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**SHA 2011-Based Health Accounts in the Asia/Pacific Region  
: Korea 1980-2011**

**Hyoung-Sun JEONG and Jeong-Woo SHIN**

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OECD Korea Policy Centre

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**SHA 2011-BASED HEALTH ACCOUNTS IN THE ASIA/PACIFIC REGION:  
KOREA 1980-2011**

Hyoung-Sun JEONG and Jeong-Woo SHIN

*JEL Classification : I10, H51*

# **OECD Korea Policy Centre – Health and Social Policy Programme**

## **SHA Technical Papers**

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## SUMMARY

The availability of the OECD's System of Health Accounts (SHA) manual has been of great assistance in producing National Health Accounts for Korea. With estimates prepared on a SHA basis it is possible to compare better the health expenditure of Korea with other OECD countries. Awareness and appreciation of the advantages of applying SHA for health expenditure classifications has been increasing with OECD health expenditure figures more frequently quoted by health policy makers. In the process of construction and submission of SHA data for the past decade to the OECD, there has been a general acceptance of the value of regularly updating health accounts both inside and outside government.

A new System of Health Accounts manual, SHA 2011, was published jointly by the OECD, Eurostat and WHO in 2011. SHA 2011 introduces a number of changes and improvements compared with SHA 1.0. It reinforces the tri-axial relationship that is at the root of the System of Health Accounts and its description of health care and long-term care expenditure. SHA 2011 offers more complete coverage within the functional classification in areas such as prevention and long-term care; a more concise picture of the universe of health care providers; and a precise approach for tracking financing in the health care sector using the new classification of financing schemes.

Korea has recently succeeded in compiling health accounts based on SHA 2011. Both SHA 1.0- and SHA 2011-based health accounts will be produced for the time being, with the latter being submitted for the OECD's JHAQ from the year 2014. Korea's SHA tables are produced based on existing statistics using a mapping process. Data sources for the public sector include comprehensive budget and settlement documents from all levels of government and social insurance statistics from the National Health Insurance, Industrial Accident Compensation Insurance etc. For private sector spending, the Economic Census data is used as the main source and other survey data such as the annual household survey on income and expenditures by the National Statistical Office are used complementarily. The SHA estimates are currently available for the years 1980-2011. Main findings in the SHA estimation can be summarized as follows.

Korea has a relatively low (but rapidly growing) level of health expenditures compared to other OECD countries. Korean health expenditure per capita (US\$ PPP 2,198) in 2011 was 66.2% of the unweighted OECD average (US\$ PPP 3,322). Korea also belongs to a group of countries that spend below the OECD average in terms of the "Total Health Expenditure (THE) to GDP" ratio (7.4% versus 9.3%). Over the past decade (2000-2011), the increase in THE in Korea (9.3% in real terms) has been higher than the OECD average (4.0% in real terms). It is evident that the countries that have experienced the highest increase in health expenditures per capita over the past decade are those that ranked relatively low at the beginning of the period (OECD, 2009).

Korea's public financing share remains the fourth lowest among OECD countries in 2011, after Chile, Mexico, and the United States. There has been a convergence in the levels of the public share of health spending among OECD countries over recent decades (OECD, 2009). Korea, like many countries with a relatively low public share in the early 1990s, has increased its public share and reflects health system reforms as well as the ongoing expansion of public coverage. Korea has an unusual public-private financing mix of health expenditures by mode of production. Korea's public share in both inpatient and outpatient care is significantly lower than the OECD average; however, the public share in pharmaceutical expenditures in Korea is as high as the OECD average and higher than in the United States and Canada where the public share is less than 40%.

Until the early 2000s, Korea spent a relatively large share of its health expenditures on outpatient care and a correspondingly lower share on inpatient care compared to most OECD countries. With the former decreasing and the latter increasing



since then, the distribution of Current Health Expenditure (CHE) between outpatient and inpatient care has approached the OECD average. Variations in pharmaceutical spending are observed in OECD countries and reflect the differences in volume, structure of consumption, and pharmaceutical pricing policies. Korea's per capita expenditure on pharmaceutical products is slightly lower than the OECD average. As a share of GDP, Korea's pharmaceutical spending was almost the same as the OECD average of 1.5%.

## ABBREVIATIONS

ADL	Activities of Daily Living
CHE	Current Health Expenditure
DRGs	Diagnostic Related Groups
EDI	Electronic Data Interchange
GDP	Gross Domestic Product
HIRA	Health Insurance Review and Assessment Service
ICHA	International Classification for Health Accounts
ICHA-HC	ICHA classification of health care functions
ICHA-HF	ICHA classification of financing schemes
ICHA-HP	ICHA classification of health care providers
IHAT	International Health Accounts Team
JHAQ	Joint Health Accounts Questionnaire
KIDI	Korea Insurance Development Institute
MAP	Medical Aid Program
MOHW	Ministry of Health and Welfare
NHA	National Health Accounts
NHI	National Health Insurance
NHIS	National Health Insurance Service
NPISH	Non-Profit Institutions Serving Households
OECD	Organization for Economic Co-operation and Development
OOP	Out-Of-Pocket payment
PPPs	purchasing power parities
RBRVS	Resource-Based Relative Value Scale
ROW	Rest of the World
SHA	System of Health Accounts
SHA 1.0	System of Health Accounts (version 1.0)
SHA 2011	System of Health Accounts (version 2011)
TCAM	Traditional, Complementary and Alternative Medicines
THE	Total Health Expenditure
WHO	World Health Organization

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# INTRODUCTION

## A. KOREAN HEALTH CARE SYSTEM

1. The current Korean health system is designed in such a way that the supply of medical care is entrusted to the private sector, leaving the public sector to take charge of the demand side through the National Health Insurance (NHI). While the objective of the health system is to improve the health status of the population, the NHI contributes to such an ultimate objective through financing. In Korea, the National Health Insurance Service (NHIS) supplies, as a third-party payer, health care services in kind by contracted providers to patients.

2. Socio-economic changes including rapid economic growth in Korea during the 1970s enabled the first compulsory health insurance scheme to be introduced in 1977, with coverage of enterprises with 500 or more employees (Jeong, 2011a). In 2013, 97 percent of South Korea's population is covered by the NHIS, and the remaining 3 percent is covered by a separate program called the Medical Aid Program (MAP), which is a public assistance program for the very poor. The system is both publicly and privately financed. Besides financing part of the nation's health care coverage, the public sector—through Parliament, the Ministry of Health and Welfare (MOHW), and the NHIS—is involved in regulating the insurance system; specifying the list of NHI benefits; and managing the medical fee schedule, which determines how much providers are paid for goods and services. The MAP is an accompanying program for needy Koreans who are beneficiaries of the Korean Livelihood Program and thus unable to pay contributions to NHI. The number of beneficiaries in MAP amounted to 1.7 million in 2013. Both central and local governments transfer their respective funding to the 16 provincial governments that operate MAP funds. The NHIS manages part of MAP on behalf of the government by acting as a purchaser and remunerating provider for services (the provincial governments then refund the money to the NHIS), whereas the Health Insurance Review and Assessment Service (HIRA) undertakes the review of claims. When the resource allocations are insufficient, an additional budget needs to be approved by the parliaments of the central and local governments and will then be reflected in the following year's budget.

3. While at the time when health insurance was mapped out and expanded, the focus was largely on “collecting” money, the focus now is on how to appropriately “purchase” health care. For evidence-based strategic purchasing, an integrated organization covering the entire nation rather than multiple small organizations would be a better platform. The HIRA founded separately in 2000 during the integration reform which yielded the NHIS has a major role to play in making sure such purchasing is undertaken strategically.

4. Korea has a system of privately provided health services. Private hospitals and clinics constitute more than 90 percent of the total number of medical institutions and account for nearly 90 percent of all beds. In addition, more than 90 percent of specialist doctors are employed in the private sector. The provision of private medical facilities has not been subject to stringent regulation. This ‘laissez-faire’ policy for the private medical care sector is sometimes blamed for the skewed distribution of health resources between different sectors, particularly between urban and rural areas. While 20% of the population resides outside urban areas in Korea, less than 10% of physicians and hospital beds are in these areas

5. The government, through the MOHW, is in charge of supervision and management of the overall health system. The main role of the MOHW is to fund mainly public health services including both health promotion and prevention programs and to provide some capital for public health facilities. The Health Insurance Policy bureau of the MOHW reviews and formulates health insurance policies. The MOHW together with the Health Insurance Policy Committee are

the stewards of the NHIS, whereas NHIS and HIRA with their respective committees can be considered as the managing and implementing organizations. The Health Insurance Policy Committee under the MOHW is in charge of reviewing and deliberating on the important NHI issues such as health insurance benefit standards and prices; contribution rates; ceiling of costs for medicines and treatment materials etc. The committee is now composed of 25 members. The government sometimes plays a role as a third-party payer as well, which appears very clear in the MAP.

6. Patients are given considerable freedom when it comes to choosing care providers. This, together with the universal coverage of the NHI Scheme, has led to relatively high demand for medical services in Korea. For example, consultations per capita are relatively high (13.2 visits per annum compared to the OECD average of 6.7 in 2011), even though the number of practicing doctors per capita is the third lowest among OECD countries following Chile and Turkey (2.0 per 1,000 population compared to the OECD average of 3.2). Similarly both the number of acute-care beds (9.6 beds per 1,000 population) and average length of stay (16.4 days) are higher than OECD averages (5.0 beds and 8.1 days, respectively).

### ***Patients and providers: including patient referral system***

7. The relationship between patients and providers in Korea can be characterized basically by freedom of the patient in the choice of providers and freedom of doctors in location. The same principle used to apply even to the choice by patients of doctors and pharmacists before the reform for the separation between doctor's prescribing and pharmacist's dispensing (hereinafter, 'Separation reform') of July 2000 (Jeong, 2009). The patient who seeks primary medical care can choose to consult any general practitioner or specialist in a doctor's clinic, but the gatekeeper role is not requested of general practitioners, with no clear division between ambulatory care and hospital care. The relationship between doctors in independent practice and hospitals is partly complementary, but is also partly competitive. Doctors do not generally have access to hospital practice. Some ambulatory care practices are well equipped so as to tackle more complicated cases. Patients can access these advanced diagnostic services. Most of the hospitals do, on the other hand, offer ambulatory care. This system leads to duplication of equipment and repetition of diagnostic tests by different providers. This is why a patient referral system was trialled in 1989 when 'health-insurance-for-all' was introduced. There is some limitation to the freedom of patient choice, however, as under the so-called patient referral system in Korea, patients who access tertiary hospitals directly without a doctor's referral letter have to pay all the cost without a reimbursement from the NHIS. There are some exceptions such as child birth and emergency. The referral system applied down to "secondary" hospitals in those days. The change into the current way was made in 1998 since too strict regulation had caused much inconvenience to and was not complied with by people.

8. The demand for health care is mainly determined through the interaction between patients and service providers - thus there is limited influence on demand by insurers. Patients, with a co-payment, have a degree of financial incentive to economize, whereas doctors have few constraints on treatment and prescriptions in the absence of incentives to be economical. They can later claim a proportion of the funds paid by health insurers. Hence, the provider has an incentive to consult as many patients and to give each patient as much treatment as possible. Hospitals in particular have an incentive to provide services and expand their medical facilities with high technology equipment beyond the level which could be justified on medical grounds. What is more serious in the current provision of health care is the tendency for doctors to focus on medical services outside the health insurance fee schedule. These services are preferred by doctors because there are neither governmental regulations nor price control through third-party payments for these services.

### ***Population and third-party payers: including benefit packages and cost-sharing***

9. Low contribution and low benefit is a peculiar feature of Korea's NHI scheme. Insurance contributions by employees are calculated as a proportion of their monthly wages. For the non-employed (self-employed or not-employed), other factors, such as property and family size, are also taken into account. Contribution rates for employees are 5.89% in 2013, with half paid by their employers. While self-employed or not-employed persons are theoretically liable for the whole NHIS contribution from their declared income, in actual fact subsidies have been continuously provided through an annual block grant by the government.

10. The NHIS is required by law to offer a basket of benefits: ambulatory and dental care, including consultations, examinations and check-ups, medical treatment and surgery etc.; drugs and other medical goods; transportation, hospitalization and nursing care. There is no difference in benefits available to patients on the basis of their incomes or contributions. In addition to curative care, some disease prevention and health promotion services are included in the benefit package. For self-employed heads of household, for employed office workers and for insureds above 40 years, the NHI benefit package also includes a general health check-up once every two years (annually for non-office workers) as well as screening for major types of cancer. The NHIS has recently started to engage in health promotion and disease prevention activities such as non-smoking sessions for students, non-smoking campaigns, health education, health promotion events and the distribution of health information leaflets. Currently, about 7000 services are covered, but some service items remain excluded from NHIS coverage, thus requiring patients to pay full costs.

11. The patient pays directly to providers the proportion of the bills not borne by the health insurer, subject to a cost-sharing arrangement under the fee-for-service payment scheme. Different co-payment rates are imposed depending on the scale of medical institutions utilized. Patients receiving health care services in independent clinics or purchasing drugs in the pharmacies normally are required to make a patient co-payment of 30%. Co-payment rates are 35-60% for out-patient care in hospitals. In the case of in-patient care, a 20% co-payment rate applies. In Korea a patient's burden is quite high compared with the practice of 'average' OECD countries. This provides an incentive to patients to be economical but can work to obstruct patients' utilization of medical services.

### ***Third-party payers and providers: including provider payment mechanisms and claims review***

12. Even though Korea's health system is classified as a public contract model following the classification by OECD (OECD, 1992), providers are automatically designated as "health insurance-applied medical institutions" from the start without any contract. The NHIS reimburses providers for the proportion of the bills not borne by the patient who pays directly the providers his or her cost-sharing contribution. Medical costs are calculated mainly on a fee-for-service basis whose application dates back to the time that public health insurance was first introduced in Korea.

13. The Fee Schedule is negotiated annually between the NHIS and representatives of the professional associations. The negotiation of medical fees determines the 'value' (conversion rate) of a national 'point' scale. Since 2001, a national resource-based scale has been set for all treatments (the Resource-Based Relative Value Scale, RBRVS). The scale provides a point value which is calculated based on the inputs<sup>1</sup> needed to provide each treatment. Fees are calculated by multiplying the relative points for each treatment by the value of the point. While the wholesale prices of drugs are

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<sup>1</sup> The inputs include total work (time, effort, work amount, manpower), overhead costs and costs of malpractice (liability insurance), but do not entail any compensation for capital investment costs (HIRA, 2008)

determined by pharmaceutical manufacturers, their maximum prices are set in a positive drug list by the government. When the manufacturer of a new drug requests its listing on the drug list after they obtain a product license from the Korea Food and Drug Administration, the Ministry will determine the maximum price. This price will reflect the result of a negotiation between the NHIS and the manufacturer and is informed by a HIRA review of the appropriateness and economic effectiveness of the drug. This review involves consultation with the Pharmaceutical Benefit Review Committee.

14. The government and NHIS have been considering for a long period moving to a different provider payment mechanism, namely Diagnostic Related Groups (DRGs) and/or global budgets. Discussion on DRGs started in the early 1990s and demonstration projects were undertaken from 1997 to 2002. In 2002, DRG case payments were put into practice on a voluntary basis, with selected simple procedures in hospitals. 51 DRGs for seven disease groups include: caesarean section (3 DRGs); appendectomy (6 DRGs); lens procedures (12 DRGs); tonsillectomy and adenoidectomy procedures (4 DRGs); inguinal and femoral hernia procedures (8 DRGs); anal and stomal procedures (6 DRGs); uterine and adenexa procedures for non-malignancy (12 DRGs). DRG payments became a compulsory system in 2013 replacing the fee-for-service payment system for all medical institutions in the case of the seven disease groups.

15. Each provider's claims are reviewed by the HIRA for reimbursement with feedback provided in the hope that this will encourage prudence by providers. Almost all facilities submit their claims electronically. Upon submission, claims are automatically reviewed by a software program which checks the data input (e.g. codes, prices, data gaps or data input errors) and the application of benefit standards. On the basis of this automatic check, facilities can resubmit their claims if necessary. The introduction of Electronic Data Interchange (EDI) has significantly increased the efficiency and speed of processing claims. It also contributed to transparency. The review process sanctions dishonest claims and penalizes the provision of unnecessary treatments. Inappropriate or excessive prescriptions are also sanctioned. When claims by a certain medical institution register as far greater than the average on a consistent basis, it undergoes a more comprehensive review. The HIRA review process is supported by input from related specialist groups.



## **B. HISTORICAL DEVELOPMENT OF HEALTH ACCOUNTS IN KOREA**

16. Health accounts are a systematic description of financial flows related to health care and describe a health system from an expenditure perspective. Health expenditure is the object of measurement in health accounts. A country's health accounts provide measures for a given time period and include these in a set of tables in which various aspects of the nation's health expenditure are presented. The tables themselves are simply a means to display the financial flows related to a country's consumption of health care goods and services. The data contained are intended for use by analysts and national policy makers to assist in assessing and evaluating a country's health system. Reporting the data and estimates in a comparative way allows for evaluations between countries and is thus useful for international comparisons. The estimates from the national health accounts give decision makers an overall picture of the health sector, showing the division of spending and the roles of different players. In addition they provide a consistent foundation for modelling reforms and for monitoring the results of modifications in financing and provision (OECD, WHO, Eurostat, 2011).

17. The OECD's "System of Health Accounts" which was published in 2000 presents definitions and guidance on a range of issues important for the construction of health accounts. The Korean National Health Accounts (NHA) had been produced before the SHA Manual was introduced and implemented in Korea. Several Korean researchers have published independent estimates of national health expenditure in Korea over the years (Park, 1976; Kwon, 1986; Myoung, 1994; Shin, 1998; Jang, Doh, Gho, Lee, 2000; Jung, Lee, Kang, 2000; Jung, 2001). While most estimates were rigorously calculated within the respective differing frameworks chosen, they were not able to be compared with OECD estimates for other countries because they included different health expenditure items. In 2003, the Ministry of Health and Welfare commissioned Yonsei University to undertake a project involving the construction of Korean National Health Accounts in compliance with the OECD's SHA framework.

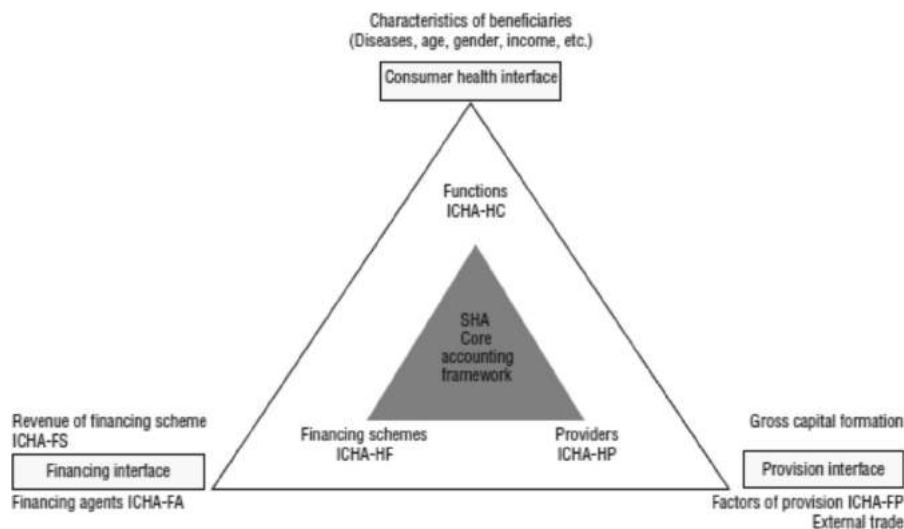
18. These estimates were constructed using the OECD's SHA manual. Differences in the data used for the estimates and in the methodology used resulted in significant changes in the value and structure of the Total Health Expenditure (THE) between the pre-SHA estimates and the SHA estimates. The SHA estimates have made it possible to better compare the THE of Korea with the THEs of other OECD countries. Since the first successful SHA tables were built, new classification schemes and methods suggested by the SHA expert group have been adopted, and new data sources have been added to improve the estimates. Over the period since the introduction of the SHA framework awareness and appreciation of the need for, and benefits from, the application of SHA to the health expenditure classification has been steadily increasing with OECD health expenditure figures now more frequently quoted by health policy makers. In the process of constructing and submitting SHA data to the OECD for the past few years, the value of regularly updating health accounts has won general acceptance both inside and outside the government.

19. A new manual of System of Health Accounts, SHA 2011, was published jointly by the OECD, Eurostat and WHO in 2011. The Manual itself drew inspiration from and built on a number of international manuals and guidelines on health expenditure accounts, most notably: A System of Health Accounts ("SHA 1.0") (OECD, 2000); the Guide to Producing National Health Accounts ("The Producers Guide") (World Bank, WHO, USAID, 2003); and the SHA Guidelines (Eurostat, UK ONS, 2003). The formal process of producing SHA 2011 started in 2007 as a co-operative activity of health accounts experts from the OECD, WHO and Eurostat, known collectively as the International Health Accounts Team (IHAT). The resulting manual was the subject of an extensive and wide-reaching consultation process aimed at gathering inputs from national experts and other international organisations around the world.

20. According to OECD, WHO, Eurostat(2011), SHA 2011 introduces a number of changes and improvements compared with SHA 1.0. It reinforces the tri-axial relationship that is at the root of the System of Health Accounts and its description of health care and long-term care expenditure. SHA 2011 offers more complete coverage within the functional classification in areas such as prevention and long-term care; a more concise picture of the universe of health care providers; and a precise approach for tracking financing in the health care sector using the new classification of financing schemes.

21. Based on this tri-axial approach to health care expenditure, SHA 2011 also develops three analytical interfaces which allow countries to focus on specific areas of national health policy interest and, by expanding health accounts in this direction, also facilitates a more comprehensive analysis. Building on the methodological work of the Producers Guide, SHA 2011 further develops the health care financing interface to allow for a systematic assessment of how finances are mobilised, managed and used, including the financing arrangements (Financing Schemes), the institutional units (Financing Agents) and the revenue-raising mechanisms (Revenues of financing schemes). The production interface delves into the cost structures of health care provision (Factors of Provision) and provides a separate treatment of capital formation so as to avoid some of the past ambiguity regarding the links between current health spending and capital expenditure in health care systems. The consumer health interface is of particular interest to the study and further analysis of the functional dimension, as it helps in exploring the breakdown of health care expenditure according to beneficiary characteristics, such as disease, age, gender, region and socioeconomic status. Overall, however, great emphasis has been given to the need to preserve the investment and efforts of countries to date in institutionalising health accounts.

