

National Health Accounts – Current Trends and Issues

Dr. Ravi P. Rannan-Eliya
Institute for Health Policy
Sri Lanka

<http://www.ihp.lk>

Razi Conference Center
Tehran
Islamic Republic of Iran

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What Are National Health Accounts?

A statistical system comprising descriptive accounts that describe the totality of expenditure flows in both the government and non-government sectors. They describe the source of all funds utilized in the sector and the destination and uses of those funds.

Typical Health Account Table

Example: Functions by sources

	Total	Government	Private Insurance	Households
Total	100%	48%	1%	51%
Inpatient care	34%	23%	< 2%	9%
Outpatient care & medicines	58%	17%		42%
Public health services	6%	6%	-	-
Administration	2%	2%	0%	-

Total spending = 3.4% of GDP, \$23 per capita

Evolution of NHA

1940-60s: Academic studies in a few countries

Costing of UK NHS (Abel-Smith and Titmuss, 1956)

1960: USA Medicare

Establishment of US National Health Accounts

1963 - 67: First cross-country studies

WHO (Abel-Smith, 1963-67)

1970s: OECD mandate

OECD co-operation to control health spending ⇒ OECD Health Data ⇒
Comparative analysis of determinants of health spending

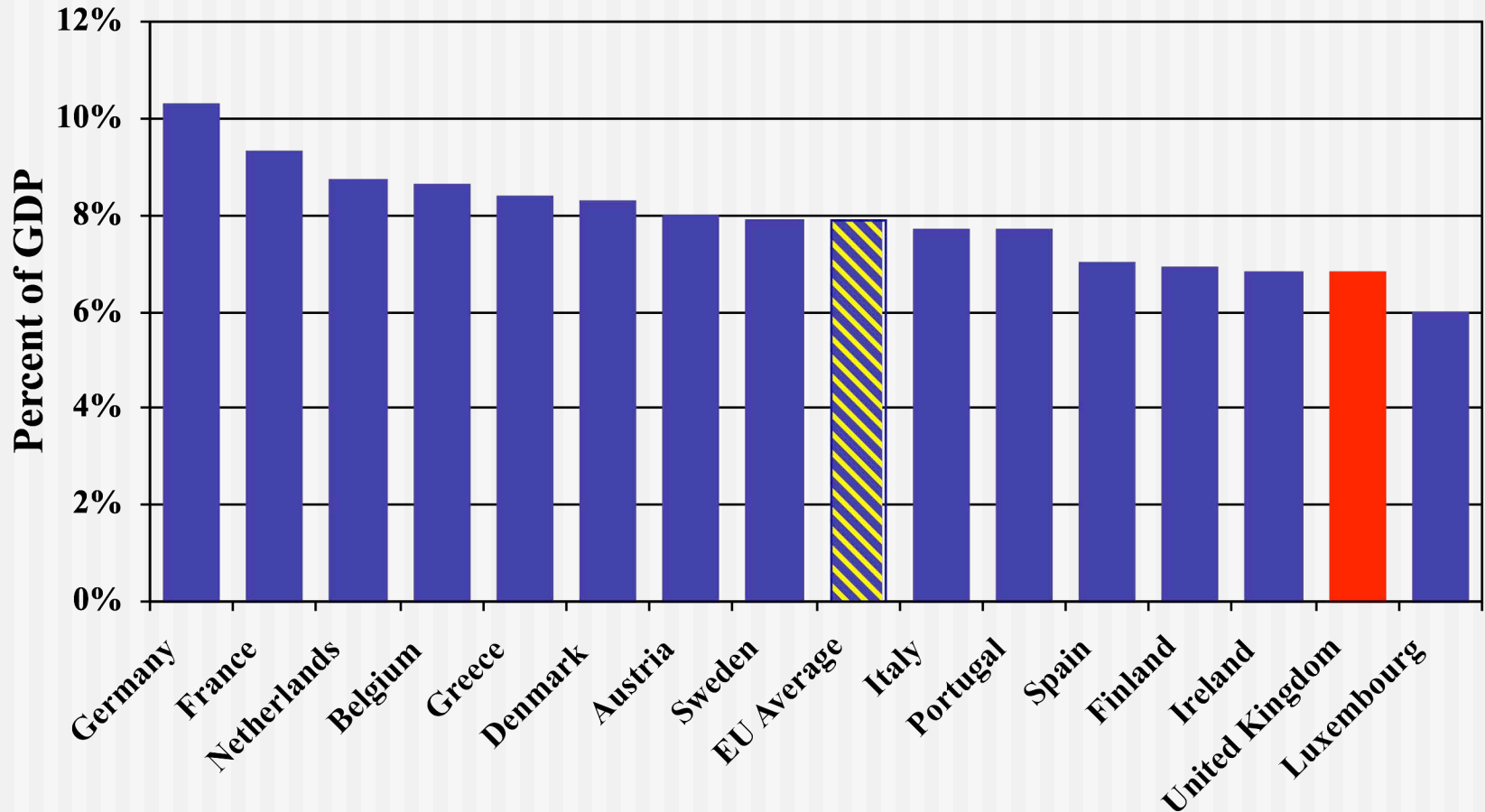
1990s: Shift from NHE to NHA

Extension of NHA outside OECD region

China, Philippines, Thailand, Egypt, Russia, Hong Kong, Sri Lanka . . .

