

HEALTH ACCOUNTS

- ▶ Health accounts provide a comprehensive and consistent view of **health spending** over time and across countries.
- ▶ As demands for information increase and more countries implement and institutionalise health accounts, the data produced are expected to be more **comparable**, more **detailed** and more **policy relevant**.



WHAT ARE HEALTH ACCOUNTS?

Health accounts analyse health spending patterns by providing a systematic description of the financial flows related to the consumption of health care goods and services. The information addresses three basic questions:

- Who pays? Spending financed by government schemes, compulsory insurance, voluntary insurance, out-of-pocket payments; and the revenues of those schemes.
- What services? Spending on inpatient and outpatient care, long-term care, pharmaceuticals, collective services, etc.
- Who provides? Spending by hospitals, ambulatory care, pharmacies, etc.

The systematic collection and classification of health expenditures information serves the following purposes:

- ▶ To provide a framework of the main aggregates relevant to international comparisons of health expenditures and health systems analysis.
- ▶ To provide a tool, expandable by individual countries, which can produce useful data in the monitoring and analysis of the health system.
- ▶ To define internationally harmonised boundaries of health care for tracking expenditure on consumption.

WHY IS THIS IMPORTANT FOR THE HEALTH SECTOR?

Health accounts provide an important input to monitor and assess health system performance, as well as to address key policy decisions and questions across different stakeholders. Some examples of the importance of health accounts:

- ▶ *To study health expenditure trends over time*

For Ministries of Finance, information on total health expenditure is vital for discussions on maintaining a sound fiscal position. For addressing longer-term sustainability,

expenditure flows can be used to study the growth of health spending over time and its potential determinants. This may include the effect of ageing populations, rising income and technologies as key drivers.

- ▶ *To assess value for money*

Cross-country and cross-provincial health expenditure data, supplemented by data on health outcomes, can be used to assess the overall efficiency of health spending.

- ▶ *To better understand the health system*

Health accounts data can shed light on the role of different providers across different types of care, which can contribute to and inform policy decisions. For instance, aggregate data on the relative share of public versus private spending, or high out-of-pocket spending by households, may signal issues of access. Moreover, data highlighting a large share of external funding may point to problems of future sustainability or predictability of funding.

FURTHER CONSIDERATIONS

- ▶ *What about expenditure by disease?*

Estimating expenditure by disease can serve a number of purposes, and help inform policy decisions by addressing questions such as:

- What diseases/conditions are consuming health care resources, and how much?
- Which schemes pay for the services that address these diseases or conditions, and how much?
- How is spending on certain diseases broken down according to types of care?

Considerable work has been done in recent years on estimating expenditures by type of disease within the health accounts framework, both at a national level and in comparative analyses of countries. However the extent of available data varies substantially according to the country and sector.

FURTHER READING

OECD/Eurostat/WHO (2017), *A System of Health Accounts 2011: Revised edition*, OECD Publishing, Paris.

WHO Global Health Expenditure Database (GHED)