Factors such as how care is organised and prioritised across providers, what the population needs are, and the various input costs, all affect the level of health spending across different services. Curative and rehabilitative care services comprise the greatest share – typically accounting for around 60% of all health spending across Asia-Pacific reporting countries (Figure 6.11). Medical goods (mostly retail pharmaceuticals) take up a further 17%, followed by a growing share on preventive care, which in 2017 averaged around 8% of health spending. Administration and overall governance of the health system, together with ancillary services and long-term care covered the remainder. Across OECD countries, long-term care and pharmaceuticals accounted for a higher share of health care spending as compared to Asia-Pacific reporting countries.

The structure of spending across the various types of care can vary considerably by country. More than 70% of health spending in Sri Lanka can be accounted for by curative and rehabilitative care services. At the other end of the scale, the Philippines and Nepal saw curative and rehabilitative services account for less than half of all spending.

Spending on medical goods comprises the second largest category. As such, medical goods accounted for more than a fourth of all health spending in Pakistan, India and the Philippines. By contrast, in Cambodia this share was much lower at 8%. Of note that spending on pharmaceuticals consumed in the hospital settings is not included in these figures.

Spending on preventive care accounted for 8% of total spending across Asia-Pacific countries. More than one fifth of the total spending can be attributed to preventive care in Fiji, whereas preventive care accounts for only 2% of spending in Australia and Pakistan.

When only analysing the composition of spending by government schemes and compulsory insurance schemes, curative and rehabilitative care services comprise the greatest share – typically accounting for 62% of all health spending across Asia-Pacific reporting countries (Figure 6.12). Preventive care takes up a further 10%. Administration and overall governance of the health system covered one fifth of the remainder spending. Across OECD countries, long-term care and pharmaceuticals accounted for a higher share of health care spending as compared to Asia-Pacific reporting countries. The low share of pharmaceuticals spending in government health spending flags the limitations of the benefit baskets in most Asia Pacific countries.

The structure of government and compulsory insurance spending across the various types of care can vary considerably by country. Around 90% of health spending in Sri Lanka can be attributed to curative and rehabilitative care services. At the other end of the scale, Lao PDR and Nepal saw curative and rehabilitative services account for less than half of all government spending. In Lao PDR and Cambodia, the higher share of government spending was attributed to administration and other services.

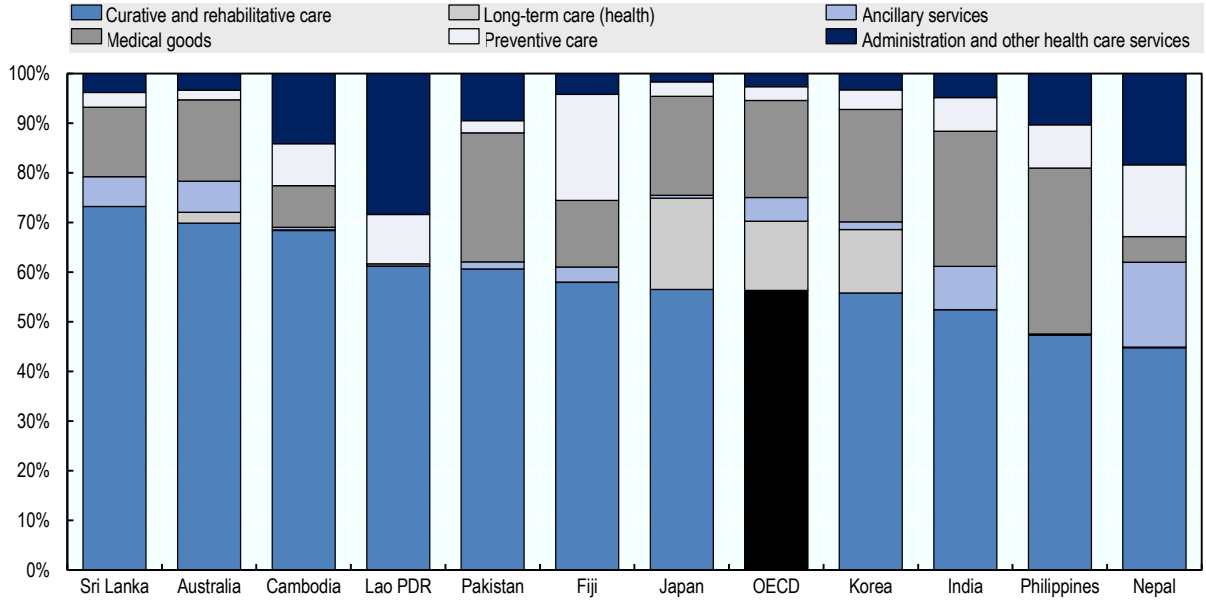
Around 30% of government total spending is attributed to preventive care in Fiji, whereas preventive care accounts for less than 2% of spending in Lao PDR and Cambodia.

