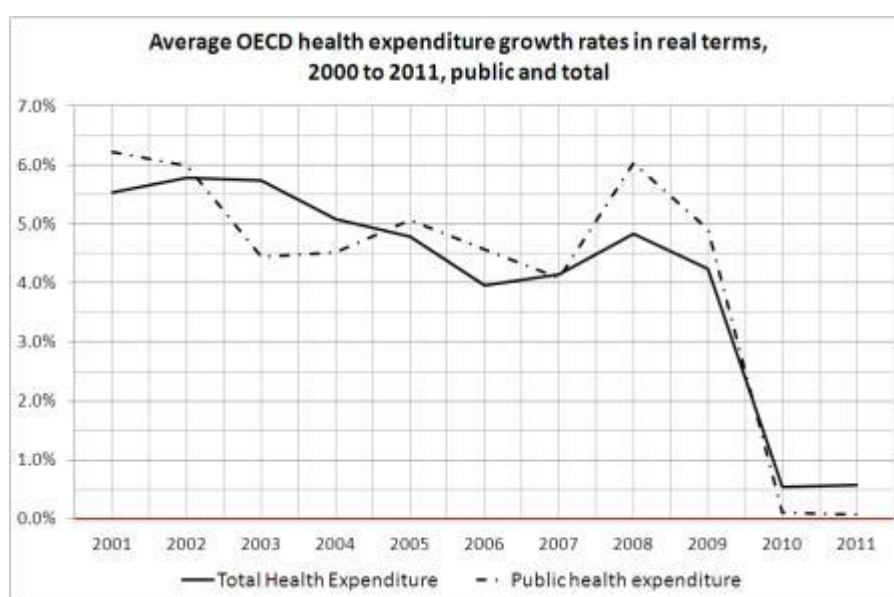


Health spending continues to stagnate, says OECD

After falling sharply in 2010, health spending remained flat across OECD countries in 2011 as the economic crisis continued to have an impact, particularly in those European countries hardest hit by the crisis, according to [OECD Health Data 2013](#).

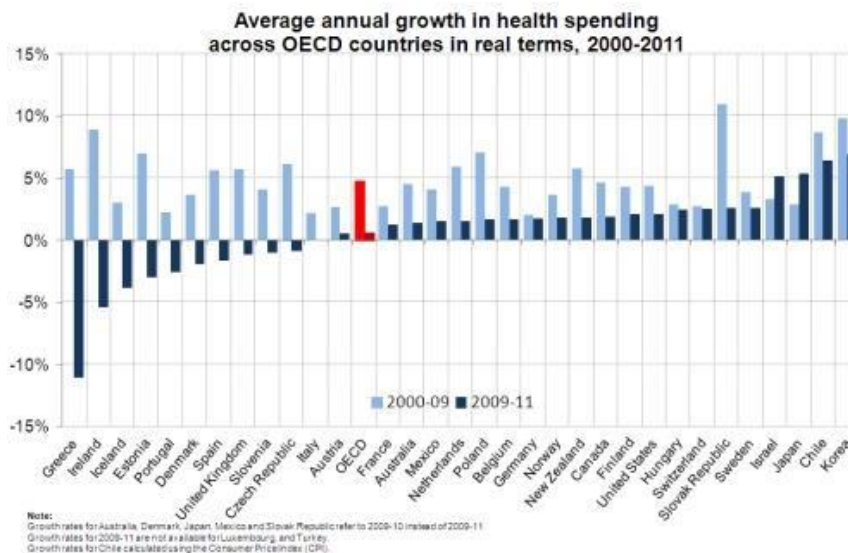
While health spending grew on average by close to 5% year-on-year from 2000 to 2009, this has since been followed by a sluggish growth of around 0.5% in 2010 and 2011. Current expenditure on health (i.e., excluding capital expenditure) grew by 0.7% in both years. Preliminary figures for some countries suggest a continuation of this trend in 2012.



Source: OECD Health Data 2013

The drop has been primarily driven by a collapse in the growth of government health spending since 2009 – recording close to zero growth in both years on average. Private health spending also slowed down in many countries in 2010 and 2011 as household incomes remained flat or decreased, although the reduction was more limited.

In Greece, overall health spending dropped by 11% both in 2010 and 2011 after a yearly growth rate of more than 5% on average between 2000 and 2009. These reductions were mainly driven by deep cuts in government spending. Ireland, Iceland and Spain also experienced two consecutive years of negative growth in health spending. Some countries, such as Estonia and the Czech Republic, saw severe falls in spending in 2010 followed by a modest rebound in 2011. Other countries, including Portugal and Italy, may have delayed cuts in 2010, but then reduced public health spending in 2011. In Portugal, public spending dropped by 8% in 2011 after remaining stable between 2009 and 2010. Only two OECD countries – Israel and Japan – have seen an acceleration in health spending since 2009 compared with the period before.