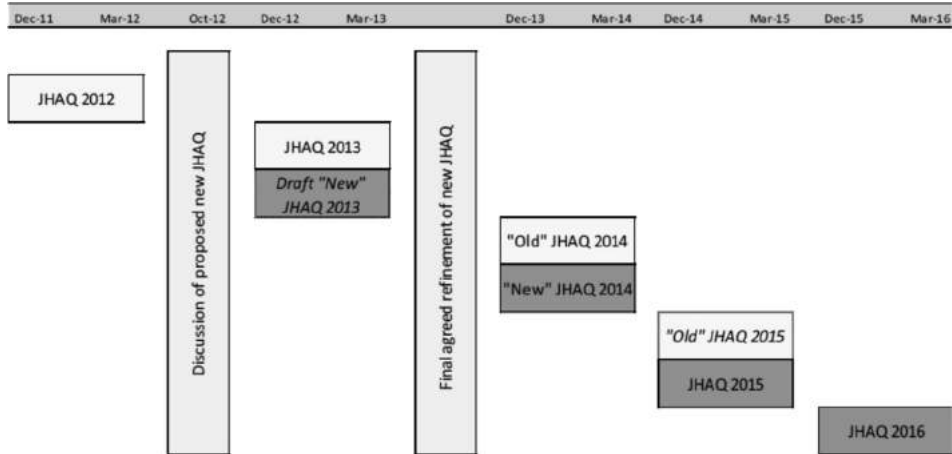
**Figure 1. The core and extended accounting framework of SHA 2011**



Source: OECD, WHO, Eurostat (2011)

22. A degree of lead-time to pilot test SHA 2011 is being allowed for each country. According to OECD (2012), the questionnaire for the Joint Health Accounts Questionnaire (JHAQ) is scheduled to be refined subject to pilot reporting and feedback during the 2013 exercise, and, if necessary, further discussion and agreement will be made at the 2013 OECD Health Accounts meeting. For the 2014 data collection, both the “old” JHAQ and the “new” JHAQ are to be selectively used. This is expected to allow those countries already in a position to submit according to the new SHA-2011 JHAQ to do so, while providing the flexibility for other countries which need more time to test and adapt to the new data requests, the opportunity to continue with the old JHAQ.

**Figure 2. Proposed timetable for the introduction of the SHA 2011-based JHAQ**



23. Korea has recently succeeded in creating health accounts based on SHA 2011. Both SHA 1.0- and SHA 2011-based health accounts will be produced for the time being, with the latter being submitted for the OECD's JHAQ from the year 2014 on.

## DATA SOURCES AND ESTIMATION METHODS

24. Korea's NHA tables are formulated based on existing statistics as listed in Table 1 after a mapping process set forth in detail in Jeong (2011b).

**Table 1. Main sources for public and private expenditures**

<b>Public expenditures:</b>
Budget and settlement documents of the government
National Health Insurance Statistical Yearbook, National Health Insurance Service (2000 and after) and Medical Insurance Statistical Yearbook, National Federation of Medical Insurance (prior to 2000)
Medical Aid Statistical Yearbook, National Health Insurance Service
Long Term Care Insurance Statistical Yearbook, National Health Insurance Service (2008 - 2011)
Yearbook of Industrial Accident Compensation Insurance, Ministry of Labor
<b>Private expenditures:</b>
Private households out-of-pocket:
Economic Census, National Statistical Office
Household Income and Expenditure Survey, National Statistical Office
National Health and Nutrition Survey, Ministry of Health and Welfare
Korean Healthcare Panel Study (KoHPS), the Korean Institute for Health and Social Affairs (KIHASA) and NHIS.
Survey on NHI Out-of-pocket Expenditure, National Health Insurance Service (2005-2011)
Survey on LTCI Out-of-pocket Expenditure, National Health Insurance Service (2010)
National Health Insurance Statistical Yearbook, National Health Insurance Service (2000 and after)
Medical Insurance Statistical Yearbook, National Federation of Medical Insurance (prior to 2000)
National Accounts, Korean Bank
Survey Report on Labor cost of Enterprises, Ministry of Labor
Survey Report on Establishment Labor Conditions, Ministry of Labor
Private Insurance:
Unpublished data, Korea Insurance Development Institute
Other Privates:
Survey Report on Labor Cost of Enterprises, Ministry of Labor
Survey Report on Establishment Labor Conditions, Ministry of Labor

## FINANCING SCHEMES CLASSIFICATIONS (ICHA-HF)

25. Data sources for HF.1 (Governmental financing schemes and compulsory contributory health financing schemes) in SHA 2011 or HF.1 (General government) in SHA 1.0 include budget and settlement documents of the government, and various statistics from the National Health Insurance (NHI), Medical Aid Program (MAP), Industrial Accident Compensation Insurance, and others, as shown in Table 1. The NHI and MAP in Korea that adopted a 'fee-for-service' method for reimbursement have established an Electronic Data Interchange (EDI)-based medical claim and review system as well as an Integrated Data Warehouse system of health information. Each medical institution submits details of its health care procedures while filing medical fee claims, which are mainly in the form of either EDI or electronic media (diskettes or CD's). Currently, most medical institutions in Korea file EDI-based electronic claims which add up to about 1.4 trillion claims per year. Most of the medical institutions have adopted EDI. Even in the rare case where claims are submitted in a hard copy form, the diagnosis and expenditure items of those claims are converted into electronic data by the HIRA.

26. The only insurance program falling into HF.1.2.2 (Compulsory private insurance) in SHA 2011 or HF 2.1 (Private social insurance) in SHA 1.0 found in Korea is the liability insurance portion of Car Accident Insurance. The liability

insurance program, which is intended to meet certain social purposes, is statutorily mandatory for a vehicle driver. As this program is implemented by private firms this segment is regarded as ‘private’ but ‘compulsory’ health insurance. Its reimbursement for health expenditure is classified into HF.1.2.2 (Compulsory health insurance schemes) in SHA 2011, although it was included in HF.2.1 (Private social insurance) in SHA 1.0. Expenditures by providers such as hospitals and doctors’ clinics financed by Car Accident Insurance are available from the aggregated data obtained from the Korea Insurance Development Institute (KIDI). The amounts actually paid to medical institutions and reimbursed to the patients by insurance companies fall under this category [HF.1.2.2 (Compulsory health insurance schemes) in SHA 2011]. However, the ‘medical bills to go,’ which are to be paid in cash by the insurance company to cover medical bills that may be incurred in the future, are excluded in that they will be included in ‘Private Household out-of-pocket expenditure (HF.3 in SHA 2011)’ when paid in the future.

27. In terms of subordinate headings of HF.2 (Voluntary health care payment schemes other than OOP) in SHA 2011, there is no health insurance in Korea which can be classified as Primary /substitutive insurance schemes (HF.2.1.1) in SHA 2011 since no Korean national is excluded from, or allowed to opt out of, the public system. HF.2.1.2 (complementary/supplementary voluntary health insurance schemes) in SHA 2011 corresponds to HF.2.2 (Private insurance other than social insurance) in SHA 1.0.

28. The aggregated data for HF.2.1.2 (complementary/supplementary voluntary health insurance schemes) are obtained from the KIDI which collects them from each private insurance company. These data are not sufficiently detailed to meet the requirements of the SHA’s functional and provider classification. A more precise breakdown has to be made by the triangulation method based on the information from the NHI data etc. Only in-kind type private insurance benefits are included. Excluded under this category are payments in situations where lump-sums are paid by private insurance companies for ongoing cases such as when diseases like cancer have developed. Such insurance reimbursement on a prepayment basis has separately been counted and included in the health accounts as ‘Household out-of-pocket expenditure (HF.2.3)’ which is estimated at the time that the household makes payments to the medical providers. While the funding has originated from a ‘private insurance company,’ it is the financing scheme (in the case of SHA 2011) or financing agent (in the case of SHA 1.0) called ‘the household’ who pays the medical providers from the perspective of the System of Health Accounts.

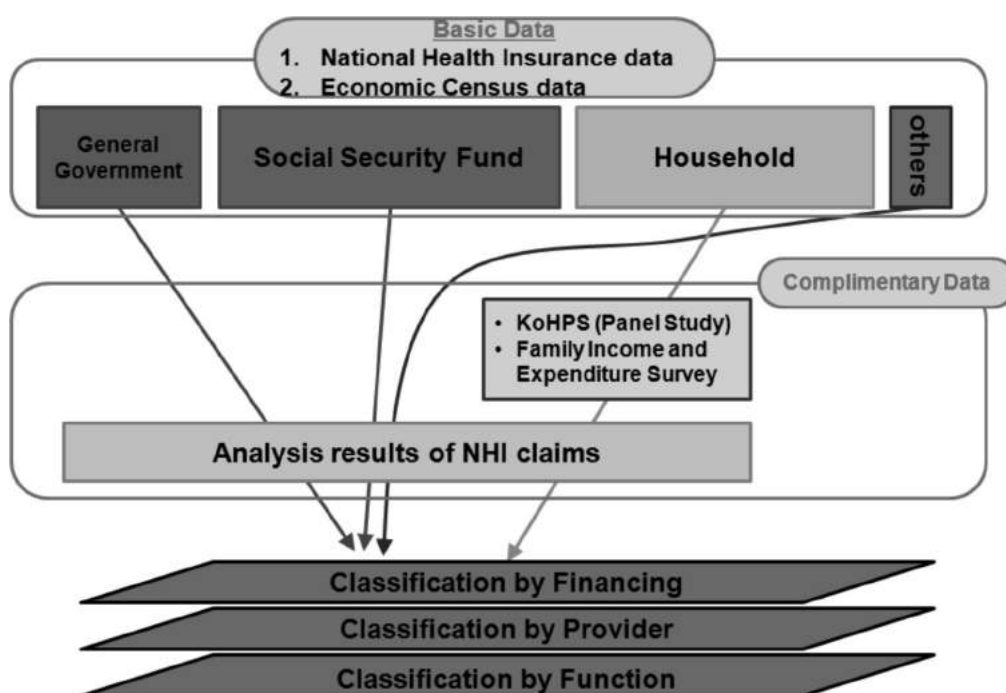
29. Data from private insurance companies includes expenditures for purposes other than health care. Adjustments are made to exclude those items that fall outside the scope of the health accounts with the help of additional supplementary data. The administration expenditure of private insurance companies which provide health insurance policies as one of several policies is estimated by apportioning to the health insurance component the average administration cost rate of the companies’ operations across all sectors or applying an administrative expenditure ratio derived from a similar branch of private insurance such as accident insurance.

30. ‘Non-profit Institutions Serving Households (NPISH) financing schemes (HF.2.2 in SHA 2011 or HF.2.4 in SHA 1.0)’ is one of the institutional sectors in the National Accounts. Only the parts of self financing such as donations and revenues of assets fall under this category. Information on the NPOSH from ‘health’ heading in the Classification of Individual Consumption by Purpose (COICOP) in the National Accounts is used as health expenditure of this category.

31. Health expenditure with ‘Enterprise financing schemes’ (HF.2.3 in SHA 2011 or HF.2.5 in SHA 1.0) is obtained by multiplying the expenditure per employee a corporation spends for ‘health and medical care’ under the category of ‘welfare costs other than legally specified’ which is obtained from a survey report on Labor Cost of Enterprise (Ministry of Labor) by the number of employees. The survey is conducted, based on reports from private companies.

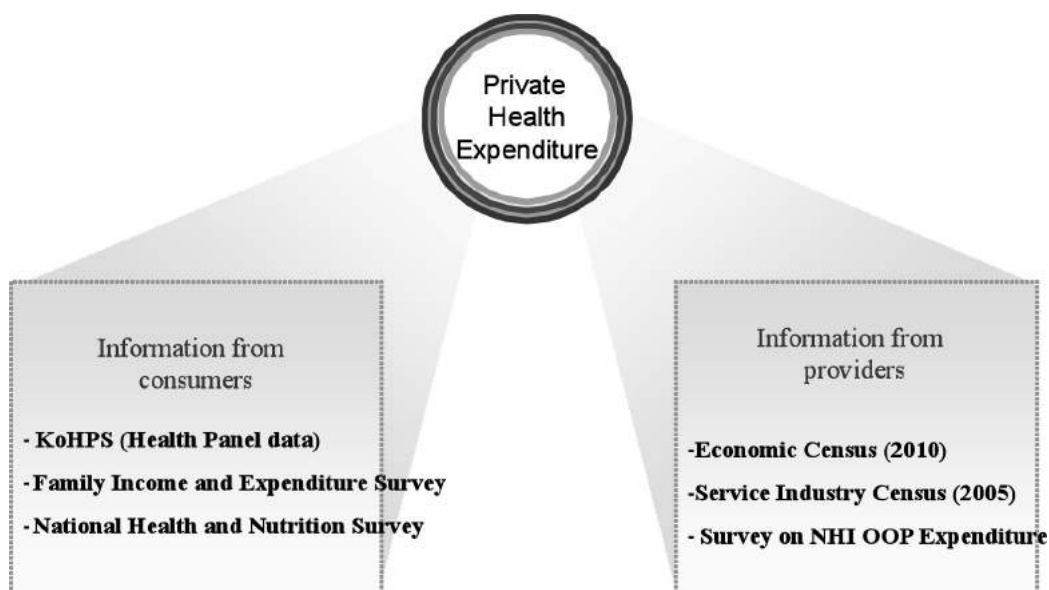
32. There are limitations on the assessment of the size and makeup of private health expenditures. Of all the components of private health expenditure, the household out-of-pocket expenditure is the one the reliability of which is most questionable. Appropriate calculations of the size of “out-of-pocket excluding cost-sharing” (HF.3.1 in SHA 2011 or HF.2.3.1 in SHA 1.0), among sub-headings of “household out-of-pocket expenditure” (HF.3 in SHA 2011 or HF.2.3 in SHA 1.0), are a key element in the successful construction of the Korean NHA. The cost-sharing portion (HF.3.2 in SHA 2011 or HF.2.3.2 in SHA 1.0) is derived from the NHI and MAP data, where financing, functions, and providers are clearly and specifically indicated, while “out-of-pocket excluding cost-sharing” is calculated by combining those data and data from surveys such as the Economic Census, the household income and expenditure (HIE) survey, Korean healthcare panel study (KoHPS), and survey on NHI out-of-pocket expenditures (Figure 3). The main task is to estimate “out-of-pocket excluding cost-sharing” by function and by provider using residual techniques.

**Figure 3. Process of the Construction of Korean Health Accounts**



33. The methods of obtaining household health expenditures (HF.3 in SHA 2011) fall into two categories, namely, checking with medical providers, and checking with users or patients. HIE survey data which falls into the latter of the two categories, has been used to estimate total private health expenditures. The OECD guidelines (OECD, 2008), however, cautions on the limitations of the use of data from HIE surveys. The method of identifying ‘household out-of-pocket expenditure excluding cost-sharing’ directly from ‘the user or patient’ relies largely on survey techniques such as interviews, questionnaires and telephone contact. The success of these techniques varies due to factors such as recall periods, whether respondents utilize receipts, incentives for the survey, and the like. The most accurate method known is to directly conduct an interview with patients coming in and going out of well-sampled medical institutions, collecting their receipts. This method faces the limitations of getting samples reliable enough to represent the entire group by type of the medical providers. Even if the likelihood of under-reporting cannot be ruled out from such surveys, data collected on a routine basis could still be very useful in providing information on the trend in expenditure flows, and in providing information of proportions shared by components.

**Figure 4. Main Sources of Private Health Expenditure**



34. The OECD guidelines (OECD, 2008) stress that the data available from ‘medical providers’ are the most appropriate for the construction of health accounts. Following these guidelines, Korea changed its methodology to use Economic Census data instead of HIE Survey data that had been previously used to estimate the total amount of private health expenditures. The Economic Census, which is conducted every five years, collects total revenue of each and every enterprise in Korea and its components. The comparability is expected to increase between Korean Health Accounts (based on SHA) and National Accounts (based on SNA) since both use the Economic Census as a basic source to construct the estimates.

35. Firstly, an estimation of total revenue by provider groups (HP) is made from the Economic Census data in the case of the year 2010. Total revenues in other years are calculated by applying the trend of figures in the HIE Survey. Secondly, the size of “out-of-pocket expenditures excluding cost-sharing (HF.3.1 in SHA 2011)” is obtained by subtracting other financing schemes including “Government schemes and compulsory contributory health care financing schemes” (HF1), “Voluntary health care payment schemes” (HF.2), the “Cost-sharing with third-party payers” (HF.3.2) (obtained from administrative statistics such as those of the NHI and medical aid program) etc. from total revenue by provider groups. Thirdly, the HIE survey, Korean healthcare panel study (KoHPS) etc. are used to allocated those totals into functional classifications.

### ***Providers classifications (ICHA-HP)***

36. With reference to HP.4 (Providers of ancillary services) as additionally prepared in SHA 2011, few laboratory clinics provide testing services upon doctors’ prescriptions in Korea unlike in European countries. Instead, in Korea there is increasingly large firms providing testing services for medical institutions. However in such cases, it is the medical institutions that do the billing to the insurer rather than the firms.

37. All expenditures at public health centres are classified HP 6 (Providers of preventive care). While it is not so easy to assert that ‘public health centres’ in Korea are agencies with the provision of preventive care as a primary activity, it is thought that they are closest of all the provider classification headings to HP.6 (Providers of preventive care).

38. Both HP.6 (Providers of preventive care) and HP.7.1 (Government health administration agencies) of SHA 2011 have been newly constructed from the outset rather than being mapped from existing HP.5 (Provision and administration of public health programs) and HP.6.1 (General health administration and insurance) of SHA 1.0.

### ***Functional classifications (ICHA-HC)***

39. HC.1 (Curative care) and HC.2 (Rehabilitative care) are difficult to distinguish in Korea. It is possible in Korea to identify the department where medical services are provided (for example whether it is the rehabilitation department or another department) by the claims filed to the HIRA. However, it is difficult to identify how much of the work is curative services and how much rehabilitative services since curative services could take place in the rehabilitation department and rehabilitative services could take place in other specialty departments. Currently, all the medical services provided in the department of rehabilitation are included in HC.2 (Rehabilitative care) with rehabilitative services that take place in other specialty departments not classified to HC.2.

40. It is difficult to distinguish under the current Korean health care delivery system between general care (HC.1.1.1, HC.1.2.1 or HC.1.3.1) and specialized care (HC.1.1.2, HC.1.2.2 or HC.1.3.2) as defined in SHA 2011. This is because the role of gate keeping is not restricted to GPs in the Korean system and most of the doctors at doctors' clinics provide medical services with a certificate of medical specialists on hand. It is therefore difficult to delineate the extent to which a certain service falls into the general care or specialized care categories. Accordingly, all the curative services except dental services are grouped into general care (HC.1.1.1, HC.1.2.1 or HC.1.3.1).

41. A component of long-term health (nursing) care provided by "long-term care hospitals" is reimbursed by National Health Insurance, thus this information is obtained from the NHI dataset. On the other hand, information of Activities of Daily Living (ADL) services (personal services) provided mainly by "long-term care facilities," which are reimbursed by the Long-Term Care (LTC) Insurance, is obtained from the LTC Insurance dataset. Spending on ADL services had been limited until LTC insurance was introduced in 2008.

42. Since LTC Insurance was launched in Korea in July, 2008, LTC expenditures have been rapidly rising. The Manual of SHA 2011 classifies all ADL services as health care. LTC insurance in Korea provides services including visits for home help, visits for bathing services, visits for nursing services, day services, short-stay services and institutional care services, of which all services other than nursing services fall into 'help with ADL services by manpower without health or medical knowledge and, at the same time, provided independently without recourse to health care.' However, all the ADL services are classified into health care (HC.3) consistent with SHA 2011.

43. HC.6 (Preventive care) of SHA 2011 has been newly constructed from the outset rather than mapping existing HC.6 of SHA 1.0 into new HC.6 of SHA 2011. While individual health check-ups was classified into HC.1.3 (Out-patient curative care) in SHA 1.0, they are classified into HC.6.1 (Personal preventive programs) in SHA 2011, thus making a significant difference.

44. Traditional medicine plays a significant role in the Korean health system. It was possible to sub-classify 'RI.2. Traditional, Complementary and Alternative Medicines (TCAM)' into 'RI 2.1 (Inpatient TCAM)', 'RI 2.2 (Outpatient and home based TCAM)' and 'RI 2.3 (TCAM goods)'. Both reimbursement by health insurance and household out-of-pocket payment for those items are estimated based upon the statistics of both NHI survey and HIE Survey.



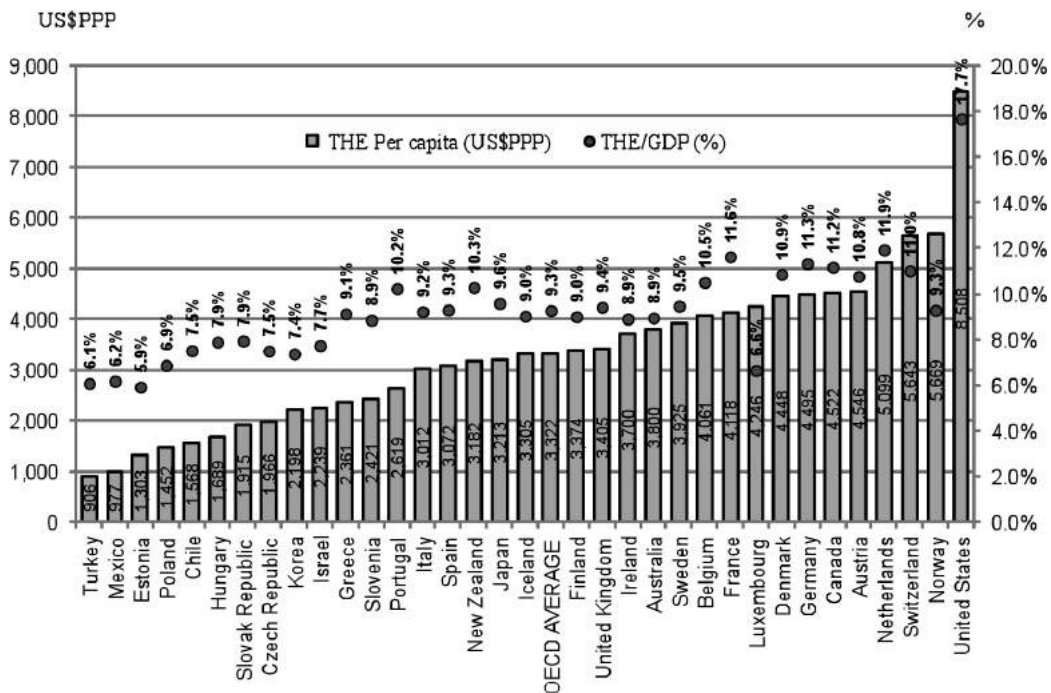
45. The collection and update of data to build SHA as well as review and revisions of the methodology are ongoing throughout the year. The time periods when data become available vary. Quarterly data on National Health Insurance expenditures are made public around six months after the relevant period has elapsed, with the annual data being available through the official statistics yearbook after a year has elapsed. The same is true of the expenditures of the Medical Aid Program, and the HIE survey. However other data is only available after one or two years have elapsed. The delay for health accounts estimates to become available is therefore at best two years (T-2) after the period to which the estimates relate. However, preliminary estimated figures of the health accounts one year previously (T-1) can be produced based upon extrapolation using increase rate etc.