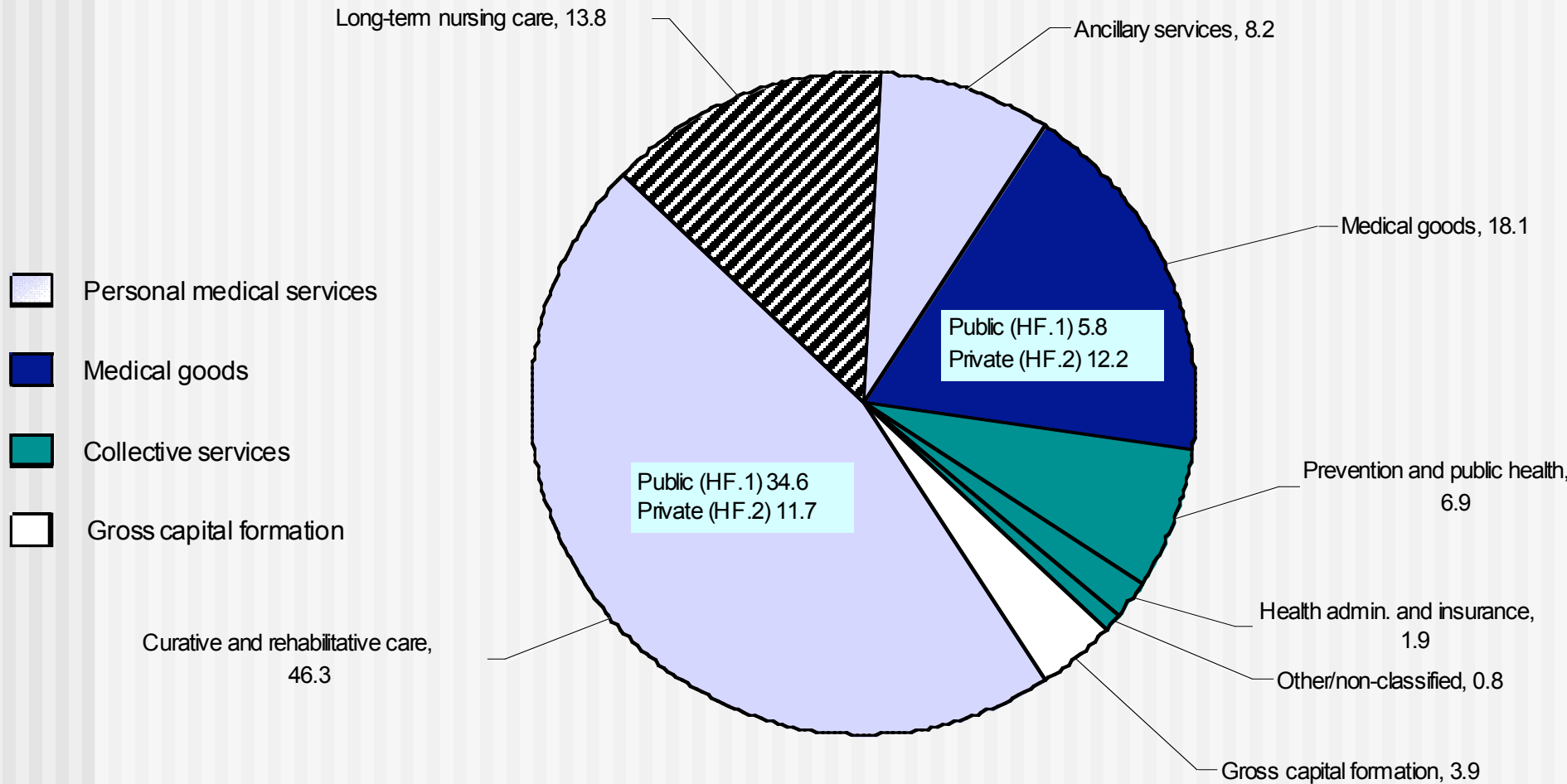
NHA Uses: International Comparisons

Health Expenditure as a Share of GDP in European Union Countries, 1998



