Chapter 3: Global boundaries of health care

International Health Accounts Team

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The core and extended accounting framework of SHA 2.0

• The core framework (chapters 5, 6, 7)
  – three classifications that measure current health care expenditure by functions, providers, and financing schemes,

• Capital formation (chapter 11)
  – Classification of assets
  – Capital account

• Extended accounts (chapters 8, 9, 10)
  – Classifications complementary to core account:
    » Beneficiary
    » Financing sources
    » Resource costs
The core and extended accounting framework of SHA 2.0

- Providers: ICHA-HP
- Financing Schemes: ICHA-HF
- Functions: ICHA-HC
- Health interface
- Financing Sources: ICHA-FS
- Core accounting framework
- Extension to the core accounting framework
- ICHA-HP: Beneficiary
- ICHA-HB: Functions
- External trade
- Resources Cost: ICHA-RC
- Gross capital formation
- Human resources
- Provision interface
- Financing interface
Core account boundary: focus on functions

- all activities with the **primary purpose** of **improving, maintaining** and **preventing the deterioration** of the health status of persons and **mitigating the consequences of ill-health**

through

- the application of **qualified health knowledge**
  - medical, paramedical, and nursing knowledge including technology, traditional, complementary and alternative medicine (TCAM)
Core account boundary: focus on functions

- Health promotion and prevention
- Diagnosis, treatment, cure and rehabilitation of illness
- Caring for persons affected by chronic illness
- Caring for persons with health-related impairment, disability, and handicap
- Palliative care
- Providing community health programs
- Governance and administration of the health system
Core account boundary: criteria

- **Purpose**: The primary intent of the activity is to improve, maintain or prevent the deterioration of the health status of individuals, groups of the population or the population as a whole as well as to mitigate the consequences of ill-health;

- **Performance**: Medical or health care knowledge is needed in the execution of the function, or it is executed under the supervision of those with such knowledge, or the function is governance and administration of health care programs and health care financing;

- **Addressee**: The consumption is for final use of health care;

- **Entail(ment)**: There is a transaction of health care services or goods.
Core account boundary: criteria in operational terms

• Personal /collective health care services are included

• Focus on final consumption and not intermediate consumption

• Inclusion of imports /exclusion of exports

• Health care non-observed economy is counted (unrecorded activities/ informal payments)

• valued transactions (payments are made to providers in exchange for health care goods and service received by consumers)

• Consumption is valued at purchaser’s prices including VAT

• consumption of fixed capital (CFC) included in prices (adjustment item)
Core account boundary: bordeline cases (examples)

- **cross-sectoral issues**
  - Seat belts: the primary purpose is moving from one place to another and of public safety rather than health

- **wellbeing**
  - Fitness training: are excluded from the consumption frame unless these activities are part of activities under medical recommendation

- **social care**
  - ADL included
  - IADL excluded

- **Annex 1: Borderlines cases of SHA**
Layers of the consumption frame: health related functions

**SHA 1.0**

- HC.R.1 Capital formation
- HC.R.2 Education and training
- HC.R.3 R& D
- HC.R.4 Food, hygiene and drinking water control;
- HC.R.5 Environmental health;
- HC.R.6 social services in kind to assist living with disease and impairment;
- HC.R 7 health related cash-benefits

**SHA 2.0.**

- Capital formation:
  - Capital transfer: adjustment item
  - Capital account: as separate account
- HC.R.1 Long term Social Care
  - In kind benefits
  - In cash benefits
- HC.R.2 TCAM
  - HC.R.2.1 inpatient (services vs. goods)
  - HC.R.1.2 outpatient, home, retailers (services vs. Goods)
- HC.R.3 Non-health consumption
Layers of the consumption frame: reporting items

**SHA JQ Memorandum items:**

- M.1(HC) Other (Non-health care/health-related) goods and services
- M.2(HC) Total pharmaceuticals and other medical non-durables (including in-patient and other ways of provision)
- M.3(HC) Total of ancillary services (including in-patient)

**SHA 2.0 Reporting items**

- RI 1 Total pharmaceutical – of which under inpatient
- RI 2 R&D in health (as intermediate consumption)
- RI 3 Job Training of health personal (as intermediate consumption)
Extended accounts (list of potentials)

• **Health interface**
  – Beneficiary,
  – expenditure by disease accounts,
  – link to the non-expenditure,
  – Health product classification

• **Provision interface**
  – Resource cost
  – generation of recourse

• **Financing interfaces**
  – Financing sources by type of revenue
  – Financing sources by institutional units
  – Financial accounts (assets & liabilities)
  – Intergenerational accounts
Questions for discussion (general)

• Do you find the criteria for inclusion in core health expenditure appropriate?

• Is the description of the core accounting framework (related to functions, health providers and financing schemes) and its extensions clear and appropriate?

• Do you find Figure 3.1 useful and appropriate?
Question for discussion (specific)

- **Borderlines cases** the rational for inclusion to/exclusion from the core framework is presented (Annex 1)
  
  - Do you agree with recommendations provided (2 last columns).
  
  - If not please indicate the cases of disagreement together short justification of your opinion using the horizontal structure of the table
Question for discussion (specific)

EXAMPLE: Selected borderline cases in the light of its reporting possibilities:

– Question: 3 bi) where cosmetic surgery with a primary aesthetic purpose can be separately identified should it be excluded? Yes/No........

– Question: 3 bii) where cosmetic surgery with a primary aesthetic purpose cannot be separately identified from cosmetic surgery with a health care purpose should it be included? Yes/No........
Question for discussion (specific)

EXAMPLE: Selected borderline cases in the light of the scope of activity proposed under selected categories of the HC

– Rehabilitative care (paragraph 200 and following):
  • Participations restrictions /environmental factors

– Prevention (paragraph 233 and following)
  • Campaign: information and programmes to promote the use of crash helmets, respect to speed limits and traffic rules
  • Food, hygiene and drinking water monitoring and control,

– layers of consumption frame (both health related functions and reporting items)
  • Traditional, Complementary and Alternative Medicines (TCAM),
  • Job Training of health personal (as intermediate consumption)
Questions for discussion (specific)

- The proposal on the health/social boundary for long term care is to retain the same boundary as is currently used in the Eurostat/OECD/WHO Joint Health Accounts Questionnaire (JHAQ).

- Do you agree with this proposals