Notes:

Growth rates for Australia, Denmark, Japan, Mexico and Slovak Republic refer to 2009-10. Growth rates for 2009-11 are not available for Luxembourg and Turkey.

Growth rates for Chile calculated using the Consumer Price Index (CPI) rather than the GDP deflator.

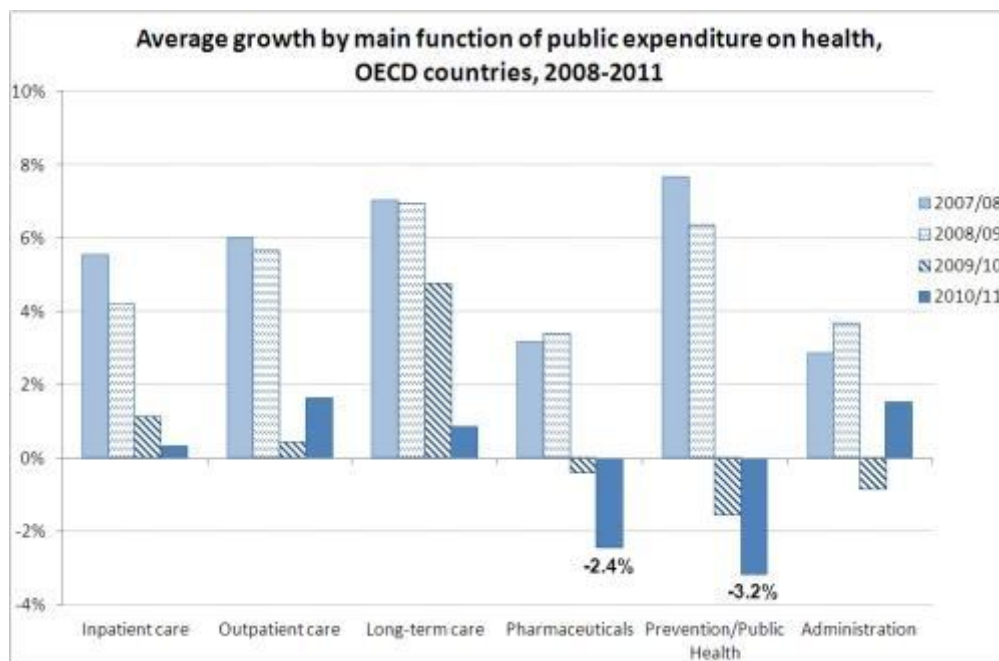
Source: OECD Health Data 2013

Away from Europe, health spending growth also slowed in 2010 and 2011, notably in Canada (3.0 % in 2010 and 0.8% in 2011 in real terms) and the United States (2.5 % in 2010 and 1.8% in 2011, also in real terms). In the United States, the share of health spending to GDP has remained at 17.7 percent between 2009 and 2011, after years of steady increases. It is not clear yet whether the recent slowdown reflects mainly cyclical factors and may therefore not have lasting effect when economy growth picks up, or whether it reflects more structural changes such as a slower diffusion of new technologies and pharmaceuticals, and changes in provider payments resulting in greater efficiency.

Reductions in public spending on health in many OECD countries have typically been made across the board. Pharmaceutical spending has been a prime target, with spending falling slightly in 2010 followed by deeper cuts in 2011. Many countries have increased cost-sharing for pharmaceuticals, reduced prices and coverage, and promoted the use of generics. In 2011, Portugal, Greece and Spain reduced spending on prescription pharmaceuticals by 20%, 13% and 8% respectively. In Spain, the share of generic drugs (in the total volume of consumption) more than doubled between 2006 and 2011.

In many countries, governments have also decided to cut their spending on prevention and public health, although these typically represent only a small share of their overall health budgets. More than three-quarters of OECD countries reporting expenditure on prevention and public health for 2011 showed a real-term cut in spending.

Many governments have also tried to contain the growth in hospital spending - one of the biggest ticket items in most countries - by cutting wages, reducing hospital staff and beds, and increasing co-payments for patients.



Source: OECD Health Data 2013

As a result of the minimal growth in health spending across OECD countries in 2010 and 2011, the percentage of GDP devoted to health declined slightly in most countries. Health spending accounted for 9.3% of GDP on average across OECD countries in 2011, compared with 9.5% in 2010. Excluding capital spending, current expenditure on health as a share of GDP dropped from 9.1% on average in 2010 to 9.0% in 2011.

These are some of the short- and long-term trends shown in *OECD Health Data 2013*, the most comprehensive source of comparable statistics on health and health systems across the 34 OECD countries. Covering the period 1960 to 2012, this interactive database can be used for comparative analyses on health status, risk factors to health, health care resources and utilisation, and health expenditure and financing.