

## Health expenditure by provider

Across OECD countries, the delivery of health care services and goods takes place in many different organisational settings, ranging from hospitals and medical practices to pharmacies and even private households caring for family members. A breakdown by provider allows the tracking of health expenditure from an organisational point of view, a useful complement to the functional breakdown of health expenditure (see indicator “Health expenditure by type of service”).

While the way in which health care provision is organised across OECD countries varies considerably, hospitals are the main health care provider in terms of health spending (Figure 7.14). They account for nearly 40% of overall health spending on average and represent the main spending category for all but a handful of countries. In Turkey, Estonia and Italy around half of all health spending is accounted for by activities delivered in hospitals. On the other hand, hospitals in Canada, Germany and Mexico account for 30% or less of health spending.

Ambulatory providers are the second main category with regard to health spending. Overall, around one-quarter of health spending relates to ambulatory providers, ranging from more than 50% in Israel to 20% or less in Ireland, the Slovak Republic, the Netherlands and Turkey. The category covers a wide range of facilities and depending on the country-specific organisational set up, most spending relates either to medical practices including offices of GPs and specialists (e.g. Austria, France and Germany) or ambulatory health care centres (e.g. Finland, Ireland and Sweden). On average, practices of GPs and specialists together with ambulatory health care centres account for around two-thirds of all spending on ambulatory providers. Around one-fifth of ambulatory provider spending relates to dental practices and about 10% to providers of home health care services. Other main provider categories include retailers (mainly pharmacies selling prescription and over-the-counter medicines) and residential long-term care facilities (mainly providing inpatient care to long-term dependent people).

The activities performed by providers classified within the same category can differ widely across countries. This variation is particularly pronounced in hospitals (Figure 7.15). Although inpatient curative and rehabilitative care accounts for the vast majority of hospital expenditure in almost all OECD countries, hospitals are also important providers of outpatient care in most countries, for example through accident and emergency departments, hospital-based specialist outpatient units, or laboratory and imaging services provided to outpatients. In Sweden, Estonia, Finland and Portugal outpatient care accounts for over 40% of hospital expenditure. On the other hand, in Greece, Germany and Belgium, less than 10% of hospital expenditure goes on outpatient care.

Many countries have seen a growing share of health spending going to hospitals in recent years while at the same time there has been a tendency to shift medical services from inpatient to day care settings (see indicator on “Ambulatory surgery” in Chapter 9). The main motivation behind this is the generation of efficiency gains and a reduction of waiting times. Moreover, for some interventions day care procedures are now the most appropriate treatment method. Hence, in a number of countries day care now accounts for more than 10% of all hospital expenditure. Furthermore, the provision of long-term care in hospital makes up a sizeable share of hospital expenditure in some countries (e.g. Korea, Japan and Iceland).

### Definition and comparability

The universe of health care providers is defined in the System of Health Accounts (OECD, Eurostat and WHO, 2017) and encompasses *primary providers*, i.e. organisations and actors that deliver health care goods and services as their primary activity, as well as *secondary providers* for which health care provision is only one among a number of activities.

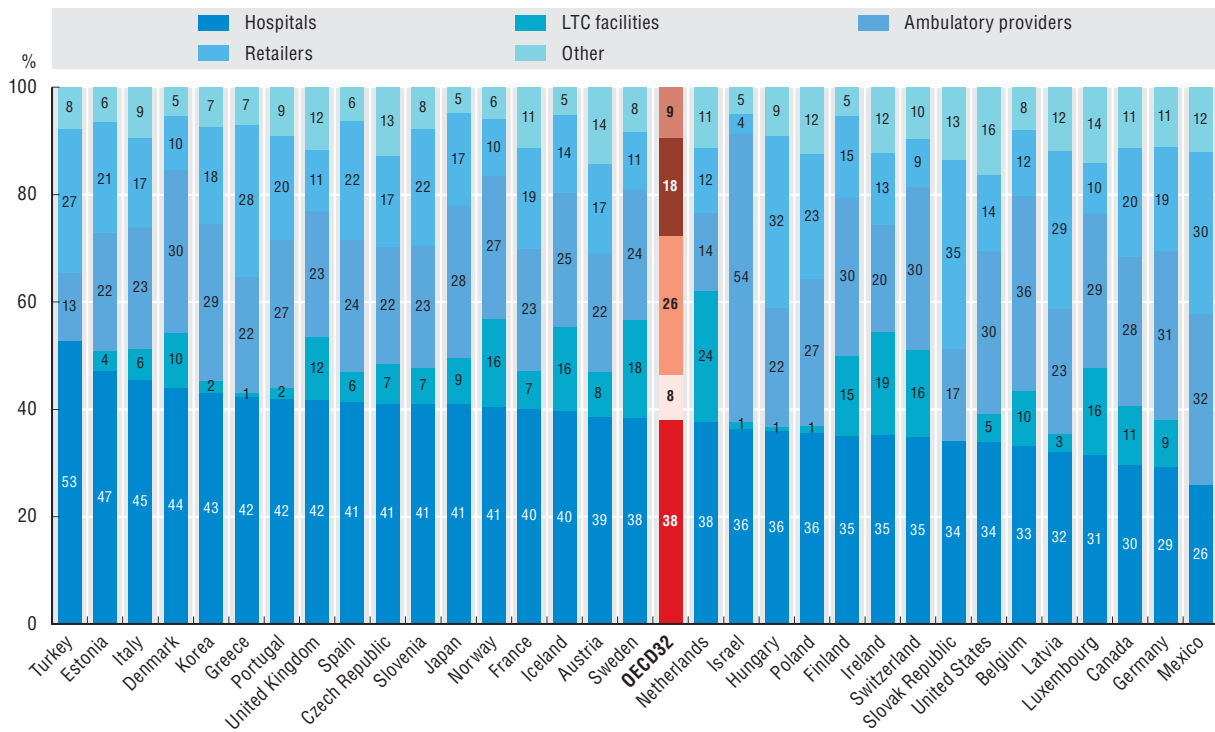
The main categories of primary providers are hospitals (acute and psychiatric), residential long-term care facilities, ambulatory providers (practices of GPs and specialists, dental practices, ambulatory health care centres, providers of home health care services), providers of ancillary services (e.g. ambulance services, laboratories), retailers (e.g. pharmacies), and providers of preventive care (e.g. public health institutes).

