

The average annual growth rate of expenditure on health between 2000-2006 was 8.1% in the A.C. of the Basque Country

Expenditure on health per inhabitant increased during this period by 55%, reaching a figure of 2,002 euros per inhabitant in 2006

Total expenditure on health in the A.C. of the Basque Country in 2006 came to 4,290 million euros, growing by 7.9% as regards 2005 and meant per capita expenditure of 2,002 euros per inhabitant. During the period 2000-2006, expenditure on health grew at an accumulated average annual rate of 8.1%, according to Eustat data.

Turning to the **funding of expenditure**, public funding accounted for 72.3% of total expenditure, or in other words, **for every 100 euros spent on health in the A.C. of the Basque Country, 72.3 were funded by public health**. Public expenditure went from 1,956 million euros in 2000 to 3,096 million in 2006, meaning an accumulated average annual growth rate of 7.9%.

Public expenditure on health in relation to total expenditure of the public administrations, which indicates investment made by a public administration with regard to the resources that it manages, came to 15.5% in 2005, with growth of almost one percentage point compared to 2000. This investment was within the average of OECD countries. Taking only the Basque Administrations (Basque Government, Provincial Councils and Town Councils) into account, **public expenditure on health in relation to total expenditure of these Basque Administrations came to 22.5%**.

Table 1: Main data and indicators of the Health Account of the A.C. of the Basque Country.

| TOTAL EXPENDITURE ON HEALTH (thousands of euros) | 2000 | 2001 | 2002 | 2003 | 2004 | 2005(a) | 2006(a) | Variation rate (%) 2006(a) /2005(a) | Average annual accumulated variation rate (%) 2000-2006 |
|---|------------|------------|------------|------------|------------|------------|------------|---|--|
| | 2.694.954 | 2.910.002 | 3.119.748 | 3.419.076 | 3.667.365 | 3.975.721 | 4.289.783 | 7,9 | 8,1 |
| Public Funding | 1.956.481 | 2.105.628 | 2.264.644 | 2.468.720 | 2.646.334 | 2.875.910 | 3.095.997 | 7,7 | 7,9 |
| Private Funding | 738.473 | 804.374 | 855.105 | 950.357 | 1.021.031 | 1.099.812 | 1.193.786 | 8,5 | 8,3 |
| Total Expenditure per inhabitant (in euros) | 1.296 | 1.389 | 1.476 | 1.614 | 1.726 | 1.862 | 2.002 | 7,5 | 7,5 |
| Total Expenditure in % of GDP | 6,47 | 6,62 | 6,75 | 6,94 | 6,88 | 6,94 | 6,95 | 0,01 p.p(*) | 0,47 p.p(*) |
| Public expenditure in % Public Administration Expenditure | 14,61 | 14,44 | 14,48 | 14,88 | 15,09 | 15,53 | : | 0,92 | |
| GDP m.p. | 41.647.287 | 43.930.667 | 46.226.280 | 49.241.753 | 53.305.396 | 57.289.143 | 61.763.759 | 7,8 | 6,8 |
| Population | 2.079.219 | 2.095.144 | 2.113.659 | 2.118.312 | 2.124.593 | 2.134.855 | 2.143.011 | 0,4 | 0,5 |