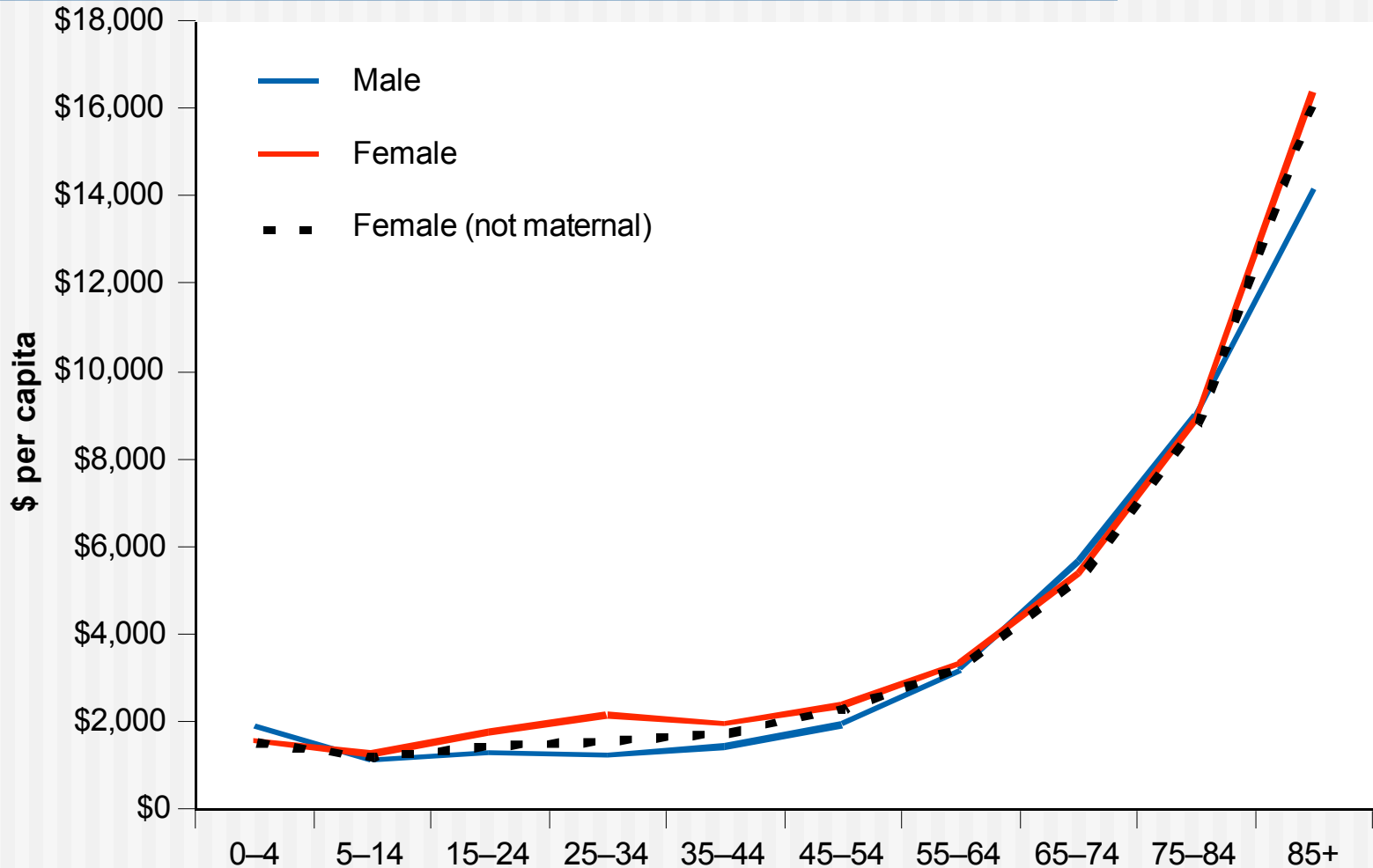
NHA Uses: Analysis of spending

Health expenditure by function, Canada 1999



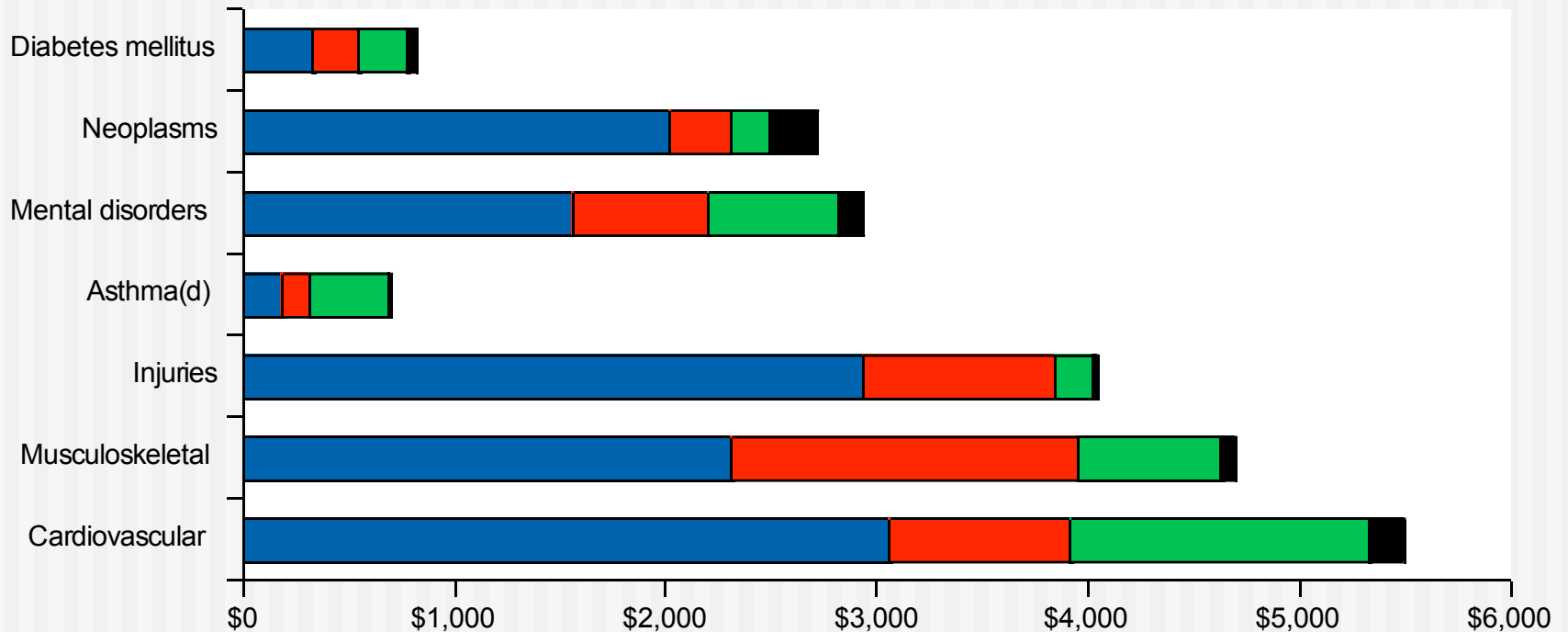
NHA Uses: Impact of ageing


