

OECD Health Data 2005

How Does Germany Compare

Health spending and financing

Total health spending accounted for 11.1% of GDP in **Germany** in 2003, two and a half percentage points higher than the average of 8.6% in OECD countries. Only the United States and Switzerland allocated more of their GDP to health than **Germany** (15% and 11.5% respectively). Health spending in neighboring economies ranges from about 6% of national GDP in Poland and Luxembourg (in 2002) to levels between 9.6% and 10.1% in Belgium, the Netherlands and France.

Germany ranks seventh of all OECD countries in total spending on health per capita with an amount of 2996 USD in 2003 (adjusted for purchasing power parity), compared with an OECD average of 2307 USD. The largest spenders in terms of total health spending per capita are the United States (which spent 5635 USD per capita in 2003) and Norway and Switzerland (which spent about 3800 USD).

Health spending per capita in **Germany** increased in real terms by 1.8% per year on average between 1998 and 2003. This was the smallest increase (along with Austria) among all OECD countries during that period. The average growth rate in health spending in OECD countries was 4.5% per year between 1998 and 2003. The relatively slow growth in health spending in **Germany** is partly due to cost-containment measures that have been introduced in the context of health reforms. Containment of growth in health spending is expected to persist since further stabilization measures have been implemented through the Statutory Health Insurance Modernization Act of 2004.

Spending on pharmaceuticals in **Germany** in 2003 accounted for 14.6% of total health expenditure, well below the OECD average of 17.7%. As in most OECD countries, the share of total health spending allocated to pharmaceuticals has increased over the last five years.

The public sector is the main source of health funding in all OECD countries, except the United States, Mexico and Korea. In **Germany**, 78.2% of health spending was funded by public sources in 2003, compared with an average of 72.1% in OECD countries. The public share has fallen slightly over the last ten years from 80.2% in 1994. In 2002/3, the share of public spending among OECD countries was the lowest in the United States (44.4%) and Mexico (46.4%), and relatively high (above 80%) in several Nordic countries (Denmark, Iceland, Norway and Sweden), the United Kingdom and Japan.

Resources in the health sector (human, physical, technological)

Germany employs more human and physical resources in the health sector than other OECD countries. In 2003, **Germany** had 3.4 practising physicians per 1 000 population, compared with an OECD average of 2.9. The number of practising physicians per capita has been slowly but steadily increasing over the last decades in **Germany** as well as in most OECD countries. **Germany** also has more practicing nurses per capita than the average across OECD countries with 9.7 nurses per 1 000 population, compared to an OECD average of 8.2.

As in most OECD countries, a declining trend in the number of hospital beds per capita can be observed in **Germany**. In 2002, there were 6.6 acute care beds per 1 000 population in **Germany**. This is well above the OECD average of 4.1. Only Japan has a greater supply of acute care beds.

During the past decade, there has been rapid growth in the availability of diagnostic technologies such as computed tomography (CT) scanners and magnetic resonance imaging (MRI) units in most OECD countries. In **Germany**, the number of MRIs increased over time from about 1 per million population in

1992 to 6 in 2002. Despite this increase, **Germany** is still lagging behind the OECD average of 7.6 MRI units per million population. Similarly, the number of CT scanners in **Germany** was 14.2 per million population in 2002, below the OECD average of 17.9. Japan has, by far, the greatest number of MRIs and CT scanners per capita among OECD countries.

Health status and risk factors

Most OECD countries have enjoyed large gains in life expectancy over the past 40 years, thanks to improvements in living conditions, public health interventions and progress in medical care. In 2003, life expectancy at birth for the whole population in **Germany** stood at 78.4 years, slightly above the OECD average of 77.8 years. A number of countries registered higher life expectancy. Japan enjoyed the highest life expectancy among OECD countries with 81.8 years, followed by Iceland, Spain, Switzerland, Australia and Sweden (all with life expectancies of over 80 years).

The infant mortality rate in **Germany** as in other OECD countries has fallen greatly over the past decades. It stood at 4.2 deaths per 1 000 live births in 2003, compared to the OECD average of 6.1. Infant mortality is the lowest in Japan and in Nordic countries (Iceland, Sweden, Finland and Norway)¹.

The proportion of daily smokers among adults has shown a marked decline over the past two decades in most OECD countries. Much of this decline can be attributed to policies aimed at reducing tobacco consumption through public awareness campaigns, advertising bans and increased taxation. The self-reported smoking rates for **Germany** have decreased from about 35% in 1980 to 24.3% in 2003, close to the current OECD average of 26.5%. Sweden, the United States and Canada provide examples of countries that have achieved remarkable success in reducing tobacco consumption, with current smoking rates among adults at about 17%. The stepwise increase in tobacco taxation from March 2004 to September 2005 is expected to contribute to the reduction in tobacco consumption in **Germany**.

Obesity rates have increased in recent decades in all OECD countries, although there remain notable differences across countries. In 2002/3, the prevalence of obesity among adults varied from a low of 3.2% in Japan and in Korea to a high of 30.6% in the United States. Countries like the United Kingdom, Australia, the Slovak Republic and Mexico showed prevalence levels of over 20%². The obesity rate in **Germany** (measured as a body mass index level of 30 or greater) stood at 12.9% in 2003, up from 11.5% in 1999. The time lag between the onset of obesity and increases in related chronic health problems (such as diabetes or asthma) suggests that the rise in obesity that has occurred in **Germany** and most other OECD countries will have substantial implications on the future incidence of health problems and related spending.

More information on *OECD Health Data 2005* is available at www.oecd.org/health/healthdata. Note that *OECD Health Data 2005* is available in German in the CD-ROM and on the SourceOECD version.

For more information on OECD's work on Germany, please visit www.oecd.org/germany.

¹ Some of the international variation in infant mortality rates is due to variations among countries in how premature infants are registered. In Canada, the United States and the Nordic countries, very premature babies (with low odds of survival) are registered as live births, which *increases* mortality rates compared with other countries that do not register them as live births.

² It should be noted however that the data for the United States, the United Kingdom and Australia are more accurate than those from other countries since they are based on *actual measures* of people's height and weight, while estimates for other countries are based on *self-reported* data, which generally under-estimate the real prevalence of obesity.