# STRUCTURE AND TRENDS OF HEALTH EXPENDITURE

46. The SHA estimates are currently available for the years 1980-2011 (Table 2). Korea's total health expenditure (THE) in 2011 was estimated at 91.2 trillion won, equivalent to US\$ 82.3 billion. Of this, 95.5% (87.1 trillion won) was current health expenditure (CHE) and the remaining 4.5% was expenditures for capital formation by health care provider institutions.<sup>2</sup> THE in 2011 was 6.6% higher than THE in 2010 due to a 2.5% increase in real health expenditures and the general inflation rate (consumer price index) of 4.0% during the year.

47. Korean THE and CHE as a share of GDP was 7.4% and 7.1% respectively in 2011, around four-fifths of the OECD average (9.3% and 9.0%) and health expenditure per capita was 2,198 and 2,100 US\$PPP<sup>3</sup> respectively, around two-thirds of the OECD average (3,322 and 3,194 US\$PPP) (Chart 1). Korea has a relatively low, but rapidly growing, level of health expenditure compared to other OECD countries. There are 11 OECD countries, which devote more than 10% of GDP to health, while three countries, Mexico, Turkey and Estonia, devote only around 6% of GDP to health. Around half of OECD countries fall within a per capita health expenditure of between 3,000 and 4,500 US\$PPP. Differences in per capita health spending levels reflect an array of market and social factors, as well as diverse financing and organizational structures of the health systems of the concerned countries (OECD, 2009).

**Chart 1. Health expenditure as per capita US\$ PPP and Share of GDP in OECD countries**



Data source: OECD Health Data 2013

Base year is 2011 except Australia, Denmark, Japan, Mexico (2010), Luxembourg (2009), and Turkey (2008)

2 Total health expenditure (THE) measures the final consumption of health goods and services (current health expenditure or CHE) plus capital investment in health care infrastructure. It has been argued that the two aggregates cannot be directly summed up as they refer to different periods of consumption where capital formation enables future provisions (OECD, WHO, Eurostat, 2011)

3 The purchasing power parities (PPPs) for the whole of GDP are used for the conversion of the expenditures from different national currency units into US dollars.

48. Korean CHE has increased annually even though the rate of increase has been generally declining with annual averages of 19.6% in the 1980s, 14.1% in the 1990s, and 12.2% for the period of 2000-2011 (Table 2). The rate of increase stagnated (2.6%) in 1998 largely due to the 1997 Asian financial crisis. This was followed by a rapid rate of increase (23.3%) in 2001, largely influenced by reforms introduced in the second half of 2000 that mandated the separation of drug prescription and dispensing facilities, coupled with rises in doctors' fees (Jeong, 2009). Subsequent years saw a slight drop in the rate of increase (7.1% in 2002 and 9.1% in 2004) due to cost-containment policies, followed by sharp rises again after 2005, when public benefit coverage was enhanced (12.9% in 2005, 13.8% in 2006 and 11.6% in 2007). This rapid growth continued after the 2008 global recession (13.0% in 2009 and 13.1% in 2010). These double digit increases in annual rates created a controversy over the future sustainability of the Korean health care system, even though the rate of increase slowed somewhat in 2011 (to 7%).

49. Contrary to many other OECD countries, and partly because of its rapidly expanding economy, Korea's health expenditure to GDP ratio had been relatively stable until 1998. Since then, the ratio has been increasing. The increase of three percentage points (3pps) in the "THE to GDP" ratio during one decade (from 4.3% in 1999 to 7.4% in 2011) indicates a significant increase not only in the proportion of overall economic activity contributed by health expenditures but also in the burden of maintaining the Korean health system. The largest annual increase during the past decade came in 2001, when the ratio grew from 4.3% to 5.0%. This was related to changes in GDP as well as changes in health expenditures. Throughout the 1980s, THE grew at an annual average rate of 19.3% compared to average annual GDP increase rates of 17.3%. The relative equivalence of the two rates was still the case in the 1990s, when the annual average of THE stood at 14.3% and of GDP was 13.2%; however, between 2000 and 2009 average economic growth slowed to 6.9% despite the continued rapid average annual increases of 12.4% in THE over the same period. This resulted in an annual average increase in the "THE to GDP" ratio of 5.2% over this period.

50. This trend of health spending outpacing economic growth continued and was further entrenched in Korea after the 2008 global recession, resulting in the "THE to GDP" ratio jumping from 6.6% in 2008 to 7.4% in 2011. This is in contrast to many other OECD countries, where the ratio rose in 2009 as GDP slowed down while health expenditure was still maintained, but subsequently declined in 2010 and 2011.

**Table 2. Trends in health expenditures and GDPs, 1980-2011**

Year	THE		CHE		GDP		THE/GDP		THE per capita		Public share	
	size (trillion won)	growth rate	size (trillion won)	growth rate	size (trillion won)	growth rate	size (%)	growth rate	size (thousand won)	growth rate	governmental scheme (HF.1 in SHA 1.0)	governmental and compulsory schemes (HF.1 in SHA 2011)
1980	1.4	34.1%	1.3	34.6%	39.1	22.0%	3.6%	9.9%	37	32.0%	22.1%	22.5%
1981	1.8	29.6%	1.7	29.8%	49.3	26.1%	3.7%	2.8%	47	27.6%	21.9%	22.4%
1982	2.1	16.0%	2.0	14.2%	56.7	14.9%	3.7%	0.9%	54	14.2%	24.7%	25.1%
1983	2.4	14.5%	2.3	15.7%	66.7	17.7%	3.6%	-2.7%	61	12.8%	27.9%	28.5%
1984	2.7	9.5%	2.5	10.1%	76.5	14.8%	3.5%	-4.6%	66	8.1%	31.0%	31.7%
1985	3.0	12.7%	2.8	13.1%	85.7	12.0%	3.5%	0.6%	74	11.6%	32.1%	32.9%
1986	3.3	10.9%	3.2	11.8%	100.3	17.0%	3.3%	-5.2%	81	9.8%	30.8%	31.7%
1987	3.8	14.3%	3.6	14.8%	117.9	17.6%	3.2%	-2.8%	91	13.2%	31.3%	32.3%
1988	4.8	25.4%	4.5	25.1%	140.5	19.2%	3.4%	5.3%	114	24.2%	33.5%	34.5%
1989	6.1	28.7%	5.9	29.4%	158.6	12.9%	3.9%	14.0%	145	27.4%	34.4%	35.6%
1990	7.4	20.6%	7.1	20.8%	191.4	20.7%	3.9%	-0.1%	173	19.4%	39.5%	40.7%
1991	8.6	16.6%	8.3	16.2%	231.4	20.9%	3.7%	-3.6%	199	15.4%	36.9%	38.3%
1992	10.4	20.7%	9.9	19.8%	264.0	14.1%	3.9%	5.8%	238	19.5%	36.2%	37.5%
1993	11.5	10.6%	10.9	10.4%	298.8	13.2%	3.9%	-2.3%	261	9.5%	36.8%	39.2%
1994	13.4	16.2%	12.2	11.4%	350.0	17.1%	3.8%	-0.8%	300	15.0%	36.0%	38.8%
1995	15.3	14.5%	14.3	17.5%	409.7	17.1%	3.7%	-2.2%	340	13.4%	38.6%	41.4%
1996	18.1	17.8%	16.8	17.5%	461.0	12.5%	3.9%	4.7%	397	16.6%	41.8%	44.7%
1997	19.9	10.5%	18.5	10.2%	506.3	9.8%	3.9%	0.6%	434	9.4%	44.2%	47.5%
1998	20.2	1.3%	19.0	2.6%	501.0	-1.0%	4.0%	2.3%	436	0.5%	49.3%	52.6%
1999	23.5	16.1%	22.0	15.4%	549.0	9.6%	4.3%	6.0%	503	15.3%	50.1%	52.9%
2000	26.1	11.2%	24.6	12.2%	603.2	9.9%	4.3%	1.2%	555	10.3%	50.4%	53.8%
2001	32.3	23.6%	30.4	23.3%	651.4	8.0%	5.0%	14.5%	681	22.7%	56.1%	58.7%
2002	34.6	7.3%	32.5	7.1%	720.5	10.6%	4.8%	-3.0%	727	6.7%	55.0%	57.3%
2003	39.6	14.5%	37.4	15.0%	767.1	6.5%	5.2%	7.5%	828	13.9%	52.6%	55.1%
2004	43.1	8.9%	40.8	9.1%	826.9	7.8%	5.2%	1.0%	898	8.5%	52.9%	55.2%
2005	48.7	12.9%	46.0	12.9%	865.2	4.6%	5.6%	7.9%	1,011	12.7%	53.3%	55.4%
2006	55.5	13.9%	52.4	13.8%	908.7	5.0%	6.1%	8.4%	1,146	13.3%	54.8%	56.8%
2007	62.3	12.3%	58.5	11.6%	975.0	7.3%	6.4%	4.7%	1,281	11.8%	55.1%	56.9%
2008	67.6	8.6%	63.7	8.9%	1,026.5	5.3%	6.6%	3.1%	1,381	7.8%	54.8%	56.5%
2009	75.6	11.9%	71.9	13.0%	1,065.0	3.8%	7.1%	7.8%	1,538	11.4%	56.7%	58.3%
2010	85.5	13.1%	81.3	13.1%	1,173.3	10.2%	7.3%	2.7%	1,731	12.6%	56.5%	57.9%
2011	91.2	6.6%	87.1	7.1%	1,235.2	5.4%	7.4%	1.1%	1,831	5.8%	55.3%	56.7%

**Annual Average Growth Rate**

1980s (80-89)	19.3%	19.6%	17.3%	1.6%	17.8%	5.7%	6.1%
1990s (90-99)	14.3%	14.1%	13.2%	1.0%	13.3%	3.8%	4.0%
2000s (00-09)	12.4%	12.6%	6.9%	5.2%	11.8%	1.3%	1.0%
2000s (00-11)	12.0%	12.2%	7.0%	4.6%	11.4%	0.8%	0.6%

THE: Total Health Expenditure; CHE: Current Health Expenditure

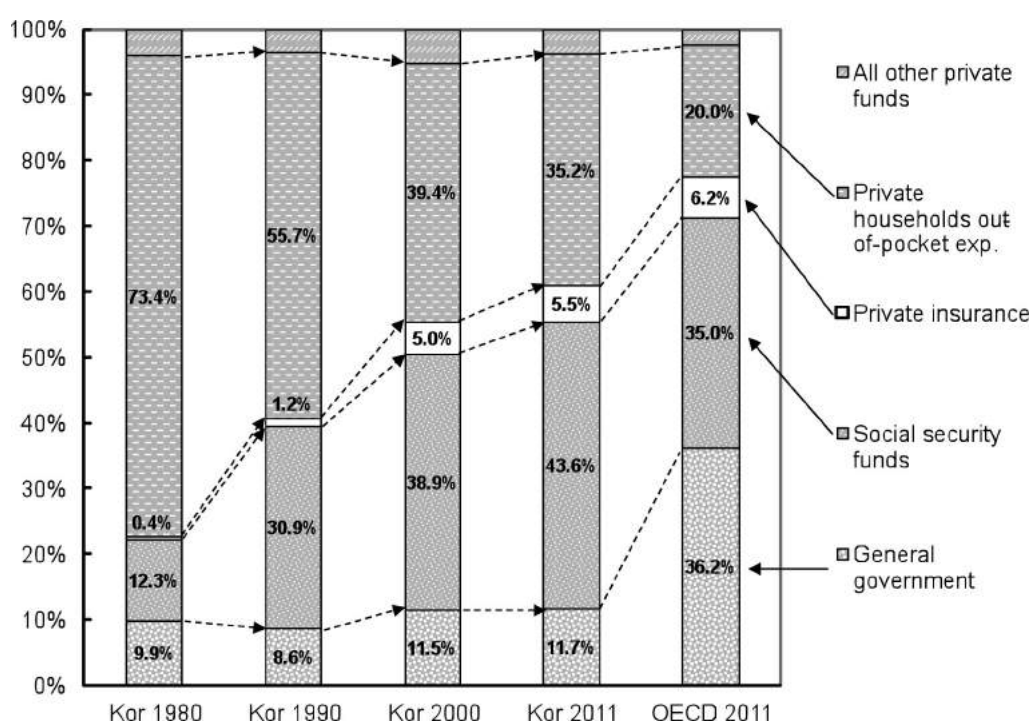
## A. TOTAL AND CURRENT HEALTH EXPENDITURE BY THREE CORE DIMENSIONS

### A.1. FINANCING SCHEME

51. In Korea, there are three major financing schemes<sup>4</sup> for health care: the National Health Insurance (through contributions), the Medical Aid Program (through taxes), and households (from out-of-pocket payments). Charts 2 and 3 as well as Table A1-1 in the annex indicate that Korea has increased its public share over the last three decades, reflecting health system reforms as well as the ongoing expansion of public coverage (Jeong, 2011a).

52. Although, the public sector's share (the sum of 'general government' and 'social security funds') exceeded the private sector's (private insurance, private households' out-of-pocket expenditures and all other private funds) in 2011, the share is still low compared to the OECD countries' average and is the fourth lowest among OECD countries, after Chile, Mexico, and the United States. The relatively high private financing share is linked to substantial out-of-pocket payments, which may be indicative of limitations in access to services in Korea. Patients have to pay high co-payments towards their treatment charges (12.9% of THE); moreover they pay the full cost of services which is not included in the NHI benefit range (22.3% of THE).<sup>5</sup> Although spending by private insurance has recently increased, its share remains relatively low.

**Chart 2. Trends in composition of total health expenditure by financing scheme**

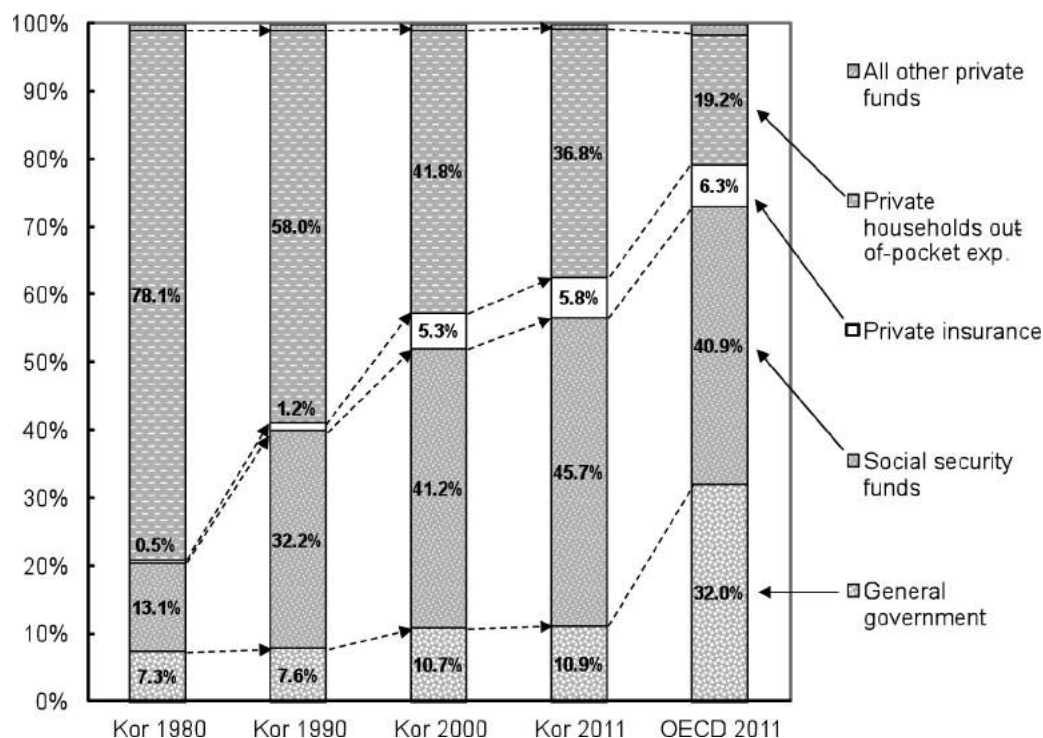


Note: 'OECD 2011' indicates averages of all 34 OECD countries in 2011 or nearest year (source: OECD Health Data 2013)

4 The Manual of SHA 2011 uses health care "financing schemes" as the main "building blocks" of the functional structure of a country's health financing system: the main types of financing arrangements through which health services are paid for and obtained by people. The financing schemes in this framework also include the rules for other functions, such as the collection and pooling of the resources of the given financing scheme. Compared with "financing sources," classification of financing schemes is useful in tracking changes such as who is paying for different types of health care. It is also useful in analyzing the impact of specific public program policy changes. The way health care resources are financed can influence access to services and the burden of health care financing on households at their point of use.

5 Nevertheless, it should be noted that low price and low expenditure level have mitigated the burden of Korean people accessing the health care system (Jeong, 2011a).

**Chart 3. Trends in composition of current health expenditure by financing scheme**



Note: ‘OECD 2011’ indicates averages of all 34 OECD countries in 2011 or nearest year (source: OECD Health Data 2013)

## A.2. FUNCTION

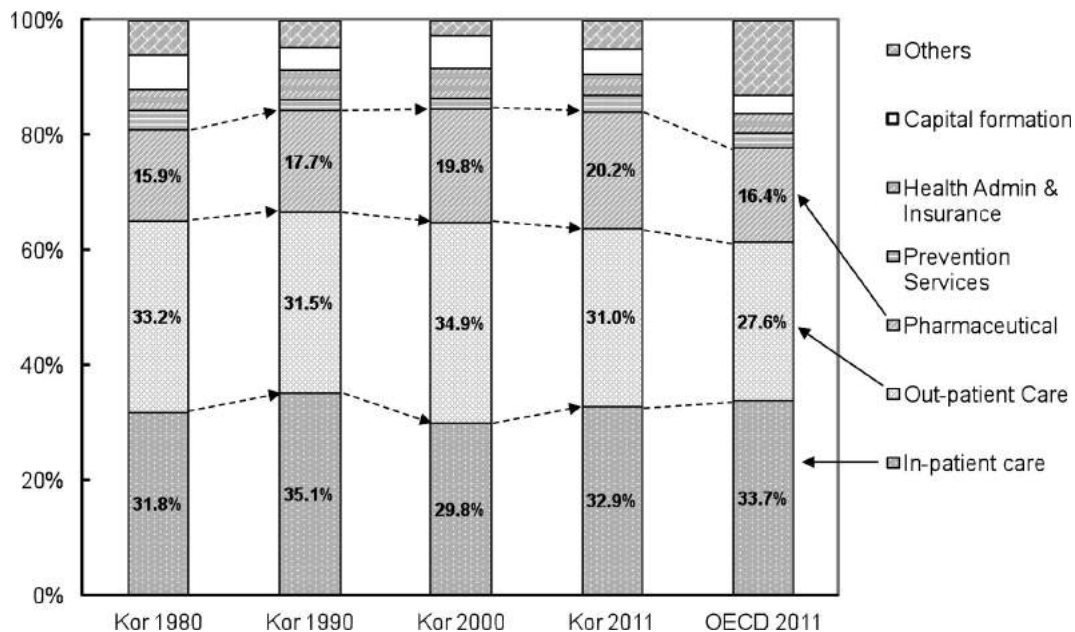
53. This section highlights a few key features of how Korea uses its health resources in terms of the functional classification in the Manual of SHA 2011.<sup>6</sup> Korea spends a relatively large share of its health care resources on out-patient care (31.0% of total health expenditure and 32.4% of current health expenditure in 2011) and medical goods (20.2% and 21.2%, respectively), and a slightly lower share on inpatient care (32.9% and 34.4%, respectively) compared with the average of OECD countries (Charts 4 and 5 as well as Table A1-2). This composition, however, includes the impact caused by the mid-2000 “separation reform” in terms of pharmaceuticals (Jeong, 2005). The in-patient share had been gradually increased during the latter part of the 1990s, due in part to a rapid increase in the availability of hospital beds, before the separation reform reversed this trend in early 2000s. Inpatient care has increased since 2003, with this function becoming the most important once again over the past decade.

54. The Korean pharmaceutical share, 21.2% of CHE, ranks higher than the OECD average. In 2011, Korea’s per capita expenditure on pharmaceutical products was US\$ PPP 445, slightly lower than the OECD average of US\$ PPP 498. According to OECD data, the major pharmaceutical spenders were the United States (US\$ PPP 995 in 2011), followed by Canada (US\$ PPP 752) and Greece (US\$ PPP 673); while Chile (US\$ PPP 197) and Estonia (US\$ PPP 280) had the

<sup>6</sup> The functional classification in the Manual of SHA 2011 involves the contact of the population with the health system for the purpose of satisfying health needs, focusing on the estimation of current spending. To achieve the tri-axial perspective (consumption-provision-financing), the starting point is to measure consumption, which in a health functional approach describes the direct consumption by the population according to the type of health purpose. The boundaries of health care are set based on this consumption purpose. A “function” relates “to the type of need a transaction or group of transactions aims to satisfy or the kind of objective pursued”. Transactions on the expenditure side deal with the question “for what purpose?” (SNA 2008). Although a comparison across countries does not itself provide information about how efficiently health resources are used, it can raise questions for further analysis.

