



# N OECD ANALYSIS F HEALTH SPENDING NORWAY

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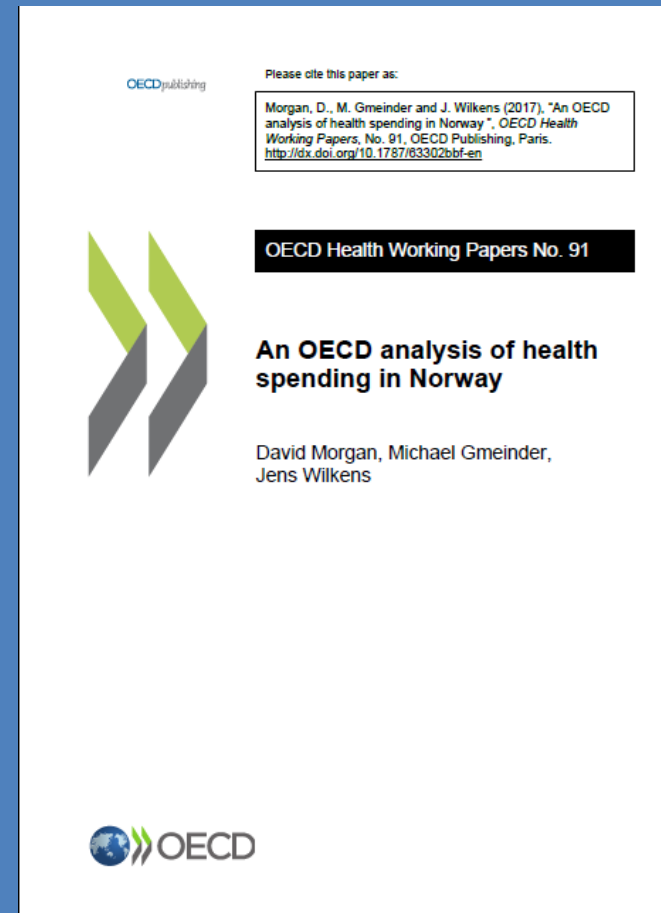
VISIT FROM SYKEPLEIERFORBUNDET

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## Outline of the study

- Starting point
- Explaining Norwegian Aggregate Health Spending
- Measuring Spending on Somatic Hospital Care
- Do Norwegians Consume More Health Care or Pay a Higher Price?
- Discussion and Conclusions





## Starting point ...

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- Does Norway spend more or less on health care compared to other high-income OECD countries?
- Norway ranks at the top when it comes to "health expenditure per capita", but only around average in terms of "health expenditure as a share of gross domestic product (GDP)". What explains this?

**The study analyses and seeks to explain health spending differences in Norway in comparison with other high-income OECD countries.**

The comparator group of five countries covers both countries with health systems that are funded and organised in a similar way to Norway's (Denmark and Sweden) as well as continental countries with a different structure (Netherlands, Switzerland and Germany).

