

Country Note: How does health spending in the UNITED KINGDOM compare?

7 July 2015

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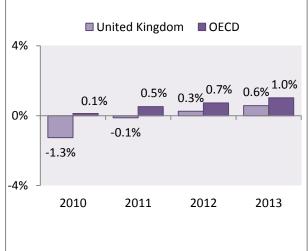
OECD Health Statistics 2015



OECD Health Statistics 2015 is the most comprehensive source of comparable statistics on health and health systems across the 34 OECD countries. Covering the period 1960 to 2014, this interactive database can be used for comparative analyses on health status, risk factors to health, health care resources and utilisation, as well as health expenditure and financing. OECD Health Statistics 2015 is available in OECD.Stat, the statistics portal for all OECD databases.

- Growth: In 2013, UK per capita health spending grew 0.6% in real terms. Growth has tracked the slow increase in OECD health spending since the contraction in UK spending in 2010 and 2011.
- Share of GDP: The share of GDP allocated to health spending (excluding capital expenditure) in United Kingdom was 8.5% in 2013, compared with an OECD average of 8.9%. This was unchanged from 2012 and remains below the high of 8.8% in 2010 as GDP also decreased.
- Per capita spending: United Kingdom spent the equivalent of USD 3235 per person on health in 2013, compared with an OECD average of USD 3453. Public sources accounted for 83% of overall health spending - a larger share than the other G7 countries.

Figure 1. Annual health spending growth*, 2010-2013



* Per capita spending in real terms. Source: OECD Health Statistics 2015

Health spending in United Kingdom remains below 2009 levels

In 2013, per capita health spending in United Kingdom increased by 0.6% in real terms - this followed a small 0.3% increase in 2012 after two successive years of lower spending. The rise in 2013 was due to increased public spending, while private spending on health fell back by 2.1%. Per capita spending on health in the United Kingdom remains below the level in 2009, when adjusted for inflation. In the wake of contractions in the economy and an increasing budget deficit in 2009, there were a number of policy responses to reduce public spending on health across the four countries of the United Kingdom. England NHS spending fell in real terms in 2010 and 2011 in response to government requirements to underspend and find productivity improvements. A two-year public sector pay freeze was imposed until 2013, with a 2.8% reduction in NHS staff in England between 2010 and 2012.

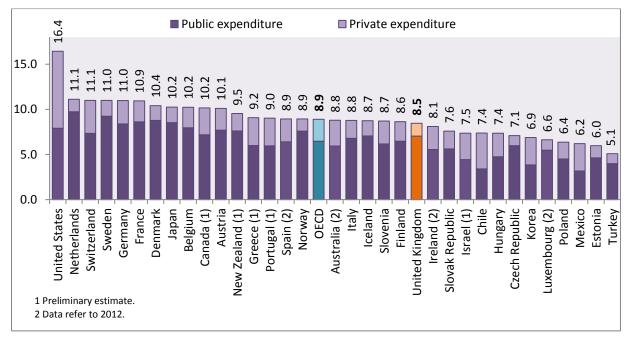


Figure 2. Health spending* as a share of GDP, 2013

* Excluding capital expenditure.

Source: OECD Health Statistics 2015

Health spending as a share of GDP remains below the OECD average

Health spending in the United Kingdom (excluding investment expenditure in the health sector) was 8.5% of GDP in 2013 (Figure 2), slightly below the OECD average of 8.9%. This has increased by more than two and a half percentage points since 1997 (5.9%) as a result of government policy between 1997 and 2009 to increase funding to the NHS.

The share of the economy allocated to health spending is similar to Finland and Italy, but well below the levels of France and Germany (10.9% and 11.0% respectively).

In line with additional funding, the share of government spending in the United Kingdom as a share of total spending on health has increased from 79% in 2000 up to 83% in 2013. This is one of the highest shares of public spending on health in the OECD, and of a similar level to Denmark, Norway and Sweden. Among OECD countries, only the United States and Chile report public spending on health below 50%.

By consequence, out-of-pocket spending at less than 10% of health spending is relatively low and has dropped from above 12% in 1997. The level is similar to other western European countries such as France (7%) and Germany (14%), and well below some southern European countries such as Italy (22%), Greece (31%) and Portugal (28%).

In per capita terms (adjusted for different price levels using economy-wide purchasing power parities), United Kingdom spent USD 3235 per head in 2013. This compares with an OECD average of USD 3453.

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