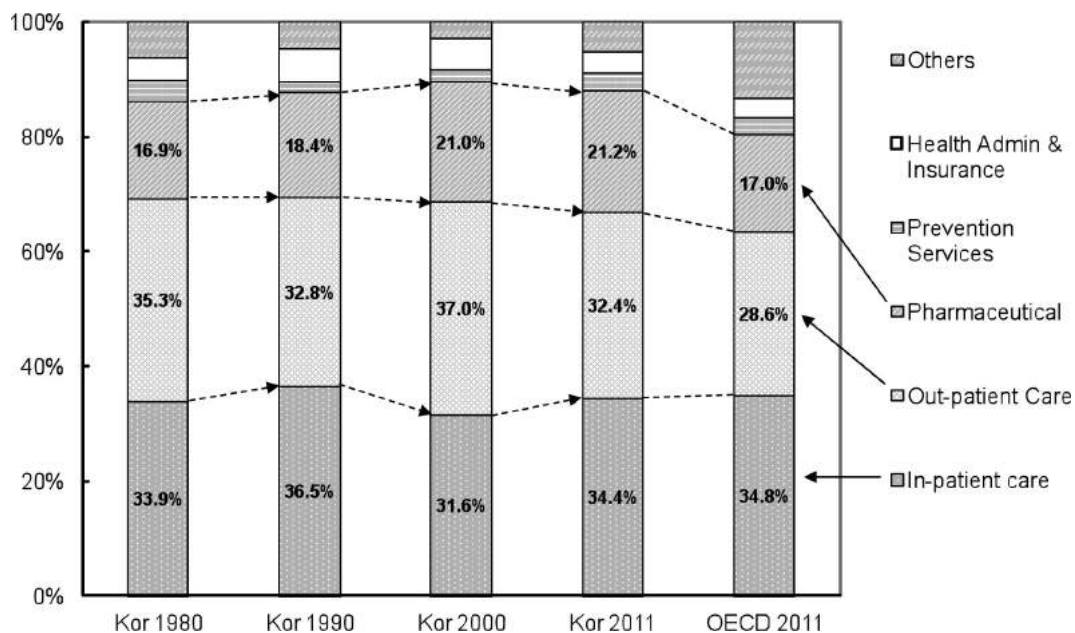
lowest per capita expenditures on pharmaceuticals. As a share of GDP, Korea's pharmaceutical spending was almost the same as the OECD average of 1.5%. Pharmaceutical spending as a share of GDP among OECD countries ranged from a group that includes Chile, Denmark, Luxembourg, New Zealand and Norway (with an average of less than 1%) to a group that includes Greece, Hungary, Slovak Republic, and the United States (with an average of more than 2%). Health administration costs make up 3.5% of total health expenditure (3.7% of current health expenditure), and prevention and public health services, 2.9% (3.1% of current health expenditure).

**Chart 4. Trends in composition of total health expenditure by functions**



Note: 'OECD 2011' indicates averages of all 34 OECD countries in 2011 or nearest year (source: OECD Health Data 2013)

**Chart 5. Trends in composition of current health expenditure by functions**



Note: 'OECD 2011' indicates averages of all 34 OECD countries in 2011 or nearest year (source: OECD Health Data 2013)

### A.3. PROVIDERS<sup>7</sup>

55. As shown in Chart 6, 41.7% of the current health expenditure went into hospitals in 2011, 29.0% into providers of ambulatory health care (16.9% into offices of physicians; 7.7% into offices of dentists; 3.6% into offices of other health practitioners; and 0.6% into Medical and diagnostic laboratories), 18.7% into retail sellers and other providers of medical goods (15.9% into dispensing chemists). Before the mid-2000 separation reform when the roles of doctors and dispensing chemists were not separated the pharmacies percentage was much lower - 8.3% in 2000 compared to 15.9% in 2011. In the 1990s a larger share of pharmaceuticals had been dispensed directly by doctors rather than by pharmacists.<sup>8</sup> The separation reforms reversed this trend (Jeong, 2005).

56. Korea had spent a relatively large share, compared with the OECD average, of its expenditure on ambulatory medical facilities until the 1990s. There has been a clear change over the past decade that saw 'retail sale and other' share increasing (primarily pharmacies) while ambulatory providers' share was decreasing. The distribution of CHE between the two has neared the OECD average. Charts 4 and 5 show a constant share of spending on medical goods, while Chart 6 shows that the share of spending on retailers of medical goods increased dramatically after the mid-2000's separation reform. The explanation for these differing trends is that Chart 6 shows that the role of retailers in providing medical goods increased while the role of physicians and other providers have decreased. Charts 4 and 5 as well as Table A1-3 indicate that there was little change in total spending on medical goods.

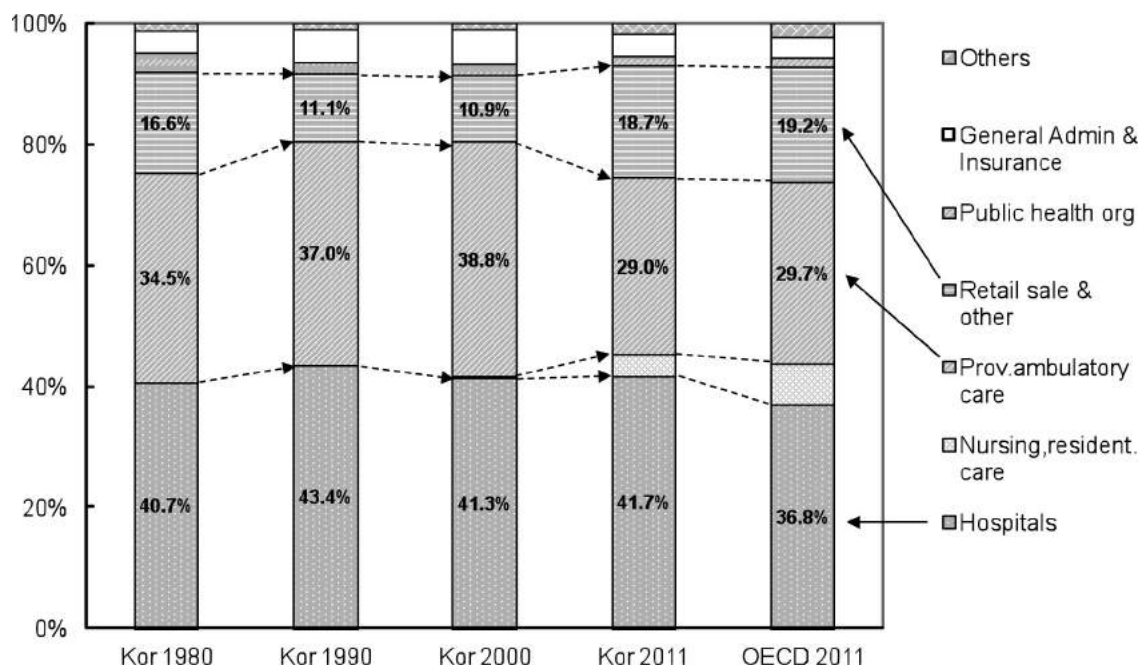
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7 According to the Manual of SHA 2011, health care providers encompass organizations and actors that deliver health care goods and services as their primary activity, as well as those for which health care provision is only one among a number of activities. They vary in their legal, accounting, organizational and operating structures. However, despite the huge differences that exist in the way health care provision is organized, there is a set of common approaches and technologies that all health care systems share and that helps to structure them. The classification of health care providers (ICHA-HP) therefore serves the purpose of classifying all organizations that contribute to the provision of health care goods and services, by arranging country-specific provider units into common, internationally applicable categories. There is no one-to-one relationship between health care functions and the provision and financing categories. The same type of health care goods and services can be consumed from different types of providers and at the same time purchased using various types of financing schemes. Hospitals, which are major health care providers, usually offer not only inpatient health care services, but, depending on specific country arrangements, may also provide outpatient care, rehabilitation, long-term care services and so on.

8 In 1999, 45.0% of the current health expenditure went into hospitals, 26.3% into offices of physicians and 5.7% into dispensing chemists.



Chart 6. Trends in composition of current health expenditure by providers



Note: 'OECD 2011' indicates averages of all 34 OECD countries in 2011 or nearest year  
 (source: OECD Health Data 2013)

## **B. TWO-DIMENSIONAL STRUCTURE OF CURRENT HEALTH EXPENDITURE**

### **B.1. HEALTH EXPENDITURE BY FUNCTION AND BY TYPE OF FINANCING SCHEME (HCXHF)**

#### *Financing scheme of different services (How different services are financed)*

57. Table 3 and Table A2-1 and A3-1 in the annex show the role (share) of different financing schemes in financing the major types of services (that is expenditure cross-classified by function and financing scheme). More detailed descriptions according to the ICHA-HC in SHA 2011 on Table 3 follow.

58. Of total Current Health Expenditure in 2011, 58.0% was financed by ‘Governmental financing schemes and compulsory contributory health financing schemes’ (HF.1) [47.1% by ‘Compulsory contributory health insurance schemes’ (HF.1.2) and 10.9% by ‘Governmental schemes’ (HF.1.1)], 36.8% was by ‘Household out-of-pocket payment’ (HF.3) [23.4% by ‘Out-of-pocket excluding cost-sharing’ (HF.3.1) and 13.5% by ‘Cost sharing with third-party payers’ (HF.3.2)], and 5.1% was by ‘Voluntary health care payment schemes (other than OOP)’ (HF.2) [4.4% by ‘Voluntary health insurance schemes’ (HF.2.1), 0.6% by ‘NPISHs financing schemes’ (HF.2.2), and 0.1% by ‘Enterprises financing schemes’ (HF.2.3)].

- Of Personal Health Expenditure in 2011, 56.1% was financed by ‘Governmental financing schemes and compulsory contributory health financing schemes’ (HF.1) [47.6% by ‘Compulsory contributory health insurance schemes’ (HF.1.2) and 8.5% by ‘Governmental schemes’ (HF.1.1)], 39.0% was by ‘Household out-of-pocket payment’ (HF.3) [24.6% by ‘Out-of-pocket excluding cost-sharing’ (HF.3.1) and 14.5% by ‘Cost sharing with third-party payers’ (HF.3.2)], and 4.8% was by ‘Voluntary health care payment schemes (other than OOP)’ (HF.2) [4.1% by ‘Voluntary health insurance’ (HF.2.1), 0.7% by ‘NPISHs financing schemes’ (HF.2.2), and 0.1% by ‘Enterprises financing schemes’ (HF.2.3)].
- Of Collective Health Expenditure in 2011, 84.0% was financed by ‘Governmental financing schemes and compulsory contributory health financing schemes’ (HF.1) [44.4% by ‘Governmental schemes’ (HF.1.1) and 39.6% by ‘Compulsory contributory health insurance schemes’ (HF.1.2)], 9.3% was by ‘Voluntary health care payment schemes (other than OOP)’ (HF.2) [8.6% by ‘Voluntary health insurance’ (HF.2.1) and 0.7% by ‘Enterprises financing schemes’ (HF.2.3)], and 6.7% was by ‘Household out-of-pocket payment’ (HF.3) [6.7% by ‘Out-of-pocket excluding cost-sharing’ (HF.3.1)].

59. Of health expenditure on ‘Curative care’ (HC.1), 52.4% was financed by ‘Governmental financing schemes and compulsory contributory health financing schemes’ (HF.1) [45.3% by ‘Compulsory contributory health insurance schemes’ (HF.1.2) and 7.1% by ‘Governmental schemes’ (HF.1.1)], 39.9% was by ‘Household out-of-pocket payment’ (HF.3) [27.2% by ‘Out-of-pocket excluding cost-sharing’ (HF.3.1) and 12.6% by ‘Cost sharing with third-party payers’ (HF.3.2)], and 7.7% was by ‘Voluntary health care payment schemes (other than OOP)’ (HF.2) [6.5% by ‘Voluntary health insurance schemes’ (HF.2.1), 1.1% by ‘NPISHs financing schemes’ (HF.2.2), and 0.2% by ‘Enterprises financing schemes’ (HF.2.3)].

- Of health expenditure on ‘In-patient curative care’ (HC.1.1), 59.1% was financed by ‘Governmental financing schemes and compulsory contributory health financing schemes’ (HF.1) [50.1% by ‘Compulsory contributory

health insurance schemes' (HF.1.2) and 9.0% by 'Governmental schemes' (HF.1.1)], 30.3% was by 'Household out-of-pocket payment' (HF.3) [23.3% by 'Out-of-pocket excluding cost-sharing' (HF.3.1) and 6.9% by 'Cost sharing with third-party payers' (HF.3.2)], and 10.6% was by 'Voluntary health care payment schemes (other than OOP)' (HF.2) [10.6% by 'Voluntary health insurance schemes' (HF.2.1)].

- Of health expenditure on 'Out-patient curative care' (HC.1.3), 47.3% was financed by 'Governmental financing schemes and compulsory contributory health financing schemes' (HF.1) [41.6% by 'Compulsory contributory health insurance schemes' (HF.1.2) and 5.7% by 'Governmental schemes' (HF.1.1)], 47.1% was by 'Household out-of-pocket payment' (HF.3) [30.2% by 'Out-of-pocket excluding cost-sharing' (HF.3.1) and 16.9% by 'Cost sharing with third-party payers' (HF.3.2)], and 5.7% was by 'Voluntary health care payment schemes (other than OOP)' (HF.2) [3.5% by 'Voluntary health insurance' (HF.2.1), 1.9% by 'NPISHs financing schemes' (HF.2.2), and 0.3% by 'Enterprises financing schemes' (HF.2.3)].

60. Of health expenditure on 'Rehabilitative care' (HC.2), 63.9% was financed by 'Governmental financing schemes and compulsory contributory health financing schemes' (HF.1) [53.1% by 'Compulsory contributory health insurance schemes' (HF.1.2) and 10.8% by 'Governmental schemes' (HF.1.1)], and 36.1% was by 'Household out-of-pocket payment' (HF.3) [21.0% by 'Out-of-pocket excluding cost-sharing' (HF.3.1) and 15.2% by 'Cost sharing with third-party payers' (HF.3.2)].

61. Of health expenditure on 'Long-term care (Health)' (HC.3), 73.1% was financed by 'Governmental financing schemes and compulsory contributory health financing schemes' (HF.1) [53.6% by 'Compulsory contributory health insurance schemes' (HF.1.2) and 19.5% by 'Governmental schemes' (HF.1.1)], and 26.9% was by 'Household out-of-pocket payment' (HF.3) [14.0% by 'Out-of-pocket excluding cost-sharing' (HF.3.1) and 12.9% by 'Cost sharing with third-party payers' (HF.3.2)].

62. Of health expenditure on 'Ancillary services non-specified by function' (HC.4), 68.2% was financed by 'Governmental financing schemes and compulsory contributory health financing schemes' (HF.1) [43.7% by 'Compulsory contributory health insurance schemes' (HF.1.2) and 24.5% by 'Governmental schemes' (HF.1.1)], and 31.8% was by 'Household out-of-pocket payment' (HF.3) [17.0% by 'Cost sharing with third-party payers' (HF.3.2) and 14.7% by 'Out-of-pocket excluding cost-sharing' (HF.3.1)].

63. Of health expenditure on 'Medical goods non-specified by function' (HC.5), 55.8% was financed by 'Governmental financing schemes and compulsory contributory health financing schemes' (HF.1) [50.1% by 'Compulsory contributory health insurance schemes' (HF.1.2) and 5.7% by 'Governmental schemes' (HF.1.1)], 43.6% was by 'Household out-of-pocket payment' (HF.3) [23.9% by 'Out-of-pocket excluding cost-sharing' (HF.3.1) and 19.6% by 'Cost sharing with third-party payers' (HF.3.2)], and 0.7% was by 'Voluntary health care payment schemes (other than OOP)' (HF.2) [0.7% by 'Voluntary health insurance' (HF.2.1)].

- Of health expenditure on 'Pharmaceuticals and other medical non-durable goods non-specified by function' (HC.5.1), 60.9% was financed by 'Governmental financing schemes and compulsory contributory health financing schemes' (HF.1) [54.6% by 'Compulsory contributory health insurance schemes' (HF.1.2) and 6.3% by 'Governmental schemes' (HF.1.1)], 38.4% was by 'Household out-of-pocket payment' (HF.3) [21.5% by 'Cost sharing with third-party payers' (HF.3.2) and 16.9% by 'Out-of-pocket excluding cost-sharing' (HF.3.1)], and 0.7% was by 'Voluntary health care payment schemes (other than OOP)' (HF.2) [0.7% by 'Voluntary health insurance' (HF.2.1)].

64. Of health expenditure on ‘Preventive care’ (HC.6), 83.7% was financed by ‘Governmental financing schemes and compulsory contributory health financing schemes’ (HF.1) [44.4% by ‘Governmental schemes’ (HF.1.1) and 39.3% by ‘Compulsory contributory health insurance schemes’ (HF.1.2)], 14.8% was by ‘Household out-of-pocket payment’ (HF.3) [all by ‘Out-of-pocket excluding cost-sharing’ (HF.3.1)], and 1.6% was by ‘Voluntary health care payment schemes (other than OOP)’ (HF.2) [all by ‘Enterprises financing schemes’ (HF.2.3)].

65. Of health expenditure on ‘Governance and health system and financing administration’ (HC.7), 84.2% was financed by ‘Governmental financing schemes and compulsory contributory health financing schemes’ (HF.1) [44.3% by ‘Governmental schemes’ (HF.1.1) and 39.9% by ‘Compulsory contributory health insurance schemes’ (HF.1.2)], 15.8% was by ‘Voluntary health care payment schemes (other than OOP)’ (HF.2) [15.8% by ‘Voluntary health insurance schemes’ (HF.2.1)], and none was by ‘Household out-of-pocket payment’ (HF.3). ‘Governance and health system and financing administration’ relating to private insurance is difficult to identify because most private health insurance policies in Korea are administered in a mixed form by the general insurance companies and there is no clear-cut accounting attribution of administrative expenses.

66. The role of public and private sources differs considerably according to the type of service. The public sector plays a dominant role among OECD countries in paying for inpatient services even though private financing plays an increasingly important role in the area of outpatient services (Orosz, 2004). The public purse covers significantly less of the total pharmaceutical expenditures than of expenditures on physician and hospital services and reflects higher co-payments for pharmaceuticals under public insurance schemes in some other countries. In this sense, Korea has an unusual public-private financing mix of health expenditures by mode of production. Korea’s public share in both inpatient and outpatient care is significantly lower than the OECD average, particularly, households’ out-of-pocket payments and other private sources play a big role in financing out-patient care; however, the public share in pharmaceutical expenditures in Korea is as high as the OECD average and higher than in the United States and Canada where the public share is less than 40%.

**Table 3. Financing structure of different services, Current Health Expenditure**

(Unit :%)

			HF.1			HF.2				HF.3			HF.4
				HF.1.1	HF.1.2		HF.2.1	HF.2.2	HF.2.3		HF.3.1	HF.3.2	
		Current Health Expenditure	Governmental schemes and compulsory contributory health financing schemes	Governmental scheme	Compulsory contributory health insurance schemes	Voluntary health care payment schemes	Voluntary health insurance schemes	NPISHs financing schemes	Enterprises financing schemes	Household out-of-pocket payment	Out-of-pocket excluding cost sharing	Cost sharing with third-party payers	Rest of the world financing schemes (non-resident)
HC.1	Curative care	100	52.4	7.1	45.3	7.7	6.5	1.1	0.2	39.9	27.2	12.6	-
HC.1.1	<i>In-patient curative care</i>	100	59.1	9.0	50.1	10.6	10.6	-	-	30.3	23.3	6.9	-
HC.1.3	<i>Out-patient curative care</i>	100	47.3	5.7	41.6	5.7	3.5	1.9	0.3	47.1	30.2	16.9	-
HC.2	Rehabilitative care	100	63.9	10.8	53.1	-	-	-	-	36.1	21.0	15.2	-
HC.3	Long-term care (health)	100	73.1	19.5	53.6	-	-	-	-	26.9	14.0	12.9	-
HC.4	Ancillary services (non-specified by function)	100	68.2	24.5	43.7	-	-	-	-	31.8	14.7	17.0	-
HC.5	Medical goods (non-specified by function)	100	55.8	5.7	50.1	0.7	0.7	-	-	43.6	23.9	19.6	-
HC.5.1	<i>Pharmaceuticals and other medical non-durable goods</i>	100	60.9	6.3	54.6	0.7	0.7	-	-	38.4	16.9	21.5	-
HC.6	Preventive care	100	83.7	44.4	39.3	1.6	-	-	1.6	14.8	14.8	-	-
HC.7	Governance and health system and financing administration	100	84.2	44.3	39.9	15.8	15.8	-	-	-	-	-	-
All HC	Current Health Expenditure	100	58.0	10.9	47.1	5.1	4.4	0.6	0.1	36.8	23.4	13.5	-
	<i>Personal Health Expenditure</i>	100	56.1	8.5	47.6	4.8	4.1	0.7	0.1	39.0	24.6	14.5	-
	<i>Collective Health Expenditure</i>	100	84.0	44.4	39.6	9.3	8.6	-	0.7	6.7	6.7	-	-

## ***Service structure of different financing schemes (What health care functions different financing schemes fund)***

67. Health care financing schemes jointly fund the different health care functions, but their contributions vary with each function. Detailed descriptions on Table 4 follow.

68. Of total Current Health Expenditure in 2011, 56.4% was for 'Curative care' (HC.1) [32.1% for 'Out-patient curative care' (HC.1.3) and 23.8% for 'In-patient curative care' (HC.1.1)]; 23.2% for 'Medical goods non-specified by function' (HC.5) [21.2% for 'Pharmaceuticals and other medical non-durable goods' (HC.5.1)]; 11.7% for 'Long-term care (Health)' (HC.3); 3.7% for 'Governance and health system and financing administration' (HC.7); 3.1% for 'Preventive care' (HC.6); 1.0% for 'Rehabilitative care' (HC.2); and 0.9% for 'Ancillary services non-specified by function' (HC.4).

69. Of Current Health Expenditure by 'Governmental financing schemes and compulsory contributory health financing schemes' (HF.1), 50.9% was for 'Curative care' (HC.1) [26.1% for 'Out-patient curative care' (HC.1.3) and 24.3% for 'In-patient curative care' (HC.1.1)]; 22.3% for 'Medical goods non-specified by function' (HC.5) [22.2% for 'Pharmaceuticals and other medical non-durable goods' (HC.5.1)]; 14.8% for 'Long-term care (Health)' (HC.3); 5.4% for 'Governance and health system and financing administration' (HC.7); 4.4% for 'Preventive care' (HC.6); 1.2% for 'Rehabilitative care' (HC.2); and 1.0% for 'Ancillary services non-specified by function' (HC.4).

