

Health expenditure by provider

Health care is delivered by a wide variety of providers, ranging from hospitals and medical practices to ambulatory facilities and retailers. This affects expenditure patterns for different goods and services. Analysing health spending by provider can be particularly useful when considered alongside the functional breakdown of health expenditure, giving a fuller picture of the organisation of health systems (see indicator “Health expenditure by type of service”).

As a result of differences in the organisation in health service delivery, there is significant impact on health expenditure by provider across countries. While activities delivered in hospitals accounted for the largest proportion of health system funding across OECD countries in 2019, at around 39%, this average was largely exceeded in both Turkey and Costa Rica, where hospital activities received around half of all financial resources (Figure 7.19). On the other hand, Germany and Canada spent less than 30% of the total health budget on hospitals.

After hospitals, the largest provider category is ambulatory providers. This category covers a wide range of facilities, with most spending relating to either medical practices including GPs and specialists (as in Austria, France and Germany) or ambulatory health care centres (as in Finland, Ireland and Sweden). Across OECD countries, care delivered by ambulatory providers accounted for around one-quarter of all health spending on average in 2019. Within this, around two-thirds of all spending related to GPs, specialist practices and ambulatory health care centres, and roughly one-fifth related to dental practices. Overall spending on ambulatory providers in 2019 exceeded 30% of all health spending in Israel, Belgium, the United States, Mexico and Germany, but remained less than 20% in Turkey, the Netherlands and Greece.

Other main provider categories include retailers (mainly pharmacies selling prescription and over-the-counter medicines), which accounted for 17% of all health spending in 2019, and residential LTC facilities (mainly providing inpatient care to people dependent on LTC), to which around one-tenth of total health spending can be attributed.

Across OECD countries, there is wide variation in the range of activities that may be performed by the same category of provider, reflecting differences in the structure and organisation of health systems. These cross-country differences are most pronounced in the hospital sector (Figure 7.20). Although inpatient curative and rehabilitative care define the primary activity of hospitals and therefore represent the majority of their expenditure, hospitals can also be important providers of outpatient care in many countries – for example, through accident and emergency departments, specialist outpatient units or laboratory and imaging services. In a few countries, they are also important providers of inpatient LTC infrastructure.

In countries such as Estonia, Denmark, Sweden, Finland and Portugal, outpatient care accounted for over 40% of hospital

expenditure in 2019, since specialists typically receive patients in hospital outpatient departments. On the other hand, in Germany and Greece, hospitals are generally mono-functional, with the vast majority (more than 90%) of spending on inpatient care services, and very little outpatient and day care spending.

Furthermore, in recent years, many countries have also shifted some inpatient hospital services to day care departments owing to potential efficiency gains and reduction of waiting times (see indicator “Ambulatory surgery” in Chapter 5). This resulted in day care services accounting for 15% or more of all hospital expenditure in Belgium, France, Ireland and Portugal in 2019.

As many countries allocated additional resources to hospitals to cope with severe cases of COVID-19 and to be better prepared for future increases in demand, the total share of hospital expenditure in overall health spending may have increased in 2020. The composition of service delivery in hospitals will most likely also have changed in many countries, as elective day surgeries were frequently postponed and more inpatient capacity built up.

Definition and comparability

The universe of health care providers is defined in the System of Health Accounts (OECD/Eurostat/WHO, 2017[1]) and encompasses primary providers – organisations and actors that deliver health care goods and services as their primary activity – and 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 LTC facilities, ambulatory providers (practices of GPs and specialists, dental practices, ambulatory health care centres and providers of home health care services), providers of ancillary services (such as ambulance services and laboratories), retailers (such as pharmacies) and providers of preventive care (such as public health institutes).

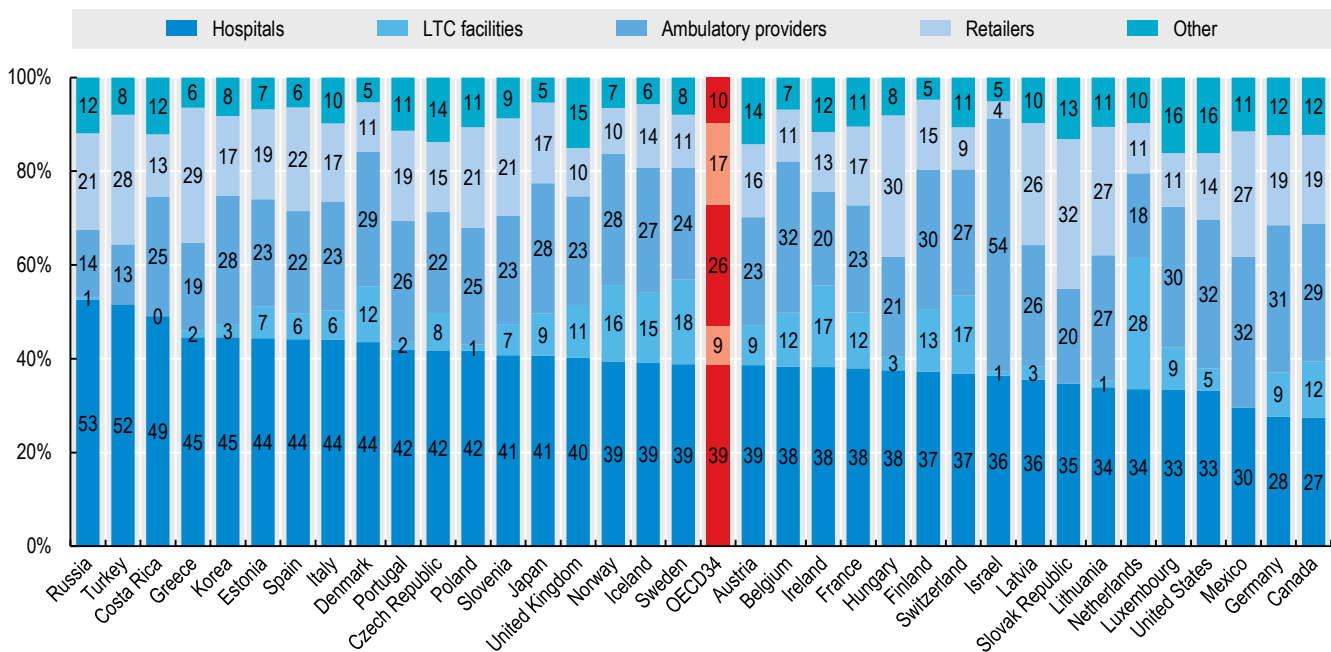
Secondary providers include residential care institutions whose main activities might be the provision of accommodation, but that provide nursing supervision as secondary activity; supermarkets that sell over-the-counter medicines; and facilities that provide health care services to a restricted group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