(a) Preliminary. p.p(*) difference in percentage points. (:) not available

Source: Eustat, Health Account

Table 2. Indicators of expenditure by country. 2005

| | Public expenditure in % Public Admin. Expenditure | Public expenditure in % GDP | Public expenditure in % Total expenditure | Total expenditure in % GDP | Total expenditure per inhabitant (PPP, US\$) | GDP per inhabitant (PPP (\$)) |
|-----------------------|---|-----------------------------------|--|----------------------------------|--|-------------------------------------|
| Germany | 17,6 | 8,2 | 76,9 | 10,7 | 3.287 | 30.776 |
| Austria | 15,5 | 7,7 | 75,7 | 10,2 | 3.519 | 34.394 |
| Belgium (e) | 14,9 | 7,4 | 72,3 | 10,3 | 3.389 | 33.021 |
| Canada | 17,5 | 6,9 | 70,3 | 9,8 | 3.326 | 34.057 |
| Denmark (e) | 14,4 | 7,7 | 84,1 | 9,1 | 3.108 | 34.110 |
| Spain (e) | 15,4 | 5,9 | 71,4 | 8,2 | 2.255 | 27.400 |
| United States | 18,8 | 6,9 | 45,1 | 15,3 | 6.401 | 41.827 |
| Finland | 11,6 | 5,9 | 77,8 | 7,5 | 2.331 | 30.911 |
| France | 16,5 | 8,9 | 79,8 | 11,1 | 3.374 | 30.350 |
| Greece | 11,5 | 4,3 | 42,8 | 10,1 | 2.981 | 29.578 |
| Ireland | 17,0 | 5,8 | 78,0 | 7,5 | 2.926 | 39.019 |
| Iceland | 18,3 | 7,9 | 82,5 | 9,5 | 3.443 | 36.183 |
| Italy | 14,1 | 6,8 | 76,6 | 8,9 | 2.532 | 28.401 |
| Norway | 17,9 | 7,6 | 83,6 | 9,1 | 4.364 | 48.162 |
| Portugal (e) | 15,6 | 7,4 | 72,7 | 10,2 | 2.033 | 20.030 |
| United Kingdom (d) | 16,2 | 7,2 | 87,1 | 8,3 | 2.724 | 32.896 |
| Sweden | 13,6 | 7,7 | 84,6 | 9,1 | 2.918 | 32.111 |
| Switzerland | - | 6,9 | 59,7 | 11,6 | 4.177 | 35.956 |
| Basque Country | 15,5 | 5,0 | 72,3 | 6,9 | 2.446 | 35.242 |

PPP: Purchasing Power Parity. e: estimation. d: Differences in methodology

Source: EUSTAT, Health Account and OECD Health Data 2007 (July 07)

As for **international comparisons**, from the latest homogenous data offered by the OECD for 2005, per capita expenditure on health in the A.C. of the Basque Country stood at 2,446 PPP (Purchasing Power Parity in \$) per inhabitant, above countries such as Finland (2,331), Spain (2,255) and Portugal (2,033) and below the USA with 6,401 per capita (world leader), Norway with 4,364 and Switzerland with 4,177. The European Union country with the most per capita expenditure was Austria, with 3,519 PPP (\$) per inhabitant.

As regards funding, **public expenditure in the A.C. of the Basque Country was 72.3% of total expenditure on health, in line with countries in its environment.** The level of public spending on health as regards total expenditure by the Public Administrations of the A.C. of the Basque Country stood at 15.5%, an indicator which was above that of countries such as Belgium (14.9), Denmark (14.4), Sweden (13.6) and Spain (15.4).

To carry out a comparative approximation of overall expenditure on health made in the A.C. of the Basque Country in relation to the other OECD countries, the overview must be completed with other types of **supply indicators**, such as the number of doctors per inhabitant, average length of stay or surgical operations, and **health indicators**, such as life expectancy which allow us a greater awareness of the healthcare situation. **By analysing the comparative data, these indicators place the A.C. of the Basque Country above the OECD average**

Table 3: Indicators of structure, healthcare activity and Health. 2005

| | Doctors/1,000 inhab. | Average stay Acute hospitals | Surgical operations / 1,000 inhab. | Life expectancy |
|-----------------------|-------------------------|---------------------------------|--|--------------------|
| Germany * | 3,4 | 8,6 | 95,4 | 79,0 |
| Spain * | 3,8 | 6,7 | 72,6 | 80,7 |
| Switzerland | 3,8 | 8,5 | 142,4 | 81,3 |
| Denmark | 3,6 | 3,5 | 148,5 | 77,9 |
| Finland | 2,4 | 4,8 | 102,9 | 78,9 |
| Ireland (b) | 2,8 | 6,6 | 43,0 | 79,5 |
| Luxembourg | 2,5 | 7,3 | 207,4 | 79,3 |
| Portugal | 3,4 | 7,1 | 59,5 | 78,2 |
| United Kingdom | 2,4 | 6,1 | 144,2 | 79,0 |
| OECD | 3,0 | 6,3 | 100,9 | 78,6 |
| Basque Country | 3,7 | 5,9 | 100,9 | 80,8 |

* Surgical operations; 2004 figure. (b) Surgical operations; Break in series

Source: Eustat, Health Account and OECD Health Data 2007 (July 07)

A detailed analysis of the Health Accounts of the A.C. of the Basque Country shows that of total health expenditure, 97.3% corresponded to current expenditure and the remaining 2.7% to Gross Capital Formation (investment).

In the distribution of **current expenditure** by function, 72.7% corresponded to individual healthcare services. The greatest growth took place in medium and long-term healthcare, which grew at an accumulated annual rate of 13.7%, including in this function the majority of healthcare related to dependent situations.