- Of Current Health Expenditure by 'Governmental schemes' (HF.1.1), 36.5% was for 'Curative care' (HC.1) [19.6% for 'In-patient curative care' (HC.1.1) and 16.7% for 'Out-patient curative care' (HC.1.3)]; 20.9% for 'Long-term care (Health)' (HC.3); 15.0% for 'Governance and health system and financing administration' (HC.7); 12.4% for 'Preventive care' (HC.6); 12.1% for 'Medical goods non-specified by function' (HC.5) [12.1% for 'Pharmaceuticals and other medical non-durable' (HC.5.1)]; 2.0% for 'Ancillary services non-specified by function' (HC.4); and 1.0% for 'Rehabilitative care' (HC.2).
- Of Current Health Expenditure by 'Compulsory contributory health insurance schemes' (HF.1.2), 54.3% was for 'Curative care' (HC.1) [28.3% for 'Out-patient curative care' (HC.1.3) and 25.3% for 'In-patient curative care' (HC.1.1)]; 24.7% for 'Medical goods non-specified by function' (HC.5) [24.6% for 'Pharmaceuticals and other medical non-durable' (HC.5.1)]; 13.4% for 'Long-term care (Health)' (HC.3); 3.1% for 'Governance and health system and financing administration' (HC.7); 2.6% for 'Preventive care' (HC.6); 1.2% for 'Rehabilitative care' (HC.2); 0.8% for 'Ancillary services non-specified by function' (HC.4).

70. Of Current Health Expenditure by 'Voluntary health care payment schemes (other than OOP)' (HF.2), 84.7% was for 'Curative care' (HC.1) [49.3% for 'In-patient curative care' (HC.1.1) and 35.4% for 'Out-patient curative care' (HC.1.3)]; 11.4% for 'Governance and health system and financing administration' (HC.7); 3.0% for 'Medical goods non-specified by function' (HC.5) [all for 'Pharmaceuticals and other medical non-durable' (HC.5.1)]; and 0.9% for 'Preventive care' (HC.6).

- Of Current Health Expenditure by 'Voluntary health insurance' (HF.2.1), 83.2% was for 'Curative care' (HC.1) [57.7% for 'In-patient curative care' (HC.1.1) and 25.5% for 'Out-patient curative care' (HC.1.3)]; 13.3% for 'Governance and health system and financing administration' (HC.7); and 3.5% for 'Medical goods non-specified by function' (HC.5) [3.5% for 'Pharmaceuticals and other medical non-durable goods' (HC.5.1)].

71. Of Current Health Expenditure by 'Household out-of-pocket payment' (HF.3), 61.0% was for 'Curative care' (HC.1) [41.0% for 'Out-patient curative care' (HC.1.3) and 19.6% for 'In-patient curative care' (HC.1.1)]; 27.4% for

‘Medical goods non-specified by function’ (HC.5) [22.1% for ‘Pharmaceuticals and other medical non-durable’ (HC.5.1)]; 8.6% for ‘Long-term care (Health)’ (HC.3); 1.2% for ‘Preventive care’ (HC.6); 1.0% for ‘Rehabilitative care’ (HC.2); and 0.8% for ‘Ancillary services non-specified by function’ (HC.4).

**Table 4. Service structure of different financing schemes, Current Health Expenditure**

(Unit :%)

			HC.1			HC.2	HC.3	HC.4	HC.5		HC.6	HC.7
				HC.1.1	HC.1.3					HC.5.1		
		Current Health Expenditure	Curative care	In-patient curative care	Out-patient curative care	Rehabilitative care	Long-term care (health)	Ancillary services (non-specified by function)	Medical goods (non-specified by function)	Pharmaceuticals and other medical non-durable goods	Preventive care	Governance and health system and financing administration
HF.1	Governmental schemes and compulsory contributory health financing schemes	100	50.9	24.3	26.1	1.2	14.8	1.0	22.3	22.2	4.4	5.4
HF.1.1	<i>Governmental scheme</i>	100	36.5	19.6	16.7	1.0	20.9	2.0	12.1	12.1	12.4	15.0
HF.1.2	<i>Compulsory contributory health insurance schemes</i>	100	54.3	25.3	28.3	1.2	13.4	0.8	24.7	24.6	2.6	3.1
HF.2	Voluntary health care payment schemes	100	84.7	49.3	35.4	-	-	-	3.0	3.0	0.9	11.4
HF.2.1	<i>Voluntary health insurance schemes</i>	100	83.2	57.7	25.5	-	-	-	3.5	3.5	-	13.3
HF.2.2	<i>NPISHs financing schemes</i>	100	100.0	-	100.0	-	-	-	-	-	-	-
HF.2.3	<i>Enterprises financing schemes</i>	100	65.1	-	65.1	-	-	-	-	-	34.9	-
HF.3	Household out-of-pocket payment	100	61.0	19.6	41.0	1.0	8.6	0.8	27.4	22.1	1.2	-
HF.3.1	<i>Out-of-pocket excluding cost sharing</i>	100	65.8	23.8	41.4	0.9	7.0	0.6	23.8	15.4	1.9	-
HF.3.2	<i>Cost sharing with third-party payers</i>	100	52.8	12.3	40.2	1.2	11.2	1.1	33.7	33.7	-	-
HF.4	Rest of the world financing schemes (non-resident)	-	-	-	-	-	-	-	-	-	-	-
All HF	All financing schemes	100	56.4	23.8	32.1	1.0	11.7	0.9	23.2	21.2	3.1	3.7

## **B.2. HEALTH EXPENDITURE BY FUNCTION AND BY TYPE OF PROVIDER (HCXHP)**

### ***Provider structure of different services (Where expenditures on different services are made)***

72. Detailed descriptions on Table 5 and Tables A2-2 and A3-2 in the annex follow.

73. Of total Current Health Expenditure in 2011, 41.7% was shared by ‘Hospitals’ (HP.1); 28.2% by ‘Providers of ambulatory health care’ (HP.3) [‘Medical practices’ (HP.3.1), 16.9%; ‘Dental practices’ (HP.3.2), 7.7%; and ‘Other health care practitioners’ (HP.3.3), 3.6%]; 18.7% by ‘Retailers and other providers of medical goods’ (HP.5) [‘Pharmacies’ (HP.5.1), 15.9%]; 4.0% by ‘Providers of health care system administration and financing’ (HP.7); 3.6% by ‘Residential long-term care facilities’ (HP.2); 1.7% by ‘Rest of economy’ (HP.8); 1.2% by general ‘Providers of preventive care’ (HP.6); 0.8% by ‘Providers of ancillary services’ (HP.4); and 0.2% by ‘Rest of the world’ (HP.9).

- Of Personal Health Expenditure in 2011, 43.6% was shared by ‘Hospitals’ (HP.1); 29.6% by ‘Providers of ambulatory health care’ (HP.3) [‘Medical practices’ (HP.3.1), 17.5%; ‘Dental practices’ (HP.3.2), 8.2%; and ‘Other health care practitioners’ (HP.3.3), 3.9%]; 20.0% by ‘Retailers and other providers of medical goods’ (HP.5) [‘Pharmacies’ (HP.5.1), 17.0%]; 3.8% by ‘Residential long-term care facilities’ (HP.2); 1.6% by ‘Rest of economy’ (HP.8); 0.8% by ‘Providers of ancillary services’ (HP.4); 0.3% by general ‘Providers of preventive care’ (HP.6); and 0.2% by ‘Rest of the world’ (HP.9).
- Of Collective Health Expenditure in 2011, 59.3% was shared by ‘Providers of health care system administration and financing’ (HP.7); 16.1% by ‘Hospitals’ (HP.1); 13.6% by general ‘Providers of preventive care’ (HP.6); 9.0% by ‘Providers of ambulatory health care’ (HP.3) [all ‘Medical practices’ (HP.3.1)]; and 2.0% by ‘Rest of economy’ (HP.8).

74. Of total expenditure on ‘Curative care’ (HC.1), 52.6% was shared by ‘Hospitals’ (HP.1); 44.0% by ‘Providers of ambulatory health care’ (HP.3) [‘Medical practices’ (HP.3.1), 26.8%; ‘Dental practices’ (HP.3.2), 13.5%; and ‘Other health care practitioners’ (HP.3.3), 3.7%]; 2.6% by ‘Rest of economy’ (HP.8); 0.5% by general ‘Providers of preventive care’ (HP.6); and 0.3% by ‘Rest of the world’ (HP.9).

- Of health expenditure on ‘In-patient curative care’ (HC.1.1), 84.8% was shared by ‘Hospitals’ (HP.1); 12.4% by ‘Providers of ambulatory health care’ (HP.3) [‘Medical practices’ (HP.3.1), 11.7%; and ‘Other health care practitioners’ (HP.3.3), 0.7%]; 2.1% by ‘Rest of economy’ (HP.8); and 0.7% by ‘Rest of the world’ (HP.9).
- Of health expenditure on ‘Out-patient curative care’ (HC.1.3), 67.8% was shared by ‘Providers of ambulatory health care’ (HP.3) [‘Medical practices’ (HP.3.1), 38.1%; ‘Dental practices’ (HP.3.2), 23.8%; and ‘Other health care practitioners’ (HP.3.3), 6.0%]; 28.3% by ‘Hospitals’ (HP.1); 3.0% by ‘Rest of economy’ (HP.8); and 0.9% by ‘Providers of preventive care’ (HP.6).

75. Of health expenditure on ‘Rehabilitative care’ (HC.2), 79.3% was shared by ‘Hospitals’ (HP.1); 20.7% by ‘Providers of ambulatory health care’ (HP.3) [‘Medical practices’ (HP.3.1), 20.5%; and ‘Other health care practitioners’ (HP.3.3), 0.2%].

76. Of health expenditure on ‘Long-term care (Health)’ (HC.3), 68.4% was shared by ‘Hospitals’ (HP.1); 30.4% by ‘Residential long-term care facilities’ (HP.2); 0.7% by ‘Retailers and other providers of medical goods’ (HP.5); 0.5% by ‘Rest of economy’ (HP.8); and 0.1% by ‘Providers of ambulatory health care’ (HP.3).



77. Of health expenditure on ‘Ancillary services non-specified by function’ (HC.4), 87.1% was shared by ‘Providers of ancillary services’ (HP.4) and 12.9% by ‘Providers of ambulatory health care’ (HP.3) [all ‘Medical practices’ (HP.3.1), 12.9%].

78. Of health expenditure on ‘Medical goods non-specified by function’ (HC.5), 80.2% was shared by ‘Retailers and other providers of medical goods’ (HP.5) [‘Pharmacies’ (HP.5.1), 68.6%]; 10.6% by ‘Providers of ambulatory health care’ (HP.3) [‘Other health care practitioners’ (HP.3.3), 6.6%; ‘Medical practices’ (HP.3.1), 3.8%; and ‘Dental practices’ (HP.3.2), 0.2%]; 9.1% by ‘Hospitals’ (HP.1); and 0.1% by ‘Rest of economy’ (HP.8). Other significant expenditures not included in Table 5 within the ‘Retailers and other providers of medical goods’ (HP.5) category were 6.4% for ‘All other miscellaneous sale and other suppliers of pharmaceuticals and medical goods’ (HP 4.4 - 4.9) and 5.2% for ‘Retail sale and other suppliers of optical glasses and other vision products (HP 4.2).

- Of health expenditure on ‘Pharmaceuticals and other medical non-durable goods’ (HC.5.1), 78.3% was shared by ‘Retailers and other providers of medical goods’ (HP.5) [‘Pharmacies’ (HP.5.1), 75.0%]; 11.6% by ‘Providers of ambulatory health care’ (HP.3) [‘Other health care practitioners’ (HP.3.3), 7.2%; ‘Medical practices’ (HP.3.1), 4.2%; and ‘Dental practices’ (HP.3.2), 0.2%]; 10.0% by ‘Hospitals’ (HP.1); and 0.1% by ‘Rest of economy’ (HP.8).

79. Of health expenditure on ‘Preventive care’ (HC.6), 35.5% was shared by ‘Hospitals’ (HP.1); 30.0% by general ‘Providers of preventive care’ (HP.6); 19.9% by ‘Providers of ambulatory health care’ (HP.3) [all ‘Medical practices’ (HP.3.1)]; 10.1% by ‘Providers of health care system administration and financing’ (HP.7); and 4.5% by ‘Rest of economy’ (HP.8).

80. Of health expenditure on ‘Governance and health system and financing administration’ (HC.7), all was by ‘Providers of health care system administration and financing’ (HP.7).

**Table 5. Provider structure of different services, Current Health Expenditure**

(Unit :%)

			HP.1	HP.2	HP.3				HP.4	HP.5		HP.6	HP.7	HP.8	HP.9
						HP.3.1	HP.3.2	HP.3.3			HP.5.1				
		Current Health Expenditure	Hospitals	Residential long-term care facilities	Providers of ambulatory health care	Medical practices	Dental practices	Other health care practitioners	Providers of ancillary services	Retailers and other providers of medical goods	Pharmacies	Providers of preventive care	Providers of health care system admin. and financing	Rest of economy	Rest of the world
HC.1	Curative care	100	52.6	-	44.0	26.8	13.5	3.7	-	-	-	0.5	-	2.6	0.3
HC.1.1	<i>In-patient curative care</i>	100	84.8	-	12.4	11.7	-	0.7	-	-	-	0.0	-	2.1	0.7
HC.1.3	<i>Out-patient curative care</i>	100	28.3	-	67.8	38.1	23.8	6.0	-	-	-	0.9	-	3.0	-
HC.2	Rehabilitative care	100	79.3	-	20.7	20.5	-	0.2	-	-	-	-	-	-	-
HC.3	Long-term care (health)	100	68.4	30.4	0.1	-	-	-	-	0.7	-	-	-	0.5	-
HC.4	Ancillary services (non-specified by function)	100	-	-	12.9	12.9	-	-	87.1	-	-	-	-	-	-
HC.5	Medical goods (non-specified by function)	100	9.1	-	10.6	3.8	0.2	6.6	-	80.2	68.6	0.0	-	0.1	-
HC.5.1	<i>Pharmaceuticals and other medical non-durable goods</i>	100	10.0	-	11.6	4.2	0.2	7.2	-	78.3	75.0	0.0	-	0.1	-
HC.6	Preventive care	100	35.5	-	19.9	19.9	-	-	-	-	-	30.0	10.1	4.5	-
HC.7	Governance and health system and financing administration	100	-	-	-	-	-	-	-	-	-	-	100.0	-	-
All HC	Current Health Expenditure	100	41.7	3.6	28.2	16.9	7.7	3.6	0.8	18.7	15.9	1.2	4.0	1.7	0.2
	<i>Personal Health Expenditure</i>	100	43.6	3.8	29.6	17.5	8.2	3.9	0.8	20.0	17.0	0.3	-	1.6	0.2
	<i>Collective Health Expenditure</i>	100	16.1	-	9.0	9.0	-	-	-	-	-	13.6	59.3	2.0	-

## *Service structure of different providers*

81. Detailed descriptions on Table 6 follow.

82. Of Current Health Expenditure at 'Hospitals' (HP.1) in 2011, 71.1% was for 'Curative care' (HC.1) [48.4% for 'In-patient curative care' (HC.1.1) and 21.7% for 'Out-patient curative care' (HC.1.3)]; 19.3% for 'Long-term care (Health)' (HC.3); 5.1% for 'Medical goods non-specified by function' (HC.5) [all for 'Pharmaceuticals and other medical non-durable goods' (HC.5.1)]; 2.6% for 'Preventive care' (HC.6); and 2.0% for 'Rehabilitative care' (HC.2).

83. Of Current Health Expenditure at 'Residential long-term care facilities' (HP.2), all was for 'Long-term care (Health)' (HC.3).

84. Of Current Health Expenditure at 'Providers of ambulatory health care' (HP.3), 87.9% was for 'Curative care' (HC.1) [77.1% for 'Out-patient curative care' (HC.1.3) and 10.5% for 'In-patient curative care' (HC.1.1)]; 8.7% for 'Medical goods non-specified by function' (HC.5) [all for 'Pharmaceuticals and other medical non-durable goods' (HC.5.1)]; 2.2% for 'Preventive care' (HC.6); 0.8% for 'Rehabilitative care' (HC.2); and 0.4% for 'Ancillary services non-specified by function' (HC.4).

- Of Current Health Expenditure at 'Medical practices' (HP.3.1), 89.2% was for 'Curative care' (HC.1) [72.1% for 'Out-patient curative care' (HC.1.3) and 16.4% for 'In-patient curative care' (HC.1.1)]; 5.2% for 'Medical goods non-specified by function' (HC.5) [all for 'Pharmaceuticals and other medical non-durable goods' (HC.5.1)]; 3.6% for 'Preventive care' (HC.6); 1.3% for 'Rehabilitative care' (HC.2); and 0.7% for 'Ancillary services non-specified by function' (HC.4).
- Of Current Health Expenditure at 'Dental Practices' (HP.3.2), 99.5% was for 'Curative care' (HC.1) [all for 'Out-patient curative care' (HC.1.3)] and 0.5% for 'Medical goods non-specified by function' (HC.5) [all for 'Pharmaceuticals and other medical non-durable goods' (HC.5.1)].
- Of Current Health Expenditure at 'Other health care practitioners' (HP.3.3), 57.8% was for 'Curative care' (HC.1) [52.9% for 'Out-patient curative care' (HC.1.3) and 4.9% for 'In-patient curative care' (HC.1.1)]; 42.2% for 'Medical goods non-specified by function' (HC.5) [all for 'Pharmaceuticals and other medical non-durable goods' (HC.5.1)]; and 0.1% for 'Rehabilitative care' (HC.2).

85. Of Current Health Expenditure at 'Providers of ancillary services' (HP.4), all was for 'Ancillary services non-specified by function' (HC.4).

86. Of Current Health Expenditure at 'Retailers and other providers of medical goods' (HP.5), 99.6% was for 'Medical goods non-specified by function' (HC.5) [88.9% for 'Pharmaceuticals and other medical non-durable goods' (HC.5.1)] and 0.4% for 'Long-term care (Health)' (HC.3). Other significant expenditure not included in Table 6 within the 'Medical goods non-specified by function' (HC.5) category was 10.7% for 'Therapeutic appliances and other medical durable goods' (HC.5.2).

- Of Current Health Expenditure at 'Pharmacies' (HP.5.1), all was for 'Medical goods non-specified by function' (HC.5) ['Pharmaceuticals and other medical non-durable goods' (HC.5.1)].

87. Of Current Health Expenditure at 'Providers of preventive care' (HP.6), 74.7% was for 'Preventive care' (HC.6); 24.5% for 'Curative care' (HC.1) [24.3% for 'Out-patient curative care' (HC.1.3) and 0.2% for 'In-patient curative care' (HC.1.1)]; and 0.8% for 'Medical goods non-specified by function' (HC.5) [0.8% for 'Pharmaceuticals and other medical non-durable goods' (HC.5.1)].

88. Of Current Health Expenditure at ‘Providers of health care system administration and financing’ (HP.7), 92.3% was for ‘Governance and health system and financing administration’ (HC.7) and 7.7% for ‘Preventive care’ (HC.6).

89. Of Current Health Expenditure at ‘Rest of economy’ (HP.8), 87.3% was for ‘Curative care’ (HC.1) [57.6% for ‘Out-patient curative care’ (HC.1.3) and 29.7% for ‘In-patient curative care’ (HC.1.1)]; 8.3% for ‘Preventive care’ (HC.6); 3.4% for ‘Long-term care (Health)’ (HC.3); and 1.1% for ‘Medical goods non-specified by function’ (HC.5) [1.1% for ‘Pharmaceuticals and other medical non-durable goods’ (HC.5.1)].

90. Of Current Health Expenditure at ‘Rest of the world’ (HP.9), all was for ‘Curative care’ (HC.1) [‘In-patient curative care’ (HC.1.1)].

**Table 6. Service structure of different providers, Current Health Expenditure**

(Unit :%)

		Current Health Expenditure	HC.1	HC.1		HC.2	HC.3	HC.4	HC.5	HC.5		HC.6	HC.7
			Curative care	In-patient curative care	Out-patient curative care	Rehabilitative care	Long-term care (health)	Ancillary services (non-specified by function)	Medical goods (non-specified by function)	Pharmaceuticals and other medical non-durable goods	Preventive care	Governance and health system and financing administration	
HP.1	Hospitals	100	71.1	48.4	21.7	2.0	19.3	-	5.1	5.1	2.6	-	
HP.2	Residential long-term care facilities	100	-	-	-	-	100.0	-	-	-	-	-	
HP.3	Providers of ambulatory health care	100	87.9	10.5	77.1	0.8	0.0	0.4	8.7	8.7	2.2	-	
HP.3.1	Medical practices	100	89.2	16.4	72.1	1.3	-	0.7	5.2	5.2	3.6	-	
HP.3.2	Dental practices	100	99.5	-	99.5	-	-	-	0.5	0.5	-	-	
HP.3.3	Other health care practitioners	100	57.8	4.9	52.9	0.1	-	-	42.2	42.2	-	-	
HP.4	Providers of ancillary services	100	-	-	-	-	-	100.0	-	-	-	-	
HP.5	Retailers and other providers of medical goods	100	-	-	-	-	0.4	-	99.6	88.9	-	-	
HP.5.1	Pharmacies	100	-	-	-	-	-	-	100.0	100.0	-	-	
HP.6	Providers of preventive care	100	24.5	0.2	24.3	-	-	-	0.8	0.8	74.7	-	
HP.7	Providers of health care system admin. and financing	100	-	-	-	-	-	-	-	-	7.7	92.3	
HP.8	Rest of economy	100	87.3	29.7	57.6	-	3.4	-	1.1	1.1	8.3	-	
HP.9	Rest of the world	100	100.0	100.0	-	-	-	-	-	-	-	-	
All HP	All providers	100	56.4	23.8	32.1	1.0	11.7	0.9	23.2	21.2	3.1	3.7	

### **B.3. HEALTH EXPENDITURE BY TYPE OF PROVIDER AND BY FINANCING SCHEME (HPXHF)**

#### ***Financing structure of different providers (How different providers are financed)***

91. Detailed descriptions on Table 7 and Tables A2-3 and A3-3 in the annex follow.

92. Of Current Health Expenditure shared by ‘Hospitals’ (HP.1) in 2011, 59.8% was financed by ‘Governmental financing schemes and compulsory contributory health financing schemes’ (HF.1) [49.8% by ‘Compulsory contributory health insurance schemes’ (HF.1.2) and 10.0% by ‘Governmental schemes’ (HF.1.1)], 33.4% was by ‘Household out-of-pocket payment’ (HF.3) [20.5% by ‘Out-of-pocket excluding cost-sharing’ (HF.3.1) and 12.9% by ‘Cost sharing with third-party payers’ (HF.3.2)], and 6.8% was by ‘Voluntary health care payment schemes (other than OOP)’ (HF.2) [6.8% by ‘Voluntary health insurance schemes’ (HF.2.1) and 0.1% by ‘Enterprises financing schemes’ (HF.2.3)].

