within units;
 - + Income tax on enterprises;
 - + Income tax on individuals for self-employed and own-account workers;
 - + Labour force survey to contribute for the estimation of the informal economy and self-employed and own-account workers.

Sources:

- The main sources used on the financers' side are the following:
 - ✚ Financial Reports of individual enterprises that are responsible for social protection in health for its employees and private subsystems in health;
 - ✚ Financing data by healthcare supplied from the Ministry of Health;
 - ✚ Data on sales of the providers included in the National Health Service by type of financer/payer;
 - ✚ Statistical Report of INFARMED (the agency that controls and supervises the market of medicine products in Portugal);
 - ✚ Financial Reports of individual enterprises that are responsible for social protection in health for its employees and private subsystems in health;
 - ✚ Survey to the insurance companies: in particular data on health insurance;
 - ✚ Financial reports of General Government units engaged in health, including public subsystems in health. The reports are available for each unit;
 - ✚ Data for the Non-Profit Institutions engaged in health. These data are available at an individual level;
 - ✚ Household Budget Survey.

- **Analysis is made to units one by one. The recording of the health output is the same as for the NA's. Health Output on the providers side was measured according to the following groups:**

- + Market providers:**

Market providers, except HP4



Health Output = Σ Sales of goods and Services of Health

Providers HP4.2 to HP4.9



Health Output

(=)

Value of the goods under HP4.2 to HP4.9 to be included in the actual final consumption (for sale at the retailers)

+ Market providers:

Providers HP4.1



**Health Output
(=)
Value of medicine sold in the pharmacies
(excluding hospital pharmacies)**

+ Providers organised as self-employed and own-account workers:



Health Output = volume of “additional employment” X average income

+ Non-Market providers:

Health Output
(=)
Compensations of employees
(+)
Intermediate consumption
(+)
Consumption of fixed capital
(+)
Other taxes on production
(-)
Other subsidies on production
(-)
Non-health sales

+ Occupational medical offices:

Health Output

(=)

Average cost each type of medical care

(X)

Number of medical cases of each type

+ Providers HP6.4 (Other private insurance):

Output of Health Insurance (service charge of health insurance)

(=)

Total actual premiums earned

(+)

Total premium supplements

(-)

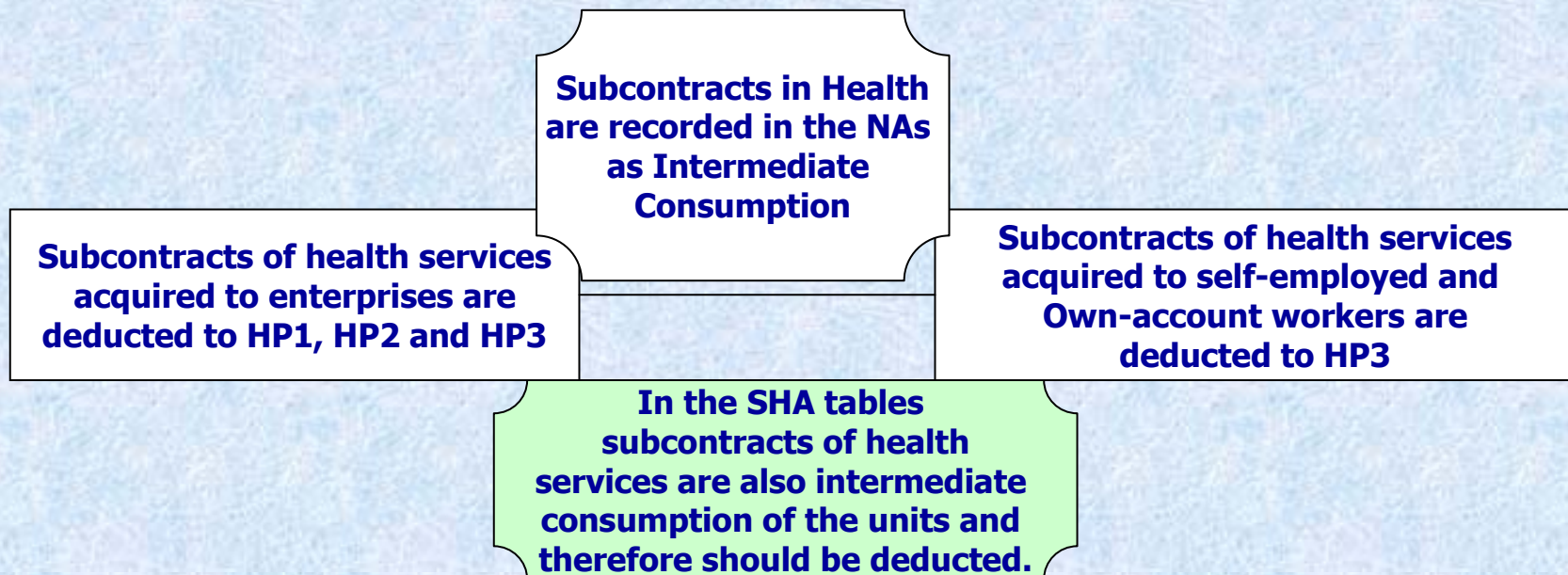
Total claims due

(-)