### Definition and comparability

The System of Health Accounts defines the boundaries of the health care system from a functional perspective, with health care functions referring to the different types of health care services and goods. Current health expenditure comprises personal health care (curative care, rehabilitative care, long-term care, ancillary services and medical goods) and collective services (prevention and public health services as well as administration – referring to governance and administration of the overall health system rather than at the health provider level).

The category of “medical goods” refers to retail pharmaceuticals, delivered to patients via pharmacies and other retail outlets. Pharmaceuticals are also consumed in other care settings – primarily the hospital inpatient sector – where by convention the pharmaceuticals used are considered as an input to the overall service treatment and not separately accounted.

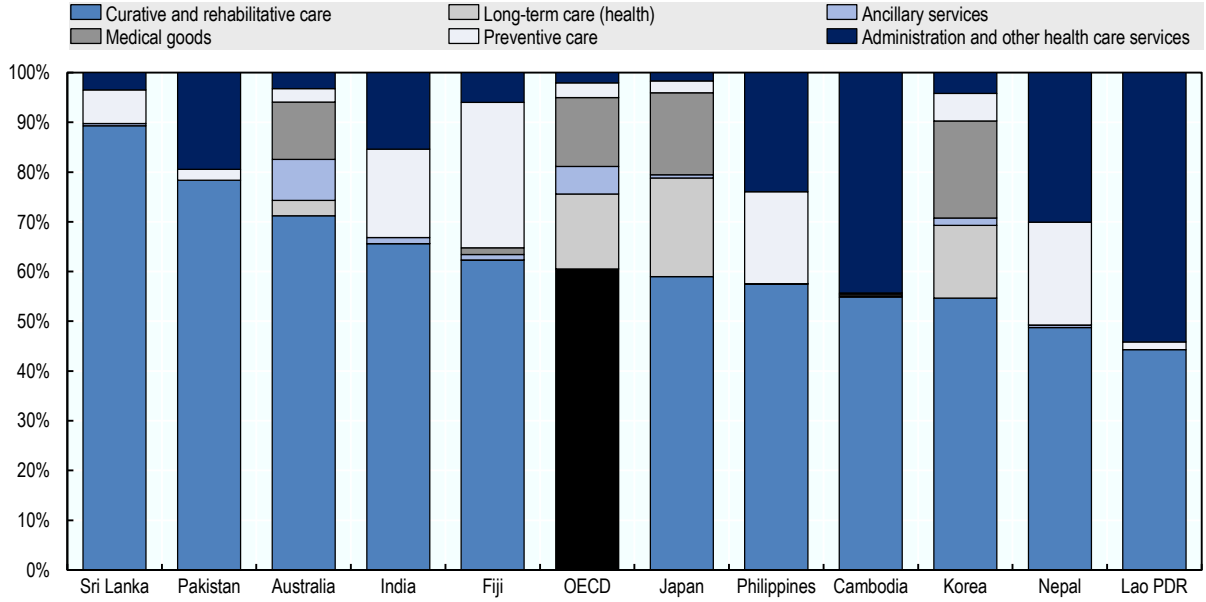
Figure 6.11. **Health expenditure by type of service, 2017**




Source: WHO Global Health Expenditure Database; OECD Health Statistics 2020.

StatLink https://stat.link/02kcge

Figure 6.12. **Government and compulsory insurance schemes health expenditure by type of service, 2017**




Source: WHO Global Health Expenditure Database; OECD Health Statistics 2020.

StatLink https://stat.link/bsypc1

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