93. Of Current Health Expenditure shared by ‘Residential long-term care facilities’ (HP.2), 81.2% was financed by ‘Governmental financing schemes and compulsory contributory health financing schemes’ (HF.1) [61.3% by ‘Compulsory contributory health insurance schemes’ (HF.1.2) and 19.9% by ‘Governmental schemes’ (HF.1.1)], and 18.8% was by ‘Household out-of-pocket payment’ (HF.3) [12.0% by ‘Cost sharing with third-party payers’ (HF.3.2) and 6.8% by ‘Out-of-pocket excluding cost-sharing’ (HF.3.1)].

94. Of Current Health Expenditure shared by ‘Providers of ambulatory health care’ (HP.3), 50.9% was financed by ‘Household out-of-pocket payment’ (HF.3) [37.9% by ‘Out-of-pocket excluding cost-sharing’ (HF.3.1) and 13.1% by ‘Cost sharing with third-party payers’ (HF.3.2)], 45.5% was by ‘Governmental financing schemes and compulsory contributory health financing schemes’ (HF.1) [42.2% by ‘Compulsory contributory health insurance schemes’ (HF.1.2) and 3.3% by ‘Governmental schemes’ (HF.1.1)], and 3.5% was by ‘Voluntary health care payment schemes (other than OOP)’ (HF.2) [3.4% by ‘Voluntary health insurance schemes’ (HF.2.1) and 0.1% by ‘Enterprises financing schemes’ (HF.2.3)].

- Of Current Health Expenditure shared by ‘Medical practices’ (HP.3.1), 59.9% was financed by ‘Governmental financing schemes and compulsory contributory health financing schemes’ (HF.1) [55.2% by ‘Compulsory contributory health insurance schemes’ (HF.1.2) and 4.6% by ‘Governmental schemes’ (HF.1.1)], 34.3% was by ‘Household out-of-pocket payment’ (HF.3) [18.0% by ‘Out-of-pocket excluding cost-sharing’ (HF.3.1) and 16.3% by ‘Cost sharing with third-party payers’ (HF.3.2)], and 5.9% was by ‘Voluntary health care payment schemes (other than OOP)’ (HF.2) [5.8% by ‘Voluntary health insurance schemes’ (HF.2.1) and 0.1% by ‘Enterprises financing schemes’ (HF.2.3)].
- Of Current Health Expenditure shared by ‘Dental practices’ (HP.3.2), 84.7% was financed by ‘Household out-of-pocket payment’ (HF.3) [78.7% by ‘Out-of-pocket excluding cost-sharing’ (HF.3.1) and 6.0% by ‘Cost sharing with third-party payers’ (HF.3.2)], and 15.3% was by ‘Governmental financing schemes and compulsory contributory health financing schemes’ (HF.1) [14.7% by ‘Compulsory contributory health insurance schemes’ (HF.1.2) and 0.7% by ‘Governmental schemes’ (HF.1.1)].
- Of Current Health Expenditure shared by ‘Other health care practitioners’ (HP.3.3), 57.6% was financed by ‘Household out-of-pocket payment’ (HF.3) [44.5% by ‘Out-of-pocket excluding cost-sharing’ (HF.3.1) and 13.1% by ‘Cost sharing with third-party payers’ (HF.3.2)], and 42.4% was by ‘Governmental financing schemes and compulsory contributory health financing schemes’ (HF.1) [39.5% by ‘Compulsory contributory health insurance schemes’ (HF.1.2) and 2.9% by ‘Governmental schemes’ (HF.1.1)].

95. Of Current Health Expenditure shared by 'Providers of ancillary services' (HP.4), 69.4% was financed by 'Governmental financing schemes and compulsory contributory health financing schemes' (HF.1) [42.0% by 'Compulsory contributory health insurance schemes' (HF.1.2) and 27.4% by 'Governmental schemes' (HF.1.1)], and 30.6% was by 'Household out-of-pocket payment' (HF.3) [16.1% by 'Cost sharing with third-party payers' (HF.3.2) and 14.5% by 'Out-of-pocket excluding cost-sharing' (HF.3.1)].

96. Of Current Health Expenditure shared by 'Retailers and other providers of medical goods' (HP.5), 60.8% was financed by 'Governmental financing schemes and compulsory contributory health financing schemes' (HF.1) [54.6% by 'Compulsory contributory health insurance schemes' (HF.1.2) and 6.2% by 'Governmental schemes' (HF.1.1)], and 39.2% was by 'Household out-of-pocket payment' (HF.3) [20.5% by 'Cost sharing with third-party payers' (HF.3.2) and 18.7% by 'Out-of-pocket excluding cost-sharing' (HF.3.1)].

- Of Current Health Expenditure shared by 'Pharmacies' (HP.5.1), 70.7% was financed by 'Governmental financing schemes and compulsory contributory health financing schemes' (HF.1) [63.5% by 'Compulsory contributory health insurance schemes' (HF.1.2) and 7.2% by 'Governmental schemes' (HF.1.1)], and 29.3% was by 'Household out-of-pocket payment' (HF.3) [24.0% by 'Cost sharing with third-party payers' (HF.3.2) and 5.3% by 'Out-of-pocket excluding cost-sharing' (HF.3.1)].

97. Of Current Health Expenditure shared by 'Providers of preventive care' (HP.6), 88.5% was financed by 'Governmental financing schemes and compulsory contributory health financing schemes' (HF.1) [75.3% by 'Governmental schemes' (HF.1.1) and 13.2% by 'Compulsory contributory health insurance schemes' (HF.1.2)], and 11.5% was by 'Household out-of-pocket payment' (HF.3) [7.9% by 'Out-of-pocket excluding cost-sharing' (HF.3.1) and 3.6% by 'Cost sharing with third-party payers' (HF.3.2)].

98. Of Current Health Expenditure shared by 'Providers of health care system administration and financing' (HP.7), 85.4% was financed by 'Governmental financing schemes and compulsory contributory health financing schemes' (HF.1) [48.6% by 'Governmental schemes' (HF.1.1) and 36.8% by 'Compulsory contributory health insurance schemes' (HF.1.2)], and 14.6% was by 'Voluntary health care payment schemes (other than OOP)' (HF.2) [all by 'Voluntary health insurance schemes' (HF.2.1)].

99. Of Current Health Expenditure shared by 'Rest of the economy' (HP.8), 57.7% was financed by 'Governmental financing schemes and compulsory contributory health financing schemes' (HF.1) [53.2% by 'Governmental schemes' (HF.1.1) and 4.5% by 'Compulsory contributory health insurance schemes' (HF.1.2)], and 42.3% was by 'Voluntary health care payment schemes (other than OOP)' (HF.2) [36.9% by 'NPISHs financing schemes' (HF.2.2) and 5.4% by 'Enterprises financing schemes' (HF.2.3)].

100. Of Current Health Expenditure shared by 'Rest of the world' (HP.9), all was financed by 'Household out-of-pocket payment' (HF.3) ['Out-of-pocket excluding cost-sharing' (HF.3.1)].

**Table 7. Financing structure of different providers, Current Health Expenditure**

(Unit :%)

			HF.1			HF.2				HF.3			HF.4
				HF.1.1	HF.1.2		HF.2.1	HF.2.2	HF.2.3		HF.3.1	HF.3.2	
		Current Health Expenditure	Governmental schemes and compulsory contributory health financing schemes	Governmental schemes	Compulsory contributory health insurance schemes	Voluntary health care payment schemes	Voluntary health insurance schemes	NPISHs financing schemes	Enterprises financing schemes	Household out-of-pocket payment	Out-of-pocket excluding cost sharing	Cost sharing with third-party payers	Rest of the world financing schemes
HP.1	Hospitals	100	59.8	10.0	49.8	6.8	6.8	-	0.1	33.4	20.5	12.9	-
HP.2	Residential long-term care facilities	100	81.2	19.9	61.3	-	-	-	-	18.8	6.8	12.0	-
HP.3	Providers of ambulatory health care	100	45.5	3.3	42.2	3.5	3.4	-	0.1	50.9	37.9	13.1	-
HP.3.1	<i>Medical practices</i>	100	59.9	4.6	55.2	5.9	5.8	-	0.1	34.3	18.0	16.3	-
HP.3.2	<i>Dental practices</i>	100	15.3	0.7	14.7	-	-	-	-	84.7	78.7	6.0	-
HP.3.3	<i>Other health care practitioners</i>	100	42.4	2.9	39.5	-	-	-	-	57.6	44.5	13.1	-
HP.4	Providers of ancillary services	100	69.4	27.4	42.0	-	-	-	-	30.6	14.5	16.1	-
HP.5	Retailers and other providers of medical goods	100	60.8	6.2	54.6	-	-	-	-	39.2	18.7	20.5	-
HP.5.1	<i>Pharmacies</i>	100	70.7	7.2	63.5	-	-	-	-	29.3	5.3	24.0	-
HP.6	Providers of preventive care	100	88.5	75.3	13.2	0.0	-	-	0.0	11.5	7.9	3.6	-
HP.7	Providers of health care system administration and financing	100	85.4	48.6	36.8	14.6	14.6	-	-	-	-	-	-
HP.8	Rest of the economy	100	57.7	53.2	4.5	42.3	-	36.9	5.4	-	-	-	-
HP.9	Rest of the world	100	-	-	-	-	-	-	-	100.0	100.0	-	-
All HP	All providers	100	58.0	10.9	47.1	5.1	4.4	0.6	0.1	36.8	23.4	13.5	-

### ***Provider structure of different financing schemes (Where different financing schemes' money goes into)***

101. Detailed descriptions on Table 8 follow.

102. Of Current Health Expenditure financed by 'Governmental financing schemes and compulsory contributory health financing schemes' (HF.1), 43.0% was shared by 'Hospitals' (HP.1); 22.1% by 'Providers of ambulatory health care' (HP.3) ['Medical practices' (HP.3.1), 17.5%; 'Other health care practitioners' (HP.3.3), 2.6%; and 'Dental practices' (HP.3.2), 2.0%]; 19.5% by 'Retailers and other providers of medical goods' (HP.5) ['Pharmacies' (HP.5.1), 19.4%]; 5.9% by 'Providers of health care system administration and financing' (HP.7); 5.0% by 'Residential long-term care facilities' (HP.2); 1.9% by general 'Providers of preventive care' (HP.6); 1.6% by 'Rest of the economy' (HP.8); and 0.9% by 'Providers of ancillary services' (HP.4).

- Of Current Health Expenditure by 'Governmental schemes' (HF.1.1), 38.0% was shared by 'Hospitals' (HP.1); 17.8% by 'Providers of health care system administration and financing' (HP.7); 10.6% by 'Retailers and other providers of medical goods' (HP.5) ['Pharmacies' (HP.5.1), 10.4%]; 8.6% by 'Providers of ambulatory health care' (HP.3) ['Medical practices' (HP.3.1), 7.2%; 'Other health care practitioners' (HP.3.3), 1.0%; and 'Dental practices' (HP.3.2), 0.5%]; 8.5% by general 'Providers of preventive care' (HP.6); 8.0% by 'Rest of the economy' (HP.8); 6.5% by 'Residential long-term care facilities' (HP.2); and 1.9% by 'Providers of ancillary services' (HP.4).
- Of Current Health Expenditure by 'Compulsory contributory health insurance schemes' (HF.1.2), 44.1% was shared by 'Hospitals' (HP.1); 25.3% by 'Providers of ambulatory health care' (HP.3) ['Medical practices' (HP.3.1), 19.8%; 'Other health care practitioners' (HP.3.3), 3.0%; and 'Dental practices' (HP.3.2), 2.4%]; 21.6% by 'Retailers and other providers of medical goods' (HP.5) ['Pharmacies' (HP.5.1), 21.4%]; 4.6% by 'Residential long-term care facilities' (HP.2); 3.1% by 'Providers of health care system administration and financing' (HP.7); 0.7% by 'Providers of ancillary services' (HP.4); 0.3% by general 'Providers of preventive care' (HP.6); and 0.2% by 'Rest of the economy' (HP.8).

103. Of Current Health Expenditure financed by 'Voluntary health care payment schemes (other than OOP)' (HF.2), 55.5% was shared by 'Hospitals' (HP.1); 19.4% by 'Providers of ambulatory health care' (HP.3) [all 'Medical practices' (HP.3.1)]; 13.6% by 'Rest of the economy' (HP.8); and 11.4% by 'Providers of health care system administration and financing' (HP.7).

- Of Current Health Expenditure by 'Voluntary health insurance schemes' (HF.2.1), 64.4% was shared by 'Hospitals' (HP.1); 22.2% by 'Providers of ambulatory health care' (HP.3) [all 'Medical practices' (HP.3.1)]; and 13.3% by 'Providers of health care system administration and financing' (HP.7).

104. Of Current Health Expenditure by 'Household out-of-pocket payment' (HF.3), 39.0% was shared by 'Providers of ambulatory health care' (HP.3) ['Dental practices' (HP.3.2), 17.6%; 'Medical practices' (HP.3.1), 15.7%; and 'Other health care practitioners' (HP.3.3), 5.7%]; 37.8% by 'Hospitals' (HP.1); 19.9% by 'Retailers and other providers of medical goods' (HP.5) ['Pharmacies' (HP.5.1), 12.6%]; 1.8% by 'Residential long-term care facilities' (HP.2); 0.6% by 'Providers of ancillary services' (HP.4); 0.5% by 'Rest of the world' (HP.9); and 0.4% by general 'Providers of preventive care' (HP.6). Other significant expenditures not included in Table 8 within the 'Retailers and other providers of medical goods' (HP.5) category were 4.0% for 'All other miscellaneous sale and other suppliers of pharmaceuticals and medical goods' (HP 4.4 - 4.9) and 3.3% for 'Retail sale and other suppliers of optical glasses and other vision products (HP 4.2).



**Table 8. Provider structure of different financing schemes, Current Health Expenditure**

(Unit :%)

			HP.1	HP.2	HP.3				HP.4	HP.5		HP.6	HP.7	HP.8	HP.9
						HP.3.1	HP.3.2	HP.3.3			HP.5.1				
		Current Health Expenditure	Hospitals	Residential long-term care facilities	Providers of ambulatory health care	Medical practices	Dental practices	Other health care practitioners	Providers of ancillary services	Retailers and other providers of medical goods	Pharmacies	Providers of preventive care	Providers of health care system admin. and financing	Rest of economy	Rest of the world
HF.1	Governmental schemes and compulsory contributory health financing schemes	100	43.0	5.0	22.1	17.5	2.0	2.6	0.9	19.5	19.4	1.9	5.9	1.6	-
HF.1.1	Governmental schemes	100	38.0	6.5	8.6	7.2	0.5	1.0	1.9	10.6	10.4	8.5	17.8	8.0	-
HF.1.2	Compulsory contributory health insurance schemes	100	44.1	4.6	25.3	19.8	2.4	3.0	0.7	21.6	21.4	0.3	3.1	0.2	-
HF.2	Voluntary health care payment schemes	100	55.5	-	19.4	19.4	-	-	-	-	-	0.0	11.4	13.6	-
HF.2.1	Voluntary health insurance schemes	100	64.4	-	22.2	22.2	-	-	-	-	-	-	13.3	-	-
HF.2.2	NPISHs financing schemes	100	-	-	-	-	-	-	-	-	-	-	-	100.0	-
HF.2.3	Enterprises financing schemes	100	17.7	-	17.0	17.0	-	-	-	-	-	0.2	-	65.1	-
HF.3	Household out-of-pocket payment	100	37.8	1.8	39.0	15.7	17.6	5.7	0.6	19.9	12.6	0.4	-	-	0.5
HF.3.1	Out-of-pocket excluding cost sharing	100	36.6	1.0	45.8	13.0	25.8	6.9	0.5	14.9	3.6	0.4	-	-	0.7
HF.3.2	Cost sharing with third-party payers	100	39.8	3.2	27.4	20.4	3.4	3.5	0.9	28.4	28.3	0.3	-	-	-
HF.4	Rest of the world financing schemes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All HF	All financing schemes	100	41.7	3.6	28.2	16.9	7.7	3.6	0.8	18.7	15.9	1.2	4.0	1.7	0.2

#### **B.4. REVENUES OF THE FINANCING SCHEME BY TYPES OF REVENUES (HFXFS)**

105. Detailed descriptions on Table 9 and Tables A2-4 and A3-4 in the annex follow.

106. Of total Current Health Expenditure, 41.1% came from ‘Social insurance contributions’ (FS.3) [‘Social insurance contributions from employers’ (FS.3.2), 16.8%; ‘Social insurance contributions from employees’ (FS.3.1), 16.0%; and ‘Social insurance contributions from self-employed’ (FS.3.3), 8.3%]; 37.6% from ‘Other domestic revenues n.e.c’ (FS.6); 15.5% from ‘Transfers from government domestic revenue’ (FS.1) [‘Transfers by government on behalf of specific groups’ (FS.1.2), 11.6%; and ‘Internal transfers and grants’ (FS.1.1), 3.9%]; 4.4% from ‘Voluntary prepayment’ (FS.5); and 1.4% from ‘Compulsory prepayment (other than FS.3)’ (FS.4).

107. Of Current Health Expenditure financed by ‘Governmental financing schemes and compulsory contributory health financing schemes’ (HF.1), 70.9% came from ‘Social insurance contributions’ (FS.3) [‘Social insurance contributions from employers’ (FS.3.2), 29.0%; ‘Social insurance contributions from employees’ (FS.3.1), 27.5%; and ‘Social insurance contributions from self-employed’ (FS.3.3), 14.3%]; 26.7% from ‘Transfers from government domestic revenue’ (FS.1) [‘Transfers by government on behalf of specific groups’ (FS.1.2), 20.0%; and ‘Internal transfers and grants’ (FS.1.1), 6.7%]; and 2.4% from ‘Compulsory prepayment (other than FS.3)’ (FS.4).

- All Current Health Expenditure by ‘Governmental schemes’ (HF.1.1) came from ‘Transfers from government domestic revenue’ (FS.1) [‘Transfers by government on behalf of specific groups’ (FS.1.2), 64.7%; and ‘Internal transfers and grants’ (FS.1.1), 35.3%].
- Of Current Health Expenditure by ‘Compulsory contributory health insurance schemes’ (HF.1.2), 87.3% came from ‘Social insurance contributions’ (FS.3) [‘Social insurance contributions from employers’ (FS.3.2), 35.8%; ‘Social insurance contributions from employees’ (FS.3.1), 34.0%; and ‘Social insurance contributions from self-employed’ (FS.3.3), 17.6%]; 9.7% from ‘Transfers from government domestic revenue’ (FS.1) [‘all from ‘Transfers by government on behalf of specific groups’ (FS.1.2)]; and 3.0% from ‘Compulsory prepayment (other than FS.3)’ (FS.4).

108. Of Current Health Expenditure financed by ‘Voluntary health care payment schemes (other than OOP)’ (HF.2), 85.4% came from ‘Voluntary prepayment’ (FS.5) and 14.6% from ‘Other domestic revenues n.e.c’ (FS.6).

- All Current Health Expenditure by ‘Voluntary health insurance’ (HF.2.1) came from ‘Voluntary prepayment’ (FS.5).
- All Current Health Expenditure by ‘NPISHs financing schemes’ (HF.2.2) came from ‘Other domestic revenues n.e.c’ (FS.6).
- All Current Health Expenditure by ‘Enterprises financing schemes’ (HF.2.3) came from ‘Other domestic revenues n.e.c’ (FS.6).

109. All Current Health Expenditure by ‘Household out-of-pocket payment’ (HF.3) came from ‘Other domestic revenues n.e.c’ (FS.6).

**Table 9. Financing scheme of different revenues, Current Health Expenditure**

(Unit :%)

			FS.1			FS.2	FS.3				FS.4	FS.5	FS.6	FS.7
				FS.1.1	FS.1.2			FS.3.1	FS.3.2	FS.3.3				
		Current Health Expenditure	Transfers from government domestic revenue	Internal transfers and grants	Transfers by government on behalf of specific groups	Transfers distributed by government from foreign origin	Social insurance contributions	Social insurance contributions from employees	Social insurance contributions from employers	Social insurance contributions from self-employed	Compulsory prepayment (other than FS.3)	Voluntary prepayment	Other domestic revenues n.e.c.	Direct foreign transfers
HF.1	Governmental schemes and compulsory contributory health financing schemes	100	26.7	6.7	20.0	-	70.9	27.5	29.0	14.3	2.4	-	-	-
HF.1.1	<i>Governmental schemes</i>	100	100.0	35.3	64.7	-	-	-	-	-	-	-	-	-
HF.1.2	<i>Compulsory contributory health insurance schemes</i>	100	9.7	-	9.7	-	87.3	34.0	35.8	17.6	3.0	-	-	-
HF.2	Voluntary health care payment schemes	100	-	-	-	-	-	-	-	-	-	85.4	14.6	-
HF.2.1	<i>Voluntary health insurance schemes</i>	100	-	-	-	-	-	-	-	-	-	100.0	-	-
HF.2.2	<i>NPISHs financing schemes</i>	100	-	-	-	-	-	-	-	-	-	-	100.0	-
HF.2.3	<i>Enterprises financing schemes</i>	100	-	-	-	-	-	-	-	-	-	-	100.0	-
HF.3	Household out-of-pocket payment	100	-	-	-	-	-	-	-	-	-	-	100.0	-
HF.3.1	<i>Out-of-pocket excluding cost sharing</i>	100	-	-	-	-	-	-	-	-	-	-	100.0	-
HF.3.2	<i>Cost sharing with third-party payers</i>	100	-	-	-	-	-	-	-	-	-	-	100.0	-
HF.4	Rest of the world financing schemes	-	-	-	-	-	-	-	-	-	-	-	-	-
All HF	All financing schemes	100	15.5	3.9	11.6	-	41.1	16.0	16.8	8.3	1.4	4.4	37.6	-

## SUMMARY, LIMITATIONS AND CONCLUSIONS

110. The SHA estimates are currently available for the years 1980-2011. With these estimates, it is possible to compare health expenditures of Korea and other countries better. Awareness and appreciation of the need and gains from applying SHA for the health expenditure classification has been increasing as OECD health expenditure figures get more frequently quoted among health policy makers.