Change in actuarial reserves and reserves for with-profits insurance

+ Additional notes to the methodology :

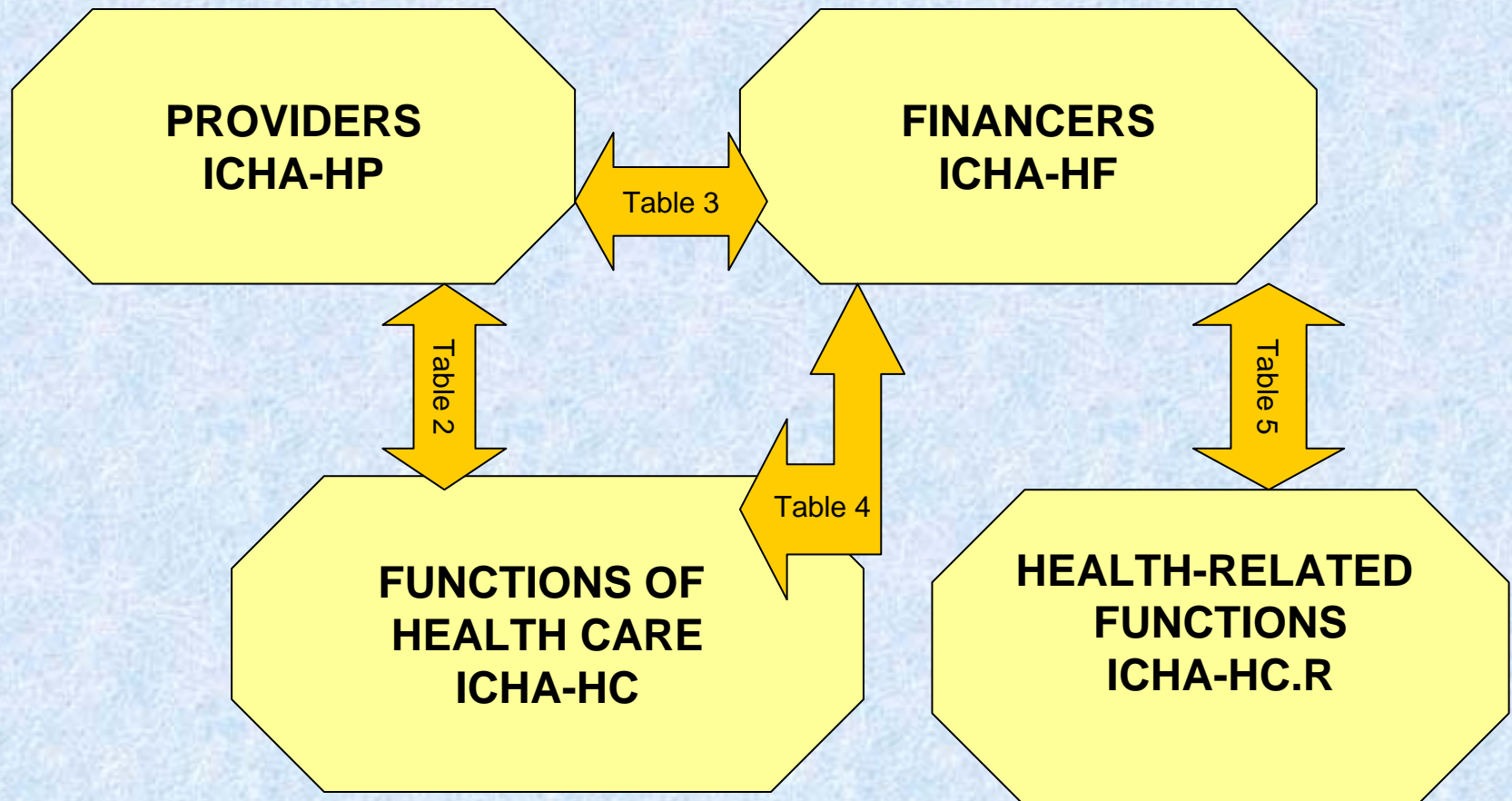
- The financial reports of the hospitals provide data about the subcontracts of health and non-health services acquired to other health units with the legal status of corporations and also to self-employed and own-account workers. In this case only the subcontracts on health are taken and deducted in order to avoid double counting.



➤ **Health expenditure by financier considered the following transactions related to health made by each financier:**

- + Current transfers (D75);**
- + Tax deductions due to Health expenditure (negative D51 by households);**
- + Social contributions (D61);**
- + Social benefits other than social transfers in kind (D62);**
- + Social transfers in kind (D63 = P3 for the non-market financing agents);**
- + Final consumption expenditure for households.**

➡ **Process of conciliation of the tables (use of transitional tables):**



➤ **Transitional tables**

- ✚ **The data are balanced by provider group and financing agent. Transitional tables are compiled for each provider and for each financing agent**
- ✚ **Due to different sources sometimes the totals can be different and in this case for each the best source is chosen.**