

**OECD Centres****Germany**

Berlin (49-30) 288 8353

**Japan**

Tokyo (81-3) 5532-0021

**Mexico**

Mexico (52-55) 5281 3810

**United States**

Washington (1-202) 785 6323

AUSTRALIA · AUSTRIA · BELGIUM · CANADA · CZECH REPUBLIC · DENMARK · FINLAND · FRANCE · GERMANY · GREECE  
HUNGARY · ICELAND · IRELAND · ITALY · JAPAN · KOREA · LUXEMBOURG · MEXICO · NETHERLANDS · NEW ZEALAND  
NORWAY · POLAND · PORTUGAL · SLOVAK REPUBLIC · SPAIN · SWEDEN · SWITZERLAND · TURKEY · UNITED KINGDOM · UNITED STATES

PAC/COM/PUB(2006)16

Paris, 26 June 2006

**Rising health costs put pressure on public finances, finds OECD**

Health spending continues to rise in OECD countries and, if current trends continue, governments will need to raise taxes, cut spending in other areas or make people pay more out of their own pockets in order to maintain their existing healthcare systems, new OECD data indicate.

According to **OECD Health Data 2006**, health spending has grown faster than GDP in every OECD country except Finland between 1990 and 2004. It accounted for 7% of GDP on average across OECD countries in 1990 but reached 8.9% in 2004, up from 8.8% in 2003. **OECD Health Data 2006** provides a comprehensive database of comparable health statistics in major developed countries, with more than 1200 indicators including some time series going back to 1960.

In most OECD countries, the bulk of healthcare costs is financed through taxes, with 73% of health spending on average publicly funded in 2004. Ensuring sustainable financing of health systems is critical for governments, as health spending as a share of GDP is projected to increase further due to costly new medical technologies and population ageing.

Although the public share of health spending has fallen in countries such as Poland, Hungary and the Czech Republic which had a relatively high public share of health spending in 1990, it has risen in countries where it was low, such as Korea, Mexico, Switzerland and the United States. In Korea, for example, the public share of health spending rose from 38% in 1990 to just over 50% in 2004. In the United States, it increased from 40% to 45% between 1990 and 2004. Although the private sector in the United States continues to play the dominant role in financing, public spending on health per capita is still greater than that in most other OECD countries, because overall spending on health is much higher than in other countries.

**Private spending an important source of financing**

Private payments for health include those financed by private insurance and those paid directly out of the pocket of private households. Direct, out-of-pocket spending is an important source of financing in some OECD countries, particularly where private health insurance is low. In 2004, the share of direct, out-of-pocket spending was highest in Mexico (51%), followed by Greece (45%), and Korea (37%).

Private health insurance, that is the money paid out by insurance companies on health services, represents only around 6% of total health spending on average across OECD countries, but it plays a large role for certain population groups in Germany and the Netherlands, and for most of the non-elderly population in the United States, where private health insurance accounted for 37% of health spending in 2004. In France and Canada, private health insurance covers 10 to 15% of overall spending, providing optional, enhanced coverage in a public system with universal coverage.

JT03211319

**OECD Media Relations**

**General Inquiries:** Tel. (33) 1 45 24 97 00 - Fax. (33) 1 45 24 80 03/94 37 · **Research & Documentation:** Tel. (33) 1 45 24 80 88/80 89  
**www.oecd.org/media** · **E-mail:** [news.contact@oecd.org](mailto:news.contact@oecd.org)

Organisation for Economic Co-operation and Development, 2 rue André-Pascal, 75775 Paris Cedex 16, France · Tel. (33) 1 45 24 82 00 - Fax. (33) 1 45 24 85 00  
**www.oecd.org**

Private sources tend to play a much greater role in paying for pharmaceuticals than for hospital or ambulatory care, because drugs are less well-covered under many publicly-financed insurance schemes. But there are large variations across countries. In 2004, public coverage of spending on drugs was lowest in Mexico (12%), the United States (24%), Poland (37%) and Canada (38%). By comparison, more than two-thirds of spending on drugs was paid by public sources in a number of countries, including Austria, France, Germany, Spain and Sweden.

**OECD Health Data 2006** is available **online** to subscribers of **SourceOECD**, the OECD online library. It is also available on **CD-ROM** in single-user or network installations. The database is multilingual (English, French, German, Italian, Spanish and Russian, and it is also available in Japanese but exclusively for the online version) and it includes an extensive documentation of definitions, national sources and estimation methods per country. For information, please contact [SourceOECD@oecd.org](mailto:SourceOECD@oecd.org) or the OECD Online Bookshop ([www.oecdbookshop.org](http://www.oecdbookshop.org)).