111. Main findings in the SHA estimation can be summarized as follows;

- Korea has a relatively low (but rapidly growing) level of health expenditures compared to other OECD countries. Korean health expenditure per capita (US\$ PPP 2,198) in 2011 was 66.2% of the unweighted OECD average (US\$ PPP 3,322). Korea also belongs to a group of countries that spend far below the OECD average in terms of the “THE to GDP” ratio (7.4% versus 9.3%). Over the past decade (2000-2011), the increase in THE in Korea (12.0% in nominal terms and 9.3% in real terms) has been higher than the OECD average (4.0% in real terms). This can be partly explained by the fact that the countries that have experienced the highest increase in health expenditures per capita over the last decade are those that ranked relatively low at the beginning of the period (OECD, 2009).
- Korea’s public financing share remains the fourth lowest among OECD countries in 2011, after Chile, Mexico, and the United States. There has been a convergence in the levels of the public share of health spending among OECD countries over recent decades (OECD, 2009). Korea, like many countries with a relatively low public share in the early 1990s, has increased its public share reflecting health system reforms as well as the ongoing expansion of public coverage. Korea has an unusual public-private financing mix of health expenditures by mode of production. Korea’s public share in both inpatient and outpatient care is significantly lower than the OECD average; however, the public share in pharmaceutical expenditures in Korea is as high as the OECD average and higher than in the United States and Canada where the public share is less than 40%.
- Until the early 2000s, Korea spent a relatively large share of its health expenditures on outpatient care and a correspondingly lower share on inpatient care compared to most OECD countries. With the former decreasing and the latter increasing since then, the distribution of CHE between outpatient and inpatient care has neared the OECD average. Variations in pharmaceutical spending are observed in OECD countries and reflect the differences in volume, structure of consumption, and pharmaceutical pricing policies. Korea’s per capita expenditure on pharmaceutical products is slightly lower than the OECD average. As a share of GDP, Korea’s pharmaceutical spending was almost the same as the OECD average of 1.5%.

112. Various major challenges remain in relation to improving the Korean Health Accounts. A number of health services are not in vogue in Korea. These include home care services, day care services and ancillary services by independently managed clinical laboratories. Although Korea currently collects data on most of the major health expenditure aggregates and core variables, there is a lack of detail available on some of the important sub-aggregates. Non-availability of some data either necessitates approximation or omissions of disaggregated data in some SHA tables. Korea does not yet have a full breakdown of curative and rehabilitative care - these services are provided together and there is no clear-cut accounting distinction which would allow them to be separately identified in Korea. Expenditures on administration for private insurance are guesstimated since it is difficult to separate them from other general insurance administration. Due to lack of data, health expenditure incurred by Korean residents outside the country has not been fully included; while

the health expenditures on non-residents incurred within Korea have not been included except when they belong to the public health insurance scheme. This issue will also need to be addressed as the current data are inadequate. More in-depth reviews of these issues are warranted in the future work program.

113. In conclusion, the figures relating to the size and composition of Korea's Total and Current Health Expenditure are introduced and analyzed in this paper. Korea shows a relatively low level of health expenditures compared to other OECD countries; however, there have recently been double digit increases in annual rates. The rate of increase has created a controversy over the future sustainability of the Korean health care system. The Korean public financing share of health expenditures remains among the lowest for OECD countries while Korean household out-of-pocket payments are high. Sound evidence provided by national health accounts is essential for the equitable and efficient allocation of limited health resources in Korea. Linking this evidence with non-monetary information (such as output and outcome indicators) can provide the basis for powerful tools to monitor and improve the performance of the Korean health system. Among them would be Korea's health outcome compared to other countries with similar incomes and health expenditure levels. The next step forward will be to translate produced data into policy-relevant information that channel resources into priority areas.

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## ANNEX 1: TABLES

**Table A1-1: Current health expenditure by Financing Scheme under SHA 2011**

		2000		2011	
		KRW billion	Percent	KRW billion	Percent
HF.1	Governmental schemes and compulsory contributory health financing schemes	13,711	55.7%	50,540	58.0%
HF.1.1	Governmental scheme	2,648	10.7%	9,536	10.9%
HF.1.2/1.3	Compulsory contributory health insurance schemes/CMSA	11,064	44.9%	41,005	47.1%
HF.2	Voluntary health care payment schemes	631	2.6%	4,467	5.1%
HF.2.1	Voluntary health insurance schemes	403	1.6%	3,816	4.4%
HF.2.2	NPISHs financing schemes	190	0.8%	532	0.6%
HF.2.3	Enterprises financing schemes	38	0.2%	119	0.1%
HF.3	Household out-of-pocket payment	10,290	41.8%	32,085	36.8%
HF.3.1	Out-of-pocket excluding cost sharing	6,165	25.0%	20,337	23.4%
HF.3.2	Cost sharing with third-party payers	4,125	16.7%	11,748	13.5%
HF.4	Rest of the world financing schemes (non-resident)		-		-
HF.0	Financing schemes n.e.c.		-		-
All HF	All financing schemes	24,632	100%	87,092	100%



**Table A1-2: Current health expenditure by health care Function under SHA 2011**

		2000		2011	
		KRW billion	Percent	KRW billion	Percent
HC.1+HC.2	Curative care and rehabilitative care	16,803	68.2%	50,011	57.4%
HC.1.1+HC.2.1	Inpatient curative and rehabilitative care	7,691	31.2%	21,345	24.5%
HC.1.2+HC.2.2	Day curative and rehabilitative care		-	425	0.5%
HC.1.3+HC.2.3	Outpatient curative care and rehabilitative care	9,111	37.0%	28,222	32.4%
HC.1.4+HC.2.4	Home-based curative and rehabilitative care	0	0.0%	19	0.0%
HC.3	Long-term care (health)	88	0.4%	10,226	11.7%
HC.3.1	Inpatient long-term care (health)	83	0.3%	8,617	9.9%
HC.3.2	Day long-term care (health)	2	0.0%	103	0.1%
HC.3.3	Outpatient long-term care (health)		-		-
HC.3.4	Home-based long-term care (health)	3	0.0%	1,505	1.7%
HC.4	Ancillary services (non-specified by function)	75	0.3%	771	0.9%
HC.4.1	Laboratory services		-	489	0.6%
HC.4.2	Imaging services		-	99	0.1%
HC.4.3	Patient transportation	75	0.3%	183	0.2%
HC.5	Medical goods (non-specified by function)	5,816	23.6%	20,188	23.2%
HC.5.1	Pharmaceuticals and other medical non-durable goods	5,173	21.0%	18,449	21.2%
HC.5.2	Therapeutic appliances and other medical durable goods	643	2.6%	1,739	2.0%
HC.6	Preventive care	468	1.9%	2,671	3.1%
HC.6.1	Information, education and counseling programmes	19	0.1%	121	0.1%
HC.6.2	Immunisation programmes	2	0.0%	150	0.2%
HC.6.3	Early disease detection programmes	22	0.1%	57	0.1%
HC.6.4	Healthy condition monitoring programmes	209	0.8%	1,623	1.9%
HC.6.5	Epidemiological surveillance and risk and disease control	215	0.9%	721	0.8%
HC.6.6	Preparing for disaster and emergency response programmes		-		-
HC.7	Governance and health system and financing administration	1,383	5.6%	3,224	3.7%
HC.7.1	Governance and health system administration	1,220	5.0%	2,396	2.8%
HC.7.2	Administration of health financing	162	0.7%	828	1.0%
HC.0	Other health care services n.e.c.		-		-
All HC	All functions	24,632	100%	87,092	100%

**Table A1-3: Current health expenditure by Mode of Production under SHA 2011**

		2000		2011	
		KRW billion	Percent	KRW billion	Percent
HP.1	Hospitals	10,011	40.6%	36,321	41.7%
HP.2	Residential long-term care facilities	61	0.2%	3,104	3.6%
HP.2.1	Long-term nursing care facilities	55	0.2%	1,615	1.9%
HP.2.2	Mental health and substance abuse facilities		-		-
HP.2.9	Other residential long-term care facilities	6	0.0%	1,489	1.7%
HP.3	Providers of ambulatory health care	9,472	38.5%	24,579	28.2%
HP.3.1	Medical practices	6,715	27.3%	14,737	16.9%
HP.3.2	Dental practices	1,839	7.5%	6,681	7.7%
HP.3.3	Other health care practitioners	919	3.7%	3,155	3.6%
HP.3.4	Ambulatory health care centres		-		-
HP.3.5	Providers of home health care services		-	7	0.0%
HP.4	Providers of ancillary services	75	0.3%	672	0.8%
HP.4.1	Providers of patient transportation and emergency rescue	75	0.3%	183	0.2%
HP.4.2	Medical and diagnostic laboratories		-	488	0.6%
HP.4.9	Other providers of ancillary services		-		-
HP.5	Retailers and other providers of medical goods	2,696	10.9%	16,254	18.7%
HP.5.1	Pharmacies	2,052	8.3%	13,843	15.9%
HP.5.2	Retail sellers and other suppliers of durable medical goods and medical appliances	357	1.4%	1,043	1.2%
HP.5.9	All other miscellaneous sellers and other suppliers of pharmaceuticals and medical goods	286	1.2%	1,369	1.6%
HP.6	Providers of preventive care	342	1.4%	1,074	1.2%
HP.7	Providers of health care system administration and financing	1,485	6.0%	3,494	4.0%
HP.7.1	Government health administration agencies	581	2.4%	1,700	2.0%
HP.7.2	Social health insurance agencies	742	3.0%	966	1.1%
HP.7.3	Private health insurance administration agencies	162	0.7%	828	1.0%
HP.7.9	Other administrative agencies		-		-
HP.8	Rest of the economy	428	1.7%	1,441	1.7%
HP.8.1	Households as providers of home health care	22	0.1%	65	0.1%
HP.8.2	All other industries as secondary providers of health care	406	1.6%	1,377	1.6%
HP.8.9	Other industries n.e.c.		-		-
HP.9	Rest of the world	61	0.2%	152	0.2%
HP.0	Providers n.e.c.		-		-
All HP	All providers	24,632	100%	87,092	100%

**Table A1-4: Current health expenditure by Revenues of health care financing schemes under SHA 2011**

		2000		2011	
		KRW billion	Percent	KRW billion	Percent
FS.1	Transfers from government domestic revenue	5,157	20.9%	13,499	15.5%
FS.1.1	Internal transfers and grants	1,236	5.0%	3,366	3.9%
FS.1.2	Transfers by government on behalf of specific groups	3,920	15.9%	10,133	11.6%
FS.1.3	Subsidies		-		-
FS.1.4	Other transfers from government domestic revenue		-		-
FS.2	Transfers distributed by government from foreign origin		-		-
FS.3	Social insurance contributions	7,650	31.1%	35,817	41.1%
FS.3.1	Social insurance contributions from employees	2,064	8.4%	13,921	16.0%
FS.3.2	Social insurance contributions from employers	2,485	10.1%	14,674	16.8%
FS.3.3	Social insurance contributions from self-employed	3,100	12.6%	7,222	8.3%
FS.3.4	Other social insurance contributions		-		-
FS.4	Compulsory prepayment (other than FS.3)	905	3.7%	1,223	1.4%
FS.5	Voluntary prepayment	403	1.6%	3,816	4.4%
FS.6	Other domestic revenues n.e.c.	10,518	42.7%	32,736	37.6%
FS.7	Direct foreign transfers		-		-
FS.7.1	Direct foreign financial transfers		-		-
FS.7.2	Direct foreign aid in kind		-		-
All FS	All revenues of financing schemes	24,632	100%	87,092	100%

# Annex 2: SHA 2011 Crosstables, 2011

Table A2-1: Health care Functions and Health care Financing Schemes (HC-HF), SHA 2011

SHA 2011 Health care functions (ICHA-HC)		Health care financing schemes (ICHA-HF)		HF.1		HF.2		HF.2.1		HF.2.2		HF.2.3	
		Governmental schemes and compulsory contributory health financing schemes	Governmental scheme	Compulsory contributory health insurance schemes/CMSA	Voluntary health care payment schemes	Voluntary health insurance schemes	NPI/SHs financing schemes	Enterprises financing schemes					
Millions of national currency		HF.1.1	HF.1.2/1.3	HF.2	HF.2.1	HF.2.2	HF.2.3						
<b>HC.1+HC.2</b>	<b>Curative care and rehabilitative care</b>	26,325,810	3,582,546	22,743,264	3,784,243	3,174,856	532,200						
<b>HC.1</b>	<b>Curative care</b>	25,743,939	3,484,078	22,259,861	3,784,243	3,174,856	532,200						
<b>HC.2</b>	<b>Rehabilitative care</b>	581,871	98,469	483,403									
HC.1.1+HC.2.1	Inpatient curative and rehabilitative care	12,654,335	1,946,825	10,707,509	2,202,829	2,202,829							
HC.1.1	Inpatient curative care	12,263,694	1,870,069	10,393,625	2,202,829	2,202,829							
HC.2.1	Inpatient rehabilitative care	390,641	76,757	313,884									
HC.1.2+HC.2.2	Day curative and rehabilitative care	281,963	25,321	256,642									
HC.1.2	Day curative care	272,533	23,114	249,419									
HC.2.2	Day rehabilitative care	9,430	2,207	7,223									
HC.1.3+HC.2.3	Outpatient curative care	13,375,394	1,606,607	11,766,788	1,581,414	971,827	532,200					77,367	
HC.1.3	Outpatient curative care	13,194,254	1,589,176	11,605,077	1,581,414	971,827	532,200					77,367	
HC.1.3.1	General outpatient curative care	12,065,057	1,507,395	10,557,752	1,581,414	971,827	532,200					77,367	
HC.1.3.2	Dental outpatient curative care	1,129,197	81,872	1,047,325									
HC.1.3.3	Specialised outpatient curative care												
HC.1.3.9	All other outpatient curative care n.e.c.												
HC.2.3	Outpatient rehabilitative care	181,141	19,430	161,710									
HC.1.4+HC.2.4	Home-based curative and rehabilitative care	14,118	1,793	12,325									
HC.1.4	Home-based curative care	13,459	1,719	11,740									
HC.2.4	Home-based rehabilitative care	659	74	585									
<b>HC.3</b>	<b>Long-term care (health)</b>	7,475,166	1,994,030	5,481,136									
HC.3.1	Inpatient long-term care (health)	6,059,083	1,736,524	4,323,359									
HC.3.2	Day long-term care (health)	85,390	11,647	73,743									
HC.3.3	Outpatient long-term care (health)												
HC.3.4	Home-based long-term care (health)	1,329,893	245,859	1,084,034									
<b>HC.4</b>	<b>Ancillary services (non specified by function)</b>	526,211	189,363	336,848									
HC.4.1	Laboratory services	301,586	27,639	273,947									
HC.4.2	Imaging services	58,866	5,486	54,379									
HC.4.3	Patient transportation	164,760	156,238	8,521									
<b>HC.5</b>	<b>Medical goods (non specified by function)</b>	11,262,972	1,154,679	10,108,293	131,921	131,921							
HC.5.1	Pharmaceuticals and other medical non durable goods	11,232,513	1,154,679	10,077,834	131,921	131,921							
HC.5.1.1	Prescribed medicines	10,460,662	1,075,994	9,384,667	130,243	130,243							
HC.5.1.2	Over-the-counter medicines	771,852	78,685	693,167	1,677	1,677							
HC.5.1.3	Other medical non-durable goods												
HC.5.2	Therapeutic appliances and other medical durable goods	30,459		30,459									
<b>HC.6</b>	<b>Preventive care</b>	2,234,673	1,185,020	1,049,653	41,468							41,468	
HC.6.1	Information, education and counseling programmes	120,723	120,723										
HC.6.2	Immunisation programmes	150,351	150,351										
HC.6.3	Early disease detection programmes	56,566	56,566										
HC.6.4	Healthy condition monitoring programmes	1,185,953	136,299	1,049,653	41,468							41,468	
HC.6.5	Epidemiological surveillance and risk and disease control	721,081	721,081										
HC.6.6	Preparing for disaster and emergency response programmes												
<b>HC.7</b>	<b>Governance and health system and financing administration</b>	2,715,517	1,429,956	1,285,561	508,960	508,960							
HC.7.1	Governance and health system administration	2,396,376	1,429,956	966,421									
HC.7.2	Administration of health financing	319,141		319,141	508,960	508,960							
<b>HC.0</b>	<b>Other health care services n.e.c.</b>												
<b>All HC</b>	<b>All functions</b>	<b>50,540,348</b>	<b>9,535,594</b>	<b>41,004,755</b>	<b>4,466,591</b>	<b>3,815,537</b>	<b>532,200</b>					<b>118,855</b>	
<b>Memorandum items</b>													
<i>Reporting items:</i>													
<b>HC.RI.1</b>	<i>Total pharmaceutical expenditure (TPE)</i>	13,681,278	1,511,271	12,170,007	461,074	461,074							
<b>HC.RI.2</b>	<i>Traditional, Complementary and Alternative Medicines (TCAM)</i>	1,460,191	101,950	1,358,242									
<b>HC.RI.3</b>	<i>Prevention and public health services (According to SHA 1.0)</i>	2,234,673	1,185,020	1,049,653	41,468							41,468	
<i>Health care related items:</i>													
<b>ICR.1</b>	<i>Long-term care (Social)</i>												
<b>ICR.2</b>	<i>Health promotion with multisectoral approach</i>												



Table A2-2: Health care Functions and Health care Providers (HC-HP), SHA 2011

SHA 2011		Health care providers (ICHA-HP)	HP1					HP2			HP3		HP3.1			HP3.2	HP3.3	HP3.4	HP3.5
Health care functions (ICHA-HC)		Millions of national currency	Hospitals	General hospitals	Mental health hospitals	Specialised hospitals (other than mental health hospitals)	Residential long-term care facilities	Long-term nursing care facilities	Mental health and substance abuse facilities	Other residential long-term care facilities	Providers of ambulatory health care	Medical practices	Dental practices	Other health care practitioners	Ambulatory health care centres	Providers of home health care services			
<b>HC1+HC2</b>	<b>Curative care and rehabilitative care</b>	26,533,861								21,805,111	13,332,725	6,646,291	1,624,096						
<b>HC.1</b>	<b>Curative care</b>	26,011,297								21,016,753	13,146,219	6,646,291	1,622,243						
<b>HC.2</b>	<b>Rehabilitative care</b>	722,564								788,358	186,506		1,853						
HC.1.1+HC.2.1	Inpatient curative and rehabilitative care	18,164,455								2,598,499	2,441,981		156,515						
HC.1.1	Inpatient curative care	17,581,969								2,578,152	2,423,470		154,691						
HC.2.1	Inpatient rehabilitative care	572,495								20,344	18,511		1,833						
HC.1.2+HC.2.2	Day curative and rehabilitative care	329,067								96,288	96,288								
HC.1.2	Day curative care	316,087								95,327	95,327								
HC.2.2	Day rehabilitative care	12,984								963	963								
HC.1.3+HC.2.3	Outpatient curative and rehabilitative care	8,022,203								11,108,479	10,793,607	8,646,291	1,667,581						
HC.1.3	Outpatient curative care	7,987,938								11,842,873	10,627,021	8,646,291	1,667,581						
HC.1.3.1	General outpatient curative care	7,416,039								12,294,582	10,627,021		1,667,581						
HC.1.3.2	Dental outpatient curative care	471,905								6,646,291			0						
HC.1.3.3	Specialised outpatient curative care																		
HC.1.3.3	All other outpatient curative care n.e.c.																		
HC.2.3	Outpatient rehabilitative care	134,265								156,609	186,989		19						
HC.1.4+HC.2.4	Home-based curative and rehabilitative care	16,121								491	491								
HC.1.4	Home-based curative care	17,052								468	468								
HC.2.4	Home-based rehabilitative care	469																	
<b>HC.3</b>	<b>Long term care (health)</b>	6,991,418				3,104,272	1,614,930		1,489,342	6,567								6,567	
HC.3.1	Inpatient long-term care (health)	6,991,658				1,623,222	1,614,930		6,291										
HC.3.2	Day long-term care (health)	2,160				197,264			197,264										
HC.3.3	Outpatient long-term care (health)																		
HC.3.4	Home-based long-term care (health)	611				1,379,788			1,379,786	6,567								6,567	
<b>HC.4</b>	<b>Ancillary services (non specified by function)</b>									99,654	99,656								
HC.4.1	Laboratory services									678	678								
HC.4.2	Imaging services									98,978	98,978								
HC.4.3	Patient transportation																		
<b>HC.5</b>	<b>Medical goods (non specified by function)</b>	1,842,803								2,135,613	771,928	32,899	1,330,786						
HC.5.1	Pharmaceuticals and other medical non durable goods	1,842,803								2,135,613	771,928	32,899	1,330,786						
HC.5.1.1	Prescribed medicines	1,724,337								821,809	763,114	32,861	25,832						
HC.5.1.2	Over-the-counter medicines	118,467								1,313,805	8,814	38	1,304,954						
HC.5.1.3	Other medical non-durable goods																		
HC.5.2	Therapeutic appliances and other medical durable goods																		
<b>HC.6</b>	<b>Preventive care</b>	948,152								532,202	532,202								
HC.6.1	Information, education and counseling programmes																		
HC.6.2	Immunisation programmes																		
HC.6.3	Early disease detection programmes																		
HC.6.4	Healthy condition monitoring programmes	848,152								532,202	532,202								
HC.6.5	Epidemiological surveillance and risk and disease control																		
HC.6.6	Preparing for disaster and emergency response programmes																		
<b>HC.7</b>	<b>Governance and health system and financing administration</b>																		
HC.7.1	Governance and health system administration																		
HC.7.2	Administration of health financing																		
<b>HC.8</b>	<b>Other health care services n.e.c.</b>																		
<b>All HC</b>	<b>All functions</b>	36,321,231				3,104,272	1,614,930		1,489,342	24,579,149	14,730,511	6,691,150	3,154,892					6,567	
<b>Memorandum items</b>																			
<i>Reporting items</i>																			
<b>HC.RI.1</b>	Total pharmaceutical expenditure (TPE)	5,241,674								2,336,069	974,362	32,899	1,330,827						
<b>HC.RI.2</b>	Traditional, Complementary and Alternative Medicines (TCAM)	471,734								3,152,319			3,152,316						
<b>HC.RI.3</b>	Prevention and public health services (According to SHA f.0)	948,152								532,202	532,202								
<i>Health issue related items</i>																			
<b>HC.R.1</b>	Long-term care (Social)																		
<b>HC.R.2</b>	Health promotion with multisectoral approach																		