The second function in terms of importance of spending was expenditure on healthcare products dispensed to outpatients, which accounted for 22.9% of current expenditure. If we add together these two groups we obtain individual expenditure on health, which represented 95.6% of current expenditure.

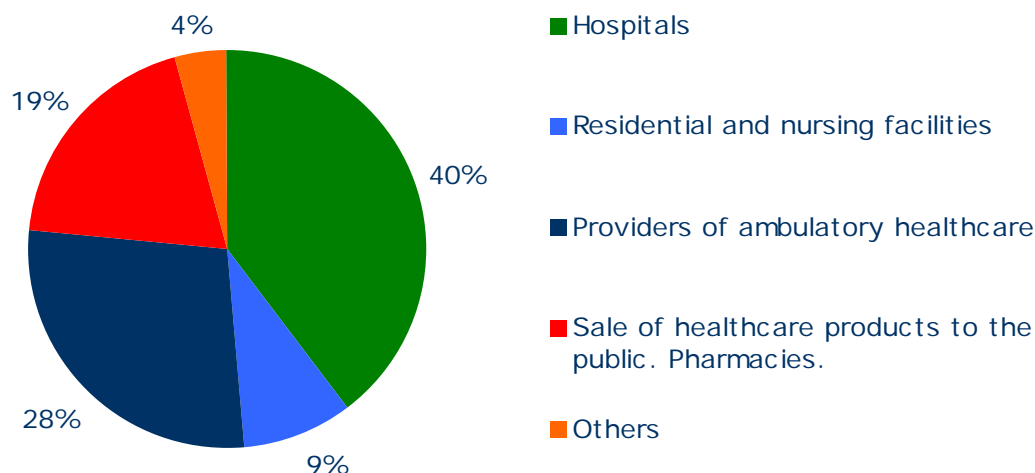
Table 4: Expenditure on Health by function (thousands of euros)

| FUNCTION | thousands euros | | % of Total Health Expenditure | | Variation 2004-2000 |
|---|------------------|------------------|-------------------------------------|--------------|------------------------|
| | 2000 | 2004 | 2000 | 2004 | p.p(*) |
| HC.1 Curative healthcare | 1.442.134 | 1.894.203 | 53,5 | 51,7 | -1,86 |
| HC.2 Rehabilitation healthcare | 33.523 | 47.624 | 1,2 | 1,3 | 0,05 |
| HC.3 Medium and long-term healthcare | 238.516 | 398.307 | 8,9 | 10,9 | 2,01 |
| HC.4 Auxiliary healthcare services | 179.079 | 254.976 | 6,6 | 7,0 | 0,31 |
| HC.1 - HC.4 Individual healthcare services | 1.893.253 | 2.595.111 | 70,3 | 70,8 | 0,51 |
| HC.5 Healthcare products dispensed to outpatients | 590.873 | 817.731 | 21,9 | 22,3 | 0,37 |
| INDIVIDUAL EXPENDITURE ON HEALTH | 2.484.125 | 3.412.842 | 92,2 | 93,1 | 0,88 |
| HC.6 Prevention and public health services | 45.110 | 52.630 | 1,7 | 1,4 | -0,24 |
| HC.7 Health administration and insurance. | 61.700 | 97.844 | 2,3 | 2,7 | 0,38 |
| Not classified | 3.388 | 5.531 | 0,1 | 0,2 | 0,03 |
| TOTAL CURRENT EXPENDITURE ON HEALTH | 2.594.324 | 3.568.847 | 96,3 | 97,3 | 1,05 |
| HC.R.1 Gross Capital Formation | 100.630 | 98.518 | 3,7 | 2,7 | -1,05 |
| TOTAL EXPENDITURE ON HEALTH | 2.694.954 | 3.667.365 | 100,0 | 100,0 | 0,00 |

p.p (*) difference in percentage points

Source: Eustat, Health Account

Graph1. Distribution of expenditure on health by provider



Source: Eustat, Health Account

The structure of **expenditure by provider** remained constant during the period under analysis. The majority of expenditure was made on hospitals (40%) and second place in terms of importance was occupied by providers of ambulatory healthcare, with 28%. Residential and nursing facilities represented 9% of current expenditure, but this was the group that experienced the greatest growth over the latest four-year period, with an accumulated rate of 13.3% (this group is where healthcare related to dependent situations was included).

Methodology note: The 2000-2006 series produced by Eustat incorporates the figures referring to the healthcare expenditure on dependence (long-term care) in keeping with the current methodology System of Health Accounts-SHA of the OECD.

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