Secondary providers include residential care institutions whose main activities might be the provision of accommodation but provide nursing supervision as secondary activity, supermarkets that sell over-the-counter medicines, or facilities that provide health care services to a restricted group of the population such as prison health services. Secondary providers also include providers of health care system administration and financing (e.g. government agencies, health insurance agencies) and households as providers of home health care.

### References

OECD, Eurostat and WHO (2017), *A System of Health Accounts 2011: Revised edition*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264270985-en>.

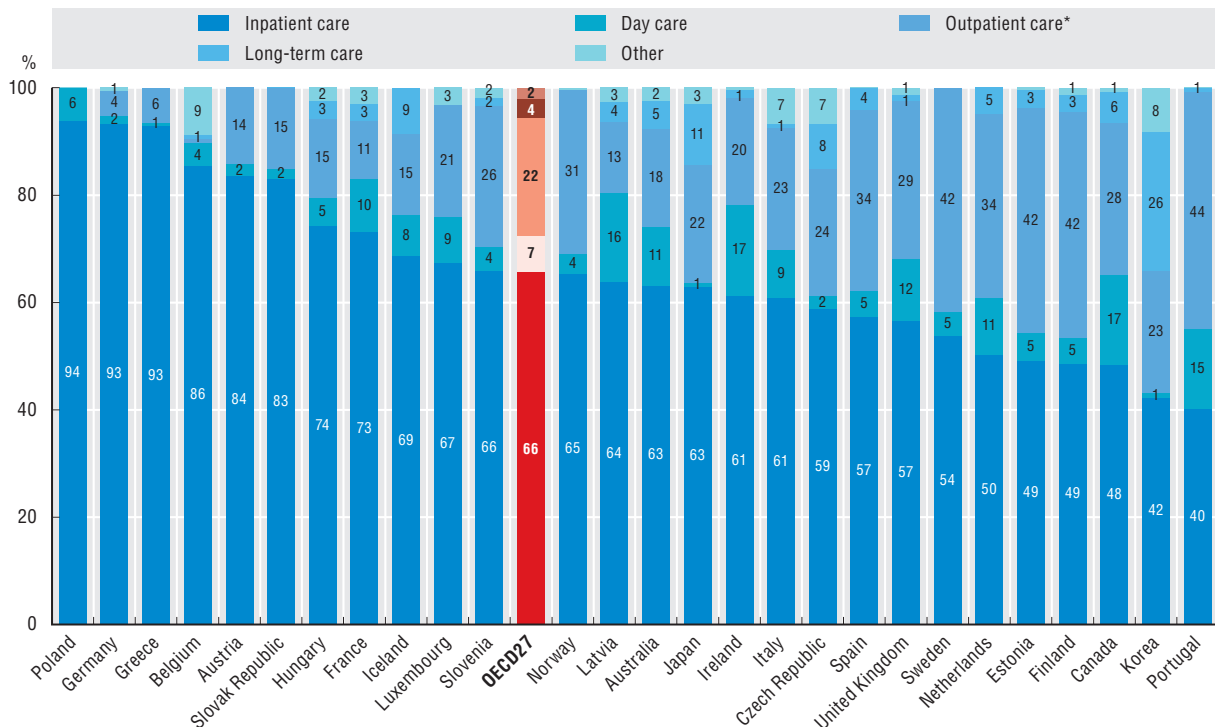
7.14. Health expenditure by provider, 2015 (or nearest year)



Note: Countries are ranked by hospitals as a share of current expenditure on health.  
Source: OECD Health Statistics 2017.

StatLink <http://dx.doi.org/10.1787/888933604438>

7.15. Hospital expenditure by type of service, 2015 (or nearest year)



Note: Countries are ranked by inpatient curative-rehabilitative care as a share of hospital expenditure.  
\*Includes ancillary services.  
Source: OECD Health Statistics 2017.

StatLink <http://dx.doi.org/10.1787/888933604457>



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