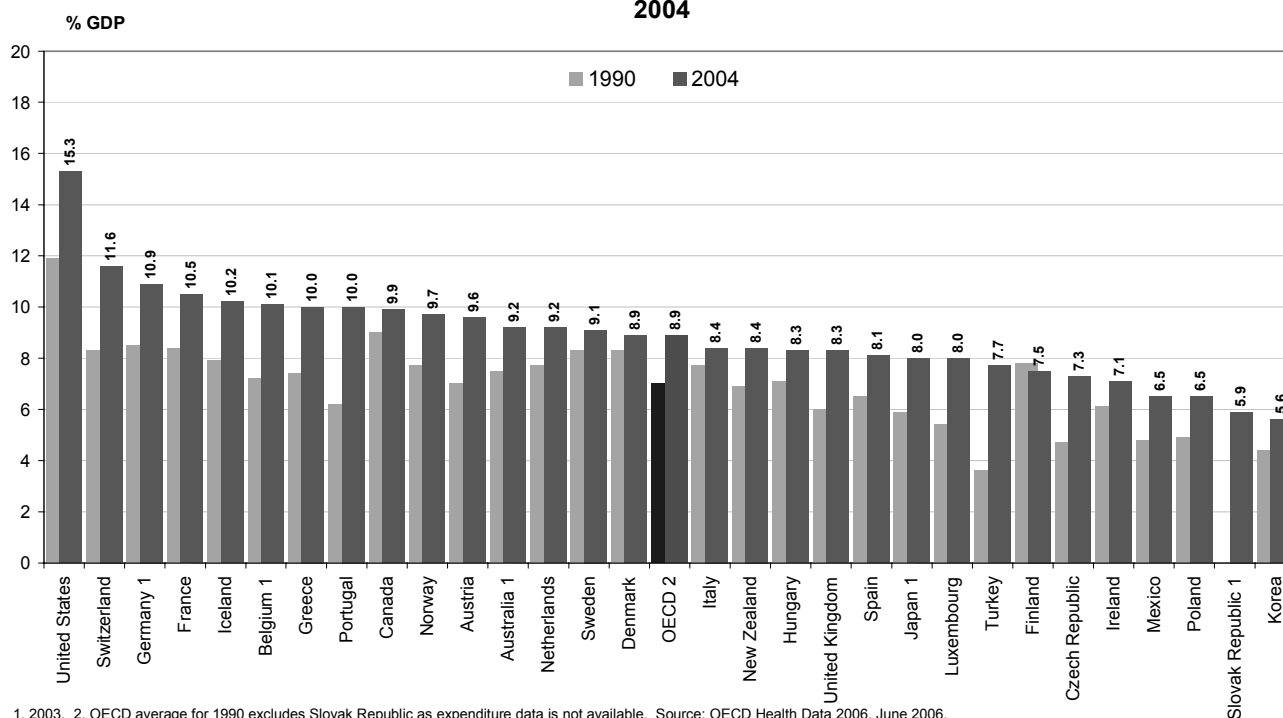
Journalists are invited to contact the OECD's Media Division (tel. 33 1 45 24 97 00 or [news.contact@oecd.org](mailto:news.contact@oecd.org)) to obtain a copy of **OECD Health Data 2006**, or to contact Elizabeth Docteur (tel. 33 1 45 24 76 03 or [elizabeth.docteur@oecd.org](mailto:elizabeth.docteur@oecd.org)) or Gaétan Lafortune (tel. 33 1 45 24 92 67 or [gaetan.lafortune@oecd.org](mailto:gaetan.lafortune@oecd.org)) in the OECD Health Division for further information.

For more information, please go to [www.oecd.org/health/healthdata](http://www.oecd.org/health/healthdata).