Health expenditure per person by age and sex, Australia, 2000-01





NHA Uses: Monitoring Allocations

Total cost of disease by health sector for National Health Priority Areas, Australia, 2000-01, (\$millions)



 Hospital and aged-care homes(b)

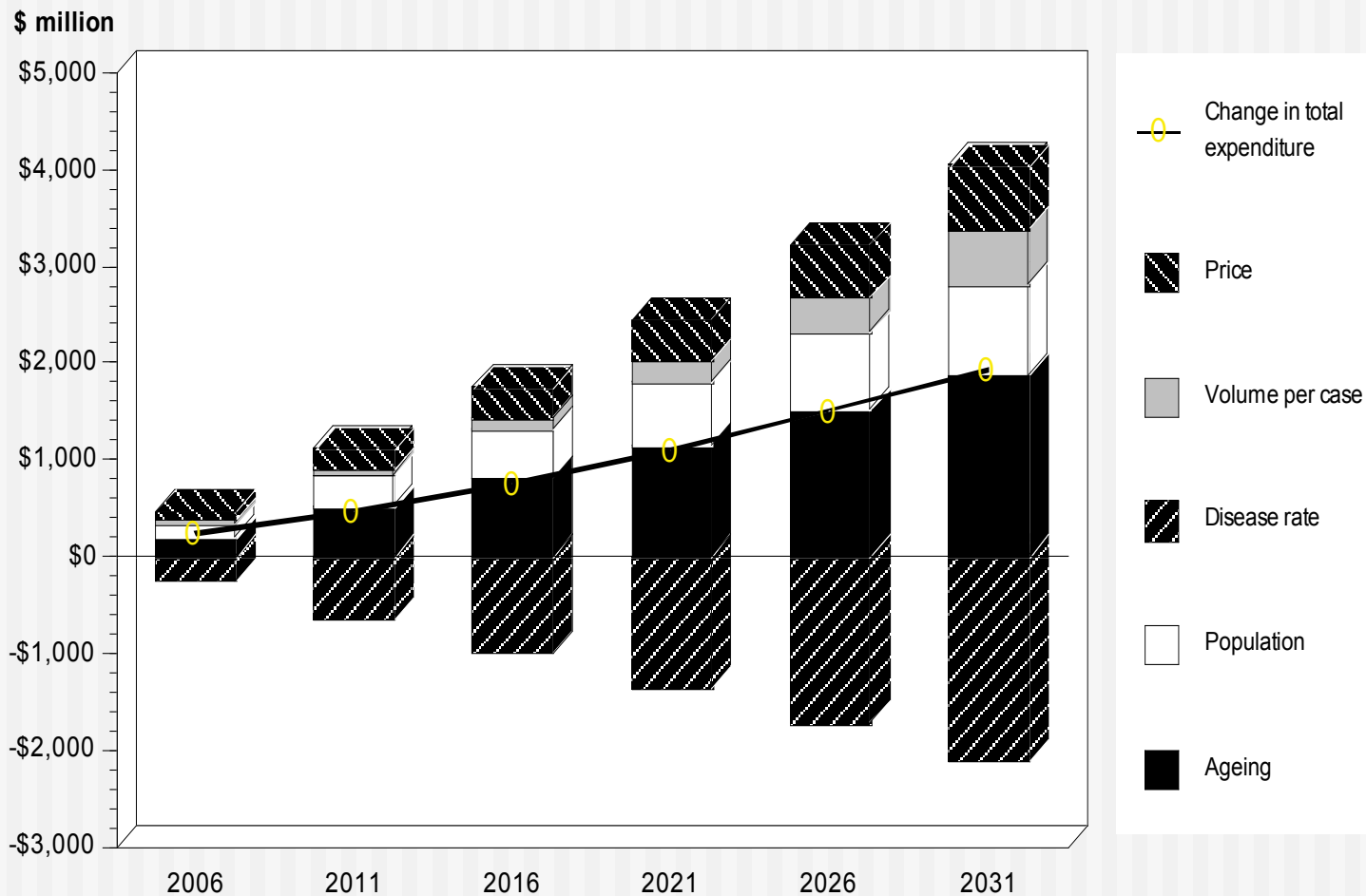
 Medical and other health professionals(c)