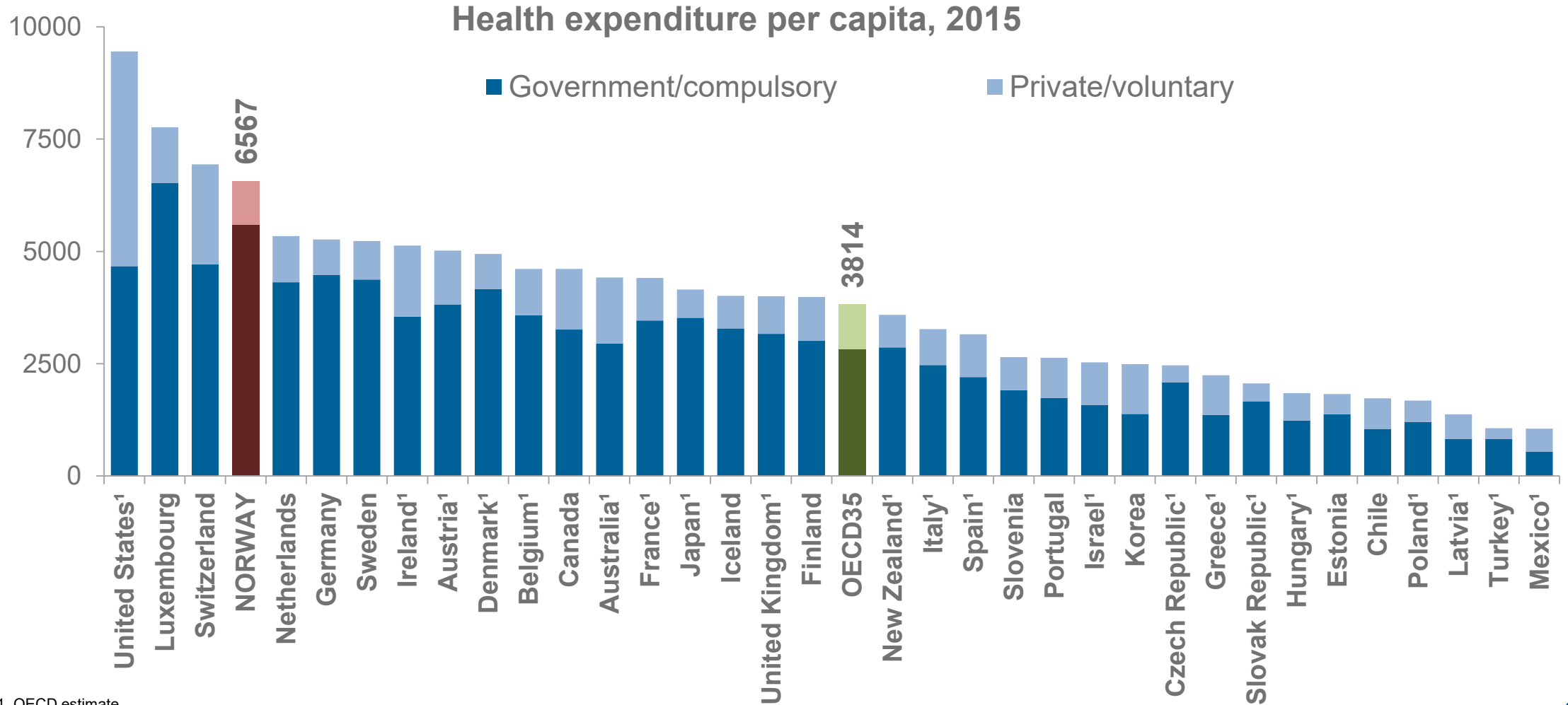


# Explaining Norwegian Aggregate Health Spending



# Norway is near the top in per capita spending ...

USD PPP

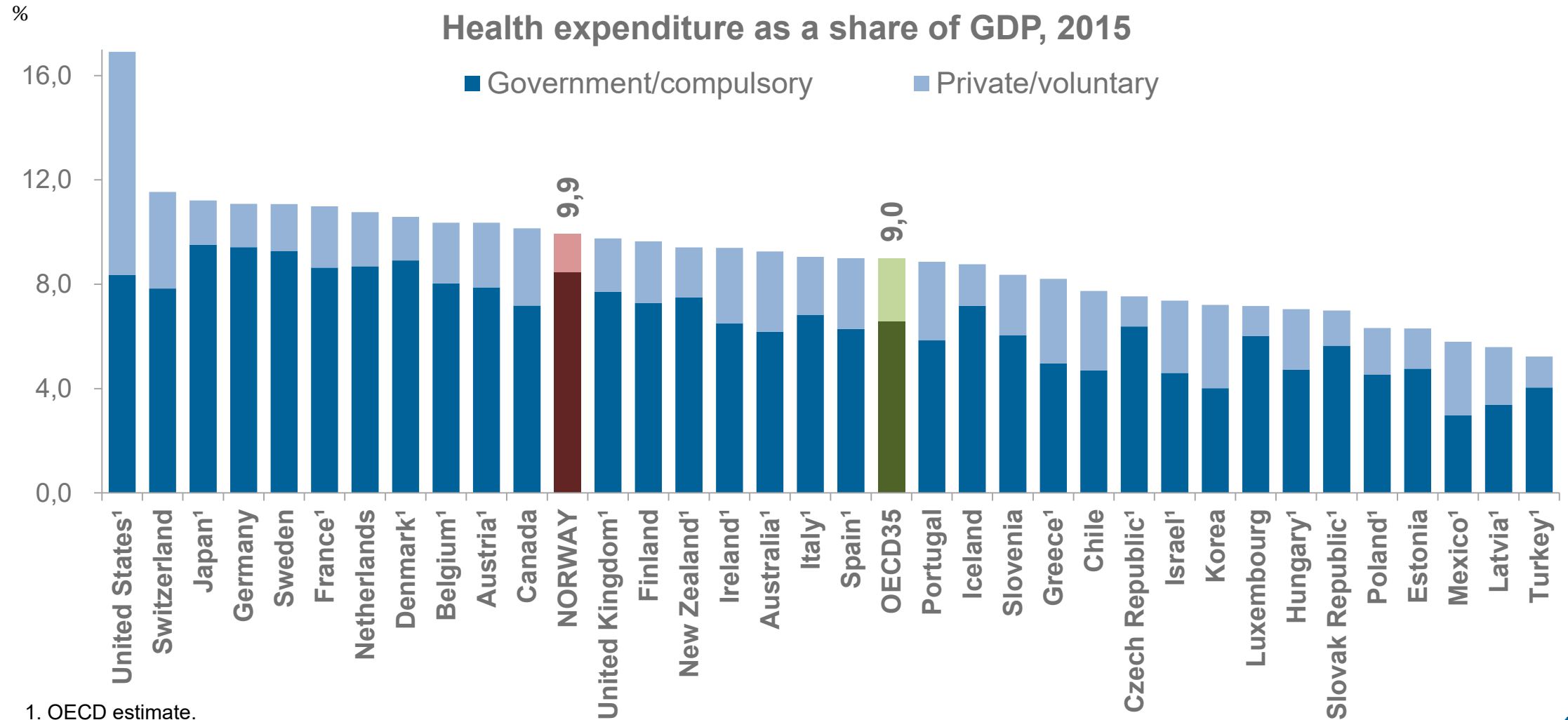


1. OECD estimate.

Source: OECD Health Statistics 2016.



... but sits closer to the average in % of GDP



1. OECD estimate.

Source: OECD Health Statistics 2016.