Comparability issues may arise in complex care arrangements such as care networks where several provider units with different activities are allocated to one provider based on the dominant activity of the network.

7. HEALTH EXPENDITURE

Health expenditure by provider

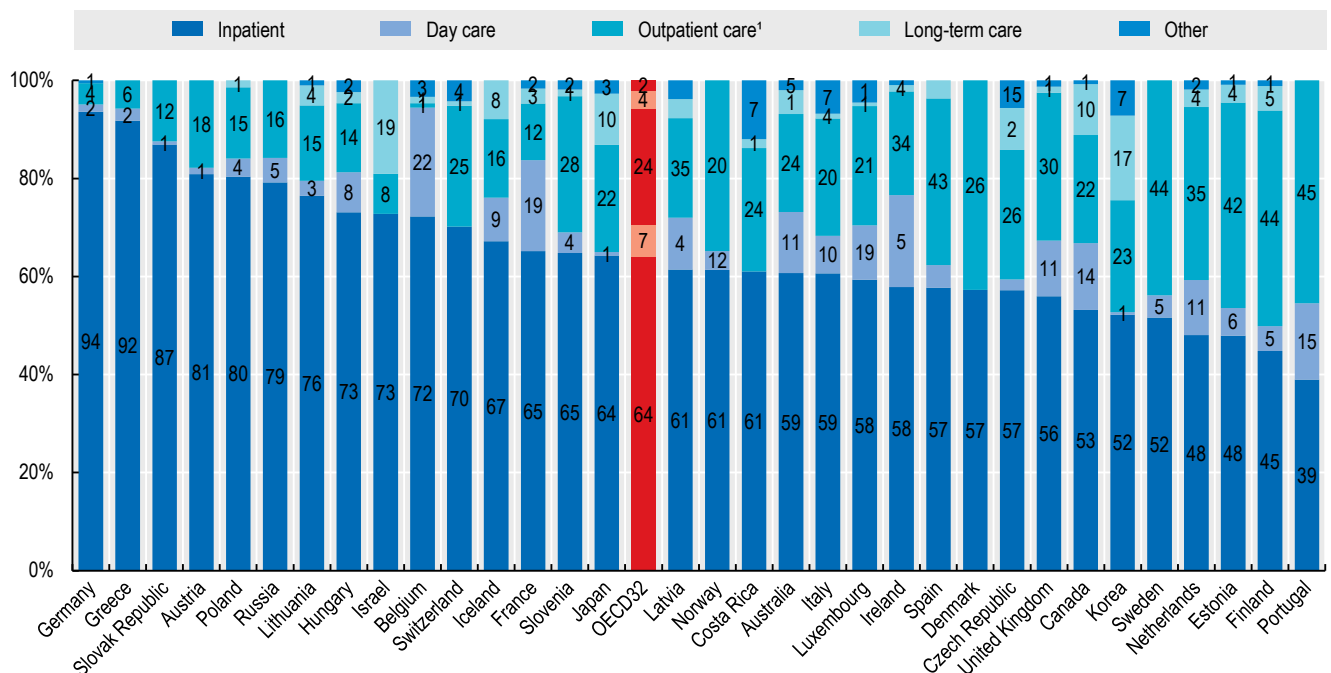
Figure 7.19. Health expenditure by provider, 2019 (or nearest year)



Note: "Other" includes ancillary service providers (e.g. patient transport, laboratories); health system administration, public health and prevention agencies; households in cases where they provide paid LTC; and atypical providers where health care is a secondary economic activity.
Source: OECD Health Statistics 2021.

StatLink <https://stat.link/y6qokb>

Figure 7.20. Hospital expenditure by type of service, 2019 (or nearest year)



1. Includes ancillary services. "Other" includes preventive care activity, pharmaceuticals if dispensed to outpatients and unknown services.
Source: OECD Health Statistics 2021.

StatLink <https://stat.link/6olyka>



From:
Health at a Glance 2021
OECD Indicators

Access the complete publication at:
<https://doi.org/10.1787/ae3016b9-en>

Please cite this chapter as:

OECD (2021), "Health expenditure by provider", in *Health at a Glance 2021: OECD Indicators*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/c68951a3-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.