 Pharmaceuticals

 Research

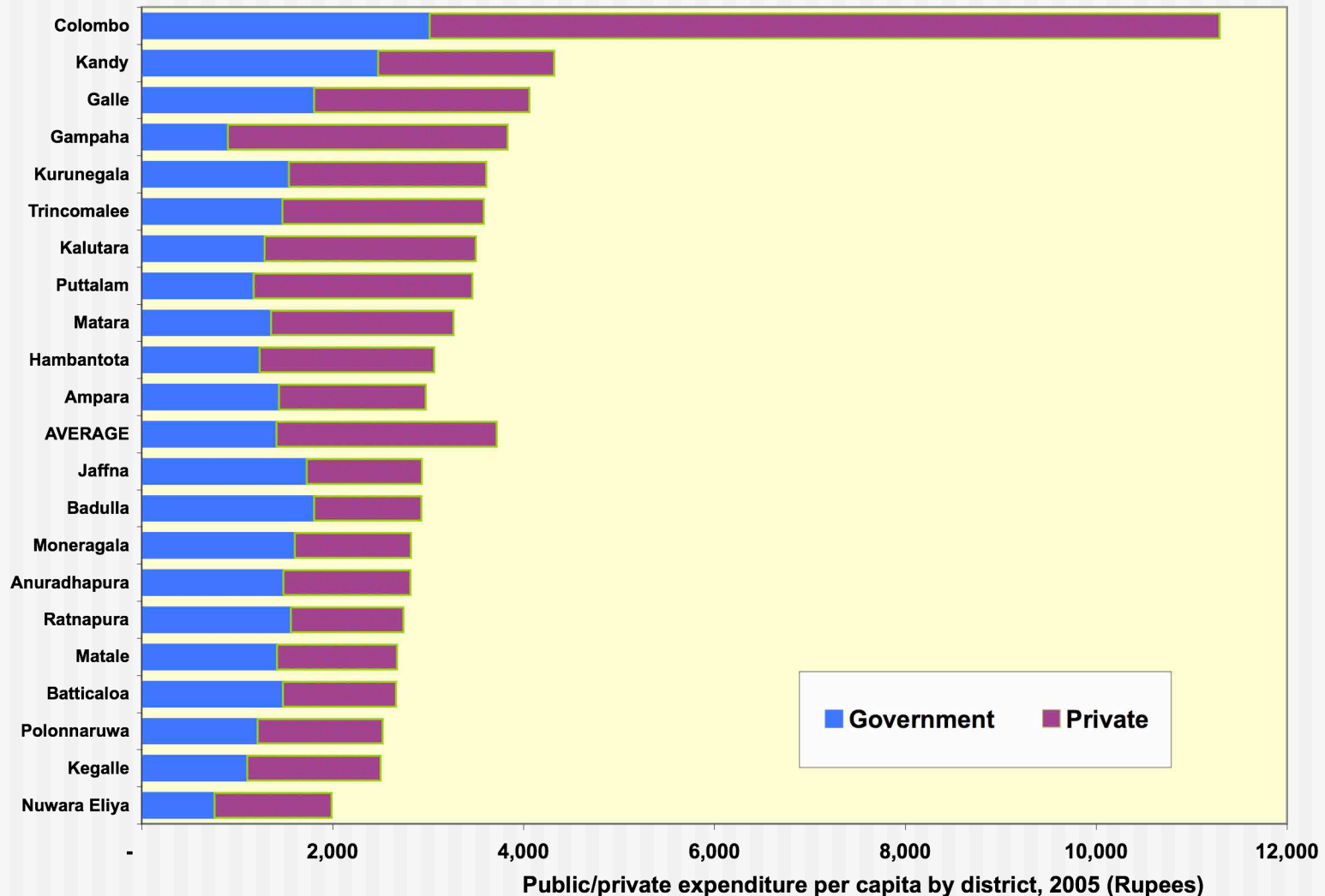
NHA Uses: Analyzing cost pressures

Australia: Decomposition of change in expenditure 2001 to 2031 for CVD treatment



NHA Uses: Monitoring Allocations

Government and private expenditures per capita by district: Sri Lanka 2005



A “System of Health Accounts” OECD (2000)



Developed by OECD:

- To provide standard reporting tables for international comparison
- Analyzes health expenditures in three dimensions: sources, providers and functions
- Linkages with other international classifications, including SNA
- Endorsed by WHO/World Bank

Reporting National Spending

HC.1 Services of curative care
HC.2 Services of rehabilitative care
HC.3 Services of long-term nursing care
HC.4 Ancillary services to health care
HC.5 Medical goods dispensed to out-patients
HC.6 Prevention and public health services
HC.7 Health administration and health insurance

HC.R.1 Capital formation

HC.R.2 Education and training
HC.R.3 Research and development
HC.R.4 Food, hygiene and drinking water control
HC.R.5 Environmental health
HC.R.6 Social services in-kind
HC.R.7 Health-related cash-benefits

**Total
Current
Expenditure
on Health**

**Total
Expenditure
on Health
(TEH)**

**General
Expenditure
on Health
(GEH)**

Guide to producing national health accounts



with special applications for low-income and middle-income countries



WORLD BANK



WORLD HEALTH ORGANIZATION



THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT



SHA Guidelines

Practical guidance for implementing
A System of Health Accounts in the EU

Authored by: the Office for National Statistics (UK)
Co-funded as part of the Eurostat project: "Support Package for Applying the Manual of Health Accounts in the EU"
Eurostat grant number: 200135100019

Future developments

- Expanding adoption of SHA standard by both developed and developing countries
- Increased reporting leading to strengthening of comparative policy analysis in regions
- Joint revision of OECD SHA standard by WHO, OECD and countries (2006-2009)

Observations on Iranian situation

- Policy Needs
 - Multiple financing organizations and policy priority to expand insurance coverage require better national data for strategic planning
- National Capacity
 - Iran has good technical capacity and data to produce health accounts meeting international standards on routine basis
- Current Status
 - Annual updates not being produced on regular basis
 - Lack of clear institutional arrangements
 - Lack of resources in key technical agency
 - Relationship between MOH and National Statistical Center not well defined

Recommendations

- Need to establish clear national strategy and framework for managing NHA process
 - Responsibility for steering (MOH)
 - Responsibility for technical execution (NSC)
 - Framework to ensure institutional collaboration and cooperation
 - Annual updates to be published within 2 years
- Resource requirements
 - Funding for process in regular budget
 - Interim international technical support to adopt international best practices