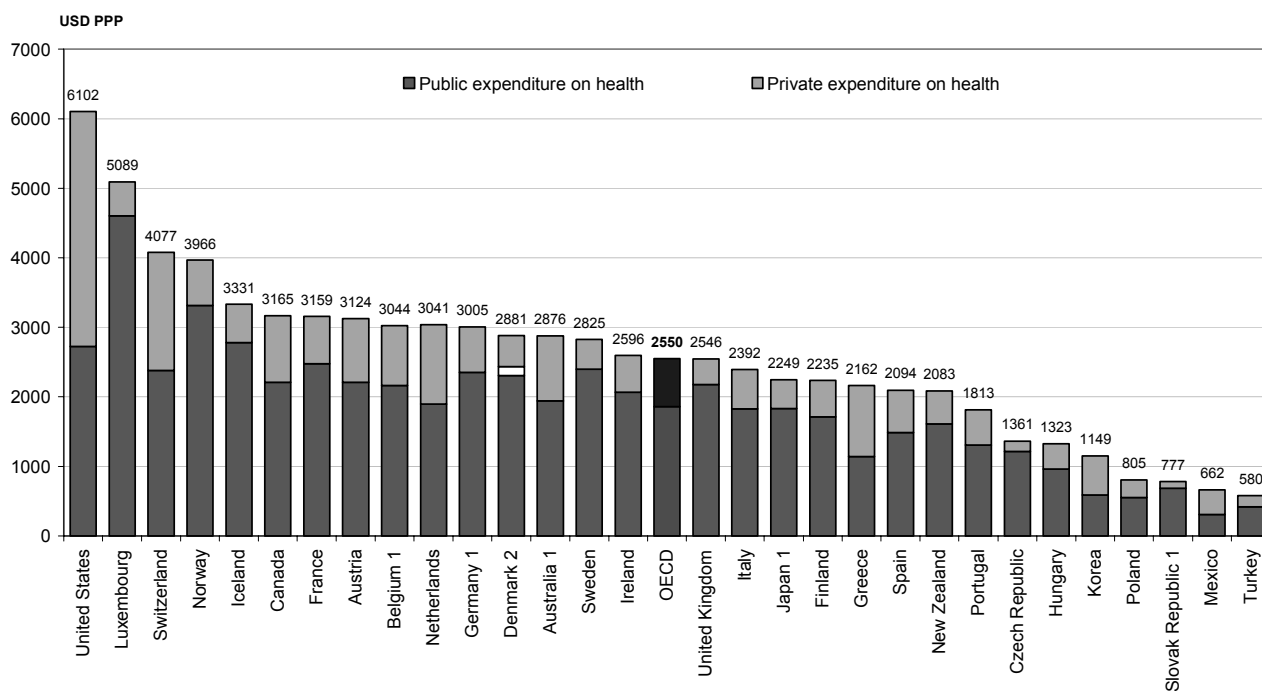
#### *List of graphs*

1. Change in health expenditure as a share of GDP, OECD countries, 1990 and 2004
2. Health expenditure per capita, public and private expenditure, OECD countries, 2004
3. Percentage of health expenditure by source of financing, OECD countries, 2004
4. Change in the share of public spending on health, OECD countries, 1990-2004
5. Drug expenditure per capita, public and private spending, OECD countries, 2004

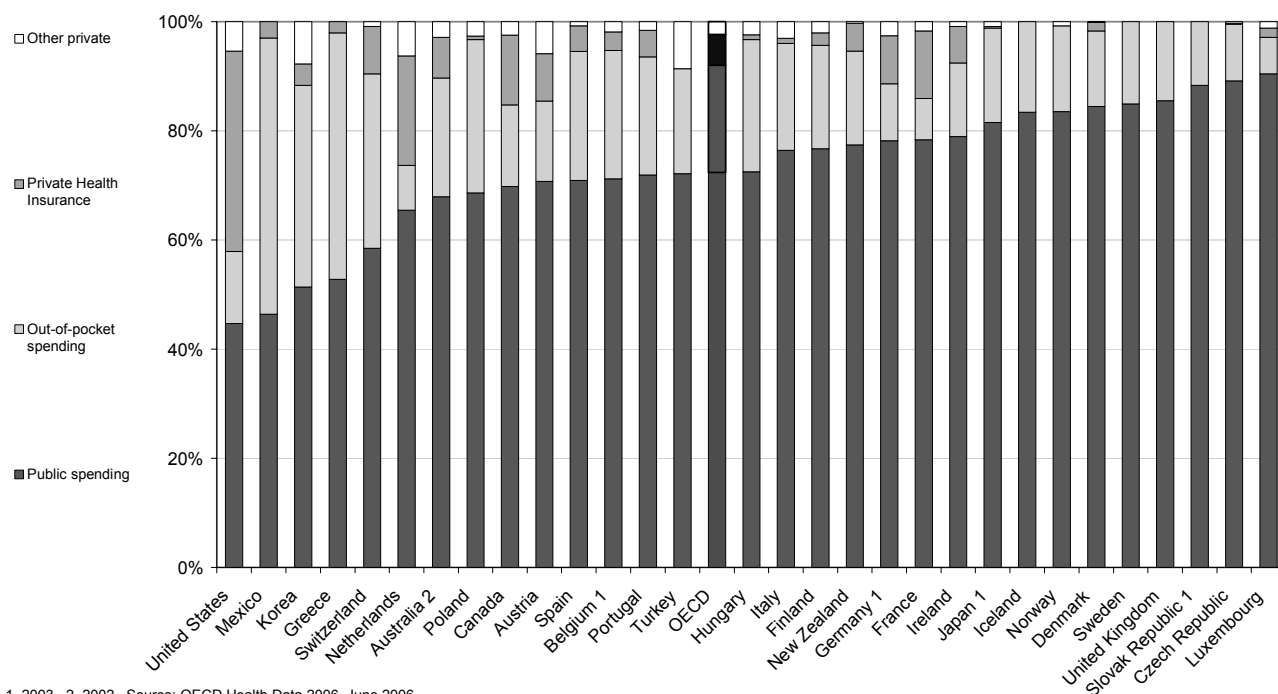
**Chart 1. Change in health expenditure as a share of GDP, OECD countries, 1990 and 2004**