HP4		HP5		HP6		HP7		HP8		HP9		HP0		All HP		
Providers of ancillary services		Retailers and other providers of medical goods		Providers of preventive care		Providers of health care system admin. and financing		Rest of economy		Rest of the world		Providers n.e.c.		All providers		
HP4.1	HP4.2	HP5.1	HP5.2	HP5.3	HP6.1	HP6.2	HP7.1	HP7.2	HP7.3	HP7.5	HP8.1	HP8.2	HP8.3	HP9	HP0	All HP
Providers of patient transportation and emergency rescue	Medical and diagnostic laboratories	Pharmacies	Retail sellers and other suppliers of durable medical goods and medical appliances	All other miscellaneous sellers of pharmaceuticals and medical goods	Pharmacies	Retail sellers and other suppliers of durable medical goods and medical appliances	Government health administration agencies	Health insurance agencies	Private health insurance administration agencies	Other administrative agencies	Household providers of home health care	All other business secondary providers of health care	Other industries n.e.c.	Rest of the world	Providers n.e.c.	All providers
					262,730						1,237,636					50,010,853
					262,730						1,237,639					49,099,672
						2,162					428,076					910,482
						2,162					428,076					21,344,493
						0						428,076				26,748,654
						0										59,539
						0										425,369
						260,576										412,015
						260,576					839,510					13,365
						260,576					839,510					28,221,798
						260,576					839,510					27,920,897
											19,592					20,790,709
											19,592					7,140,188
																300,971
											53					19,023
											53					18,106
																917
											49,376	49,376				10,235,798
																8,016,873
																103,414
																1,505,465
671,885	183,456	480,228									49,376	49,376				771,341
480,228																488,507
																48,678
183,456	183,456															183,456
																20,187,888
																18,448,735
																14,675,389
																3,773,344
																1,739,133
																801,923
																97,725
																123,663
																46,552
																55,449
																478,555
																3,224,477
																2,395,376
																828,101
671,885	183,456	480,228														871,087
																14,440,023
																803,187
																801,923
																270,023
																270,023
																119,068
																119,068
																3,224,477
																2,395,376
																828,101
671,885	183,456	480,228														871,087
																22,050,241
																4,237,237
																2,671,368

Table A2-3: Health care Providers and Health care Financing Schemes (HP-HF), SHA 2011

SHA 2011		Health care financing schemes (ICHA-HF)	Millions of national currency					
			HF.1 Governmental schemes and compulsory contributory health financing schemes	HF.1.1 Governmental schemes	HF.1.2/1.3 Compulsory contributory health insurance schemes incl. CMSA	HF.2 Voluntary health care payment schemes	HF.2.1 Voluntary health insurance schemes	HF.2.2 NPISHs financing schemes
Health care providers (ICHA-HP)								
<b>HP.1</b>	<b>Hospitals</b>	21,718,611	3,626,943		18,091,668	2,479,999	2,458,985	
	HP.1.1 General hospitals							
	HP.1.2 Mental health hospitals							
	HP.1.3 Specialised hospitals (other than mental health hospitals)							
<b>HP.2</b>	<b>Residential long-term care facilities</b>	2,520,983	617,085	1,903,897				
	HP.2.1 Long-term nursing care facilities	1,217,791	377,725	840,065				
	HP.2.2 Mental health and substance abuse facilities							
	HP.2.9 Other residential long-term care facilities	1,303,192	239,360	1,063,832				
<b>HP.3</b>	<b>Providers of ambulatory health care</b>	11,189,026	820,917	10,368,109	867,817	847,591		
	HP.3.1 Medical practices	8,820,237	683,806	8,136,431	867,817	847,591		
	HP.3.2 Dental practices	1,024,623	44,480	980,143				
	HP.3.3 Other health care practitioners	1,338,372	91,445	1,246,927				
	HP.3.4 Ambulatory health care centres							
	HP.3.5 Providers of home health care services	5,794	1,186	4,608				
<b>HP.4</b>	<b>Providers of ancillary services</b>	465,928	183,839	282,089				
	HP.4.1 Providers of patient transportation and emergency rescue	164,760	156,238	8,521				
	HP.4.2 Medical and diagnostic laboratories	301,168	27,600	273,568				
	HP.4.9 Other providers of ancillary services							
<b>HP.5</b>	<b>Retailers and other providers of medical goods</b>	9,878,335	1,011,187	8,867,148				
	HP.5.1 Pharmacies	9,786,461	994,334	8,792,127				
	HP.5.2 Retail sellers and other suppliers of durable medical goods and medical appliances							
	HP.5.9 All other miscellaneous sellers and other suppliers of pharmaceuticals and medical goods	91,874	16,853	75,021				
<b>HP.6</b>	<b>Providers of preventive care</b>	950,146	808,382	141,764	228			
<b>HP.7</b>	<b>Providers of health care system administration and financing</b>	2,985,539	1,699,978	1,285,561	508,960	508,960		
	HP.7.1 Government health administration agencies	1,699,978	1,699,978					
	HP.7.2 Social health insurance agencies	966,421						
	HP.7.3 Private health insurance administration agencies	319,141			508,960	508,960		
	HP.7.9 Other administrative agencies							
<b>HP.8</b>	<b>Rest of the economy</b>	831,781	767,262	64,519	609,587		532,200	
	HP.8.1 Households as providers of home health care	64,714	195	64,519				
	HP.8.2 All other industries as secondary providers of health care	767,067	767,067		609,587		532,200	
	HP.8.9 Other industries n.e.c.							
<b>HP.9</b>	<b>Rest of the world</b>							
<b>HP.0</b>	<b>Providers n.e.c.</b>							
<b>All HP</b>	<b>All providers</b>	50,540,348	8,535,594	41,004,755	4,466,591	3,815,537	532,200	





Table A2-4: Health care Financing Schemes and Revenues of health care financing schemes (HF-FS), SHA 2011

SHA 2011		Revenues of health care financing schemes (ICHA-FS)	FS.1				
			Transfers from government domestic revenue	FS 1.1 Internal transfers and grants	FS 1.2 Transfers by government on behalf of specific groups	FS 1.3 Subsidies	FS 1.4 Other transfers from government domestic revenue
Health care financing schemes (ICHA-HF)		Millions of national currency					
<b>HF.1</b>	<b>Governmental schemes and compulsory contributory health financing schemes</b>		13,499,428	3,366,268	10,133,160		
	HF.1.1 Governmental schemes		9,535,594	3,366,268	6,169,326		
	HF.1.2/1.3 Compulsory contributory health insurance schemes/CMSA		3,963,834		3,963,834		
<b>HF.2</b>	<b>Voluntary health care payment schemes</b>						
	HF.2.1 Voluntary health insurance schemes						
	HF.2.2 NPISHs financing schemes						
	HF.2.3 Enterprises financing schemes						
<b>HF.3</b>	<b>Household out-of-pocket payment</b>						
	HF.3.1 Out-of-pocket excluding cost sharing						
	HF.3.2 Cost sharing with third-party payers						
<b>HF.4</b>	<b>Rest of the world financing schemes (non resident)</b>						
	HF.4.1 Compulsory schemes (non-resident)						
	HF.4.2 Voluntary schemes (non-resident)						
<b>HF.0</b>	<b>Financing schemes n.e.c.</b>						
All HF	All financing schemes		13,499,428	3,366,268	10,133,160		

FS.2	Transfers distributed by government from foreign origin				FS.3	Social insurance contributions				FS.3.1	Social insurance contributions from employees		FS.3.2	Social insurance contributions from employers		FS.3.3	Social insurance contributions from self-employed		FS.3.4	Other social insurance contributions		FS.4	Compulsory prepayment (other than FS.3)		FS.5	Voluntary prepayment		FS.6	Other domestic revenues n.e.c.		FS.7	Direct foreign transfers		FS.7.1	Direct foreign financial transfers		FS.7.2	Direct foreign aid in kind		All revenues of financing schemes		All FS	
	35,817,480	13,921,326	14,674,366	7,221,788																		1,223,441																		50,540,348			
	35,817,480	13,921,326	14,674,366	7,221,788																		1,223,441			3,815,537	651,055															9,535,594		
																									3,815,537																41,004,755		
																																									4,466,591		
																																									3,815,537		
																																									532,200		
																																									118,855		
																																										532,200	
																																										118,855	
																																										32,084,727	
																																											20,336,763
																																											11,747,964
	35,817,480	13,921,326	14,674,366	7,221,788																			1,223,441	3,815,537	32,735,782																	87,091,667	



HF.1.2	HF.2	HF.2.1	HF.2.2	HF.2.1;HF.2.2	HF.2.3	HF.2.3.1	HF.2.3.2- HF.2.3.5	HF.2.3.6- HF.2.3.7	HF.2.3.9	HF.2.4	HF.2.5	HF.3	HF.0	
Social security funds	Private sector	Private social insurance	Private insurance (other than social insurance)	Private insurance	Private households out-of-pocket exp.	out-of-pocket excluding cost-sharing	Cost-sharing: central government, state / provincial	Cost-sharing: Private insurance	All other cost-sharing	Non-profit institutions serving households	Corporations (other than health insurance)	Rest of the world	n.a.c	Current expenditure HF.1-HF.3
21,943,850	24,484,357	799,313	3,174,656	3,973,969	19,900,801	13,562,443	6,338,357			532,200	77,387			50,010,853
21,478,421	24,137,373	781,440	3,174,656	3,956,096	19,571,690	13,371,473	6,200,217			532,200	77,387			49,099,872
465,529	346,984	17,873		17,873	329,111	190,970	138,140							910,962
10,013,057	9,384,811	694,453	2,202,829	2,897,282	6,487,529	4,978,939	1,508,591							21,344,693
9,714,898	9,163,887	678,728	2,202,829	2,881,557	6,282,331	4,841,135	1,441,196							20,748,854
298,159	220,924	15,725		15,725	205,199	137,804	67,395							595,839
239,217	160,832	17,425		17,425	143,406	108,196	35,210							425,369
232,435	156,466	16,984		16,984	139,482	105,187	34,295							412,015
6,782	4,365	441		441	3,924	3,009	916							13,355
11,679,478	14,933,683	87,309	971,827	1,059,136	13,264,960	8,472,162	4,792,798			532,200	77,387			28,221,768
11,519,470	14,812,251	85,607	971,827	1,057,434	13,145,230	8,422,151	4,723,079			532,200	77,387			27,920,897
10,472,298	8,801,106	85,454	971,827	1,057,281	7,134,239	2,868,470	4,264,769			532,200	77,387			20,780,709
1,047,172	6,011,144	153		153	6,010,991	5,552,681	458,310							7,140,188
160,008	121,432	1,702		1,702	119,730	50,011	69,720							300,871
12,198	5,031	126		126	4,905	3,147	1,758							19,023
11,618	4,769	121		121	4,647	3,000	1,648							18,106
580	262	5		5	257	147	110							917
5,388,840	2,842,888	92,296		92,296	2,750,593	1,432,849	1,317,743							10,225,758
4,231,095	2,649,260	92,264		92,264	2,556,997	1,425,362	1,131,634							8,616,879
73,711	18,056	32		32	18,024	5,489	12,535							103,414
1,084,034	175,572				175,572	1,998	173,574							1,505,465
334,147	247,831	2,701		2,701	245,130	113,715	131,415							771,341
271,694	189,575	2,253		2,253	187,322	79,023	108,299							488,907
53,932	39,560	447		447	39,112	15,996	23,116							98,978
8,521	18,696				18,696	18,696								183,456
10,098,302	8,934,887	9,990	131,921	141,911	8,792,976	4,832,528	3,960,448							20,187,868
10,067,844	7,226,212	9,990	131,921	141,911	7,084,301	3,123,853	3,960,448							18,448,735
9,374,836	4,224,559	9,832	130,243	140,075	4,084,484	387,995	3,696,489							14,875,389
693,008	3,001,653	159	1,677	1,836	2,999,817	2,735,858	263,959							3,773,346
30,459	1,708,675				1,708,675	1,708,675								1,739,133
	987,814				987,814	987,814								987,814
	55,044				55,044	55,044								55,044
30,459	665,817				665,817	665,817								696,275
1,049,653	436,695				395,228	395,228					41,468			2,671,368
														45,450
														38,662
														343,641
1,049,653	436,695				395,228	395,228					41,468			2,038,287
														205,309
966,421	828,101	319,141	508,960	828,101										3,224,477
966,421														2,396,376
														1,429,956
966,421														966,421
	828,101	319,141	508,960	828,101										828,101
	319,141	319,141		319,141										319,141
	508,960		508,960	508,960										508,960
39,781,314	37,774,760	1,223,441	3,815,537	5,038,977	32,084,727	20,336,763	11,747,964			532,200	118,855			87,091,667
	2,943,803										2,943,803			4,075,314
39,781,314	40,718,563	1,223,441	3,815,537	5,038,977	32,084,727	20,336,763	11,747,964			532,200	3,062,658			91,166,981
														1,313,900
	9,595				9,595	9,595								106,319
	9,595				9,595	9,595								106,319
12,056,780	8,482,190	113,227	461,074	574,301	7,907,889	3,590,613	4,317,276							22,050,241





**Table A3-3: Health care Providers and Health care Financing Agents (HP-HF), SHA1.0**

Financing agents / schemes		HF.1							HF.1.2.
		General government	General government (excl. social security) = Territorial	Central government	HF.1.1.1.		HF.1.1.2.	HF.1.1.3	
Million of national currency					Ministry of Health	Other Ministries	State / provincial government	Local / municipal government	Social security funds
Providers									
<b>HP.1</b>	<b>Hospitals</b>	21,122,503	3,626,943	2,856,151	2,856,151		689,496	81,296	17,495,560
HP.1.1	General hospitals								
HP.1.2	Mental health and substance abuse hospitals								
HP.1.3	Speciality (other than mental health and substance abuse hospitals)								
<b>HP.2</b>	<b>Nursing and residential care facilities</b>	2,520,983	617,085	617,085	617,085				1,903,897
HP.2.1	Nursing care facilities	1,217,791	377,725	377,725	377,725				840,065
HP.2.2	Residential mental retardation, mental health and substance abuse facilities								
HP.2.3	Community care facilities for the elderly	1,303,192	239,360	239,360	239,360				1,063,832
HP.2.9	All other residential care facilities								
<b>HP.3</b>	<b>Providers of ambulatory health care</b>	11,346,762	1,004,756	800,662	644,423	156,238	182,568	21,526	10,342,006
HP.3.1	Offices of physicians	8,514,295	683,806	519,100	519,100		147,335	17,372	7,830,489
HP.3.2	Offices of dentists	1,024,623	44,480	33,766	33,766		9,584	1,130	980,143
HP.3.3	Offices of other health practitioners	1,338,061	91,444	69,418	69,418		19,703	2,323	1,246,617
HP.3.4	Out-patient care centres								
HP.3.5	Medical and diagnostic laboratories	298,918	27,600	20,952	20,952		5,947	701	271,319
HP.3.6	Providers of home health care services	5,794	1,186	1,186	1,186				4,608
HP.3.9	Other providers of ambulatory health care	165,071	156,239	156,239	1	156,238	0	0	8,832
HP.3.9.1	Ambulance services	164,760	156,238	156,238		156,238			8,521
HP.3.9.2	Blood and organ banks								
HP.3.9.9	Providers of all other ambulatory health care services	311	1	1	1		0	0	310
<b>HP.4</b>	<b>Retail sale and other providers of medical goods</b>	9,878,335	1,011,187	771,684	771,684		214,242	25,261	8,867,148
HP.4.1	Dispensing chemists = Pharmacies	9,786,461	994,334	754,832	754,832		214,242	25,261	8,792,127
HP.4.2	Retail sale and other suppliers of optical glasses and other vision products								
HP.4.3	Retail sale and other suppliers of hearing aids								
HP.4.4-HP.4.9	Retail sale and other suppliers of medical appliances; All other miscellaneous sale and other suppliers of pharmaceuticals and medical goods	91,874	16,853	16,853	16,853				75,021
<b>HP.5</b>	<b>Provision and administration of public health programs</b>	1,181,487	1,039,723	427,970	427,970		182,687	429,067	141,764
<b>HP.6</b>	<b>General health administration and insurance</b>	2,396,376	1,429,956	657,793	657,793		145,211	626,951	966,421
HP.6.1	Government administration of health	1,429,956	1,429,956	657,793	657,793		145,211	626,951	
HP.6.2	Social security funds	966,421							966,421
HP.6.3	Other social insurance								
HP.6.4	Other (private) insurance								
HP.6.3-HP.6.4	Providers of private insurance								
HP.6.9	All other providers of health administration								
<b>HP.7</b>	<b>Other industries (rest of the economy)</b>	870,462	805,944	767,262	119,264	647,998	38,682		64,519
HP.7.1	Establishments as providers of occupational health care services								
HP.7.2	Private households as providers of home care	64,714	195	195	195				64,519
HP.7.9	All other industries as secondary producers of health care	805,749	805,749	767,067	119,068	647,998	38,682		
<b>HP.9</b>	<b>Rest of the world</b>								
<b>HP.0</b>	<b>n.e.c</b>								
	<b>Total health care expenditure HP.1-HP.9</b>	49,316,907	9,535,594	6,898,607	6,094,370	804,237	1,452,886	1,184,100	39,781,314



Private sector	HF2				HF2.3				HF2.4	HF2.5	HF3	HF.0	Total health care expenditure HF.1-HF.3
	HF2.1.	HF2.2.	HF2.1-HF2.2	HF2.3.	HF2.3.1	HF2.3.2-HF2.3.5	HF2.3.6-HF2.3.7	HF2.3.9					
	Private social insurance	Private insurance (other than social insurance)	Private insurance	Private households out-of-pocket exp.	out-of-pocket excluding cost-sharing	Cost-sharing: central government, state / provincial government, Local /	Cost-sharing: Private insurance	All other cost-sharing	Non-profit institutions serving households	Corporations (other than health insurance)	Rest of the world	n.e.c	
15,198,732	596,108	2,458,985	3,055,093	12,122,625	7,443,747	4,678,879				21,014			36,321,235
				583,289	210,669	372,620							3,104,272
				397,140	203,171	193,969							1,614,930
				186,149	7,498	178,651							1,489,342
13,904,072	308,192	847,591	1,155,784	12,728,063	9,406,426	3,321,636				20,226			25,250,834
6,222,215	305,942	847,591	1,153,533	5,048,456	2,650,937	2,397,519				20,226			14,736,511
5,656,567				5,656,567	5,255,076	401,491							6,681,190
1,814,255				1,814,255	1,400,560	413,695							3,152,316
189,311	2,250		2,250	187,061	78,913	108,148							488,229
773				773		773							6,567
20,951				20,951	20,941	10							186,022
18,696				18,696	18,696								183,456
2,255				2,255	2,245	10							2,566
6,375,947				6,375,947	3,040,036	3,335,912							16,254,282
4,056,375				4,056,375	727,930	3,328,445							13,842,836
987,814				987,814	987,814								987,814
55,044				55,044	55,044								55,044
1,276,714				1,276,714	1,269,248	7,466							1,368,588
123,526				123,298	84,381	38,917				228			1,305,013
828,101	319,141	508,960	828,101										3,224,477
													1,429,956
													966,421
319,141	319,141		319,141										319,141
508,960		508,960	508,960										508,960
828,101	319,141	508,960	828,101										828,101
609,587								532,200	77,387				1,480,049
77,387									77,387				77,387
													64,714
532,200								532,200					1,337,949
151,505				151,505	151,505								151,505
37,774,760	1,223,441	3,815,537	5,038,977	32,084,727	20,336,763	11,747,964		532,200	118,855				87,091,667

**Table A3-4: Health care Financing Schemes and Financing Sources (HF-FS), SHA1.0**

Financing sources		FS.1	FS.2		FS.2.1; FS.2.3		FS.3	Total financial sources for Current health care expenditure FS.1-FS.3 *
		General government units	FS.1.1 Territorial governments	FS.1.2 All other public units	Private sector	Corporations and NPISHs	FS.2.2 Households	
Financing agents		<i>Million of national currency</i>						
HF.1	General government	15,432,575	12,875,635	2,556,940	33,884,333	12,741,219	21,143,114	49,316,907
HF.1.1	General government (excl. social security) = Territorial government	9,535,594	9,056,243	479,350				9,535,594
HF.1.1.1	Central government	6,898,607	6,419,257	479,350				6,898,607
HF.1.1.1.1	Ministry of Health	6,094,370	5,615,020	479,350				6,094,370
HF.1.1.1.2	Other Ministries	804,237	804,237					804,237
HF.1.1.2	States / provincial governments	1,452,886	1,452,886					1,452,886
HF.1.1.3	Locals / municipal governments	1,184,100	1,184,100					1,184,100
HF.1.2	Social security funds	5,896,981	3,819,391	2,077,589	33,884,333	12,741,219	21,143,114	39,781,314
HF.2	Private sector				37,774,760	651,055	37,123,705	37,774,760
HF.2.1	Private social insurance				1,223,441		1,223,441	1,223,441
HF.2.2	Private insurance (other than social insurance)				3,815,537		3,815,537	3,815,537
HF.2.1	Private insurance				5,038,977		5,038,977	5,038,977
HF.2.3	Private households out-of-pocket exp.				32,084,727		32,084,727	32,084,727
HF.2.3.1	out-of-pocket excluding cost-sharing				20,336,763		20,336,763	20,336,763
HF.2.3.2- HF.2.3.5	Cost-sharing: central government; state / provincial government; Local / municipal government; Social security funds				11,747,964		11,747,964	11,747,964
HF.2.3.6- HF.2.3.7	Cost-sharing: Private insurance							
HF.2.3.9	All other cost-sharing							
HF.2.4	Non-profit institutions serving households				532,200	532,200		532,200
HF.2.5	Corporations (other than health insurance)				118,855	118,855		118,855
HF.3	Rest of the world							
HF.0	n.e.c							
	<b>current health care expenditure HF.1-HF.3 *</b>	15,432,575	12,875,635	2,556,940	71,659,092	13,392,274	58,266,819	87,091,667

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