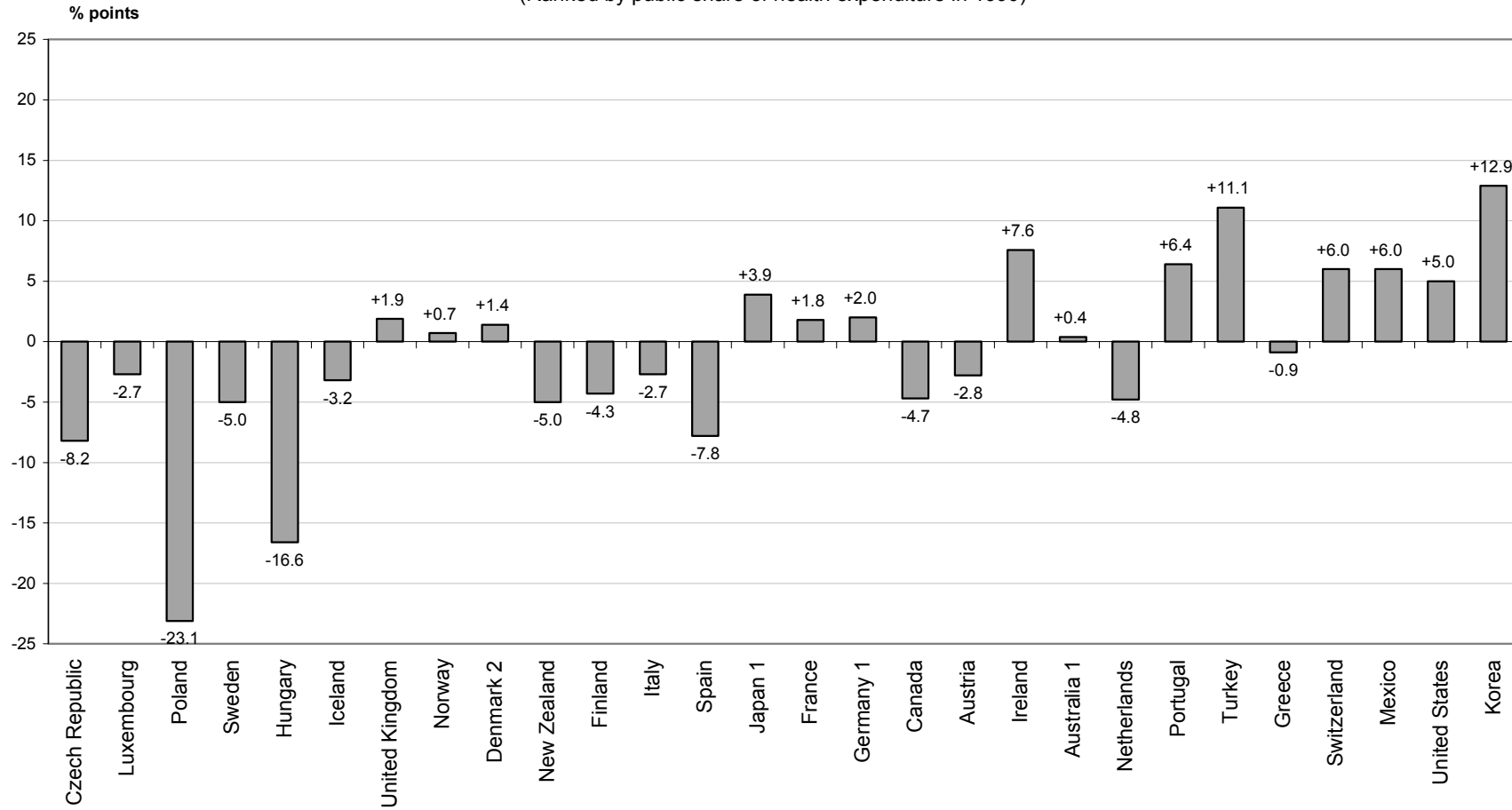
**Chart 2. Health expenditure per capita, public and private expenditure, OECD countries, 2004**



**Chart 3. Percentage of health expenditure by source of financing, OECD countries, 2004**

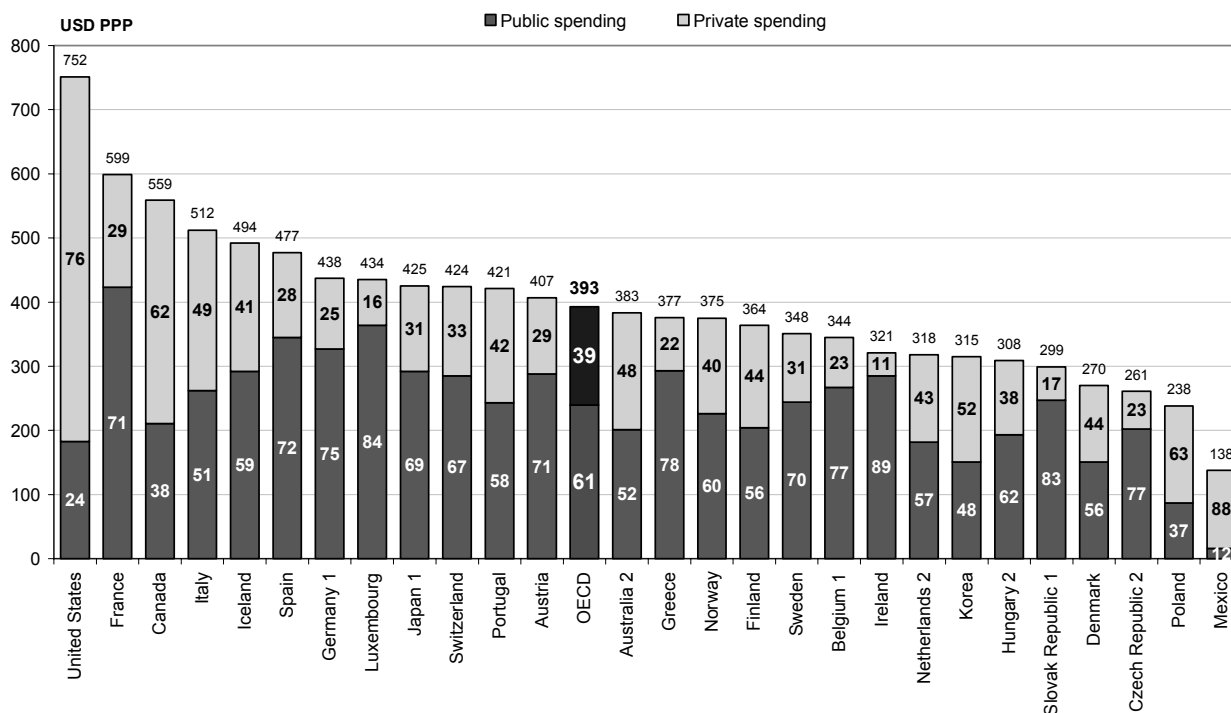


**Chart 4. Change in share of public spending on health, OECD countries, 1990-2004**  
 (Ranked by public share of health expenditure in 1990)



1. 2003. 2. Current public expenditure as share of Total current expenditure. Source: OECD Health Data 2006, June 2006.

Chart 5. Drug expenditure per capita, public and private expenditure, OECD countries, 2004



1. 2003. 2. 2002. Source: OECD Health Data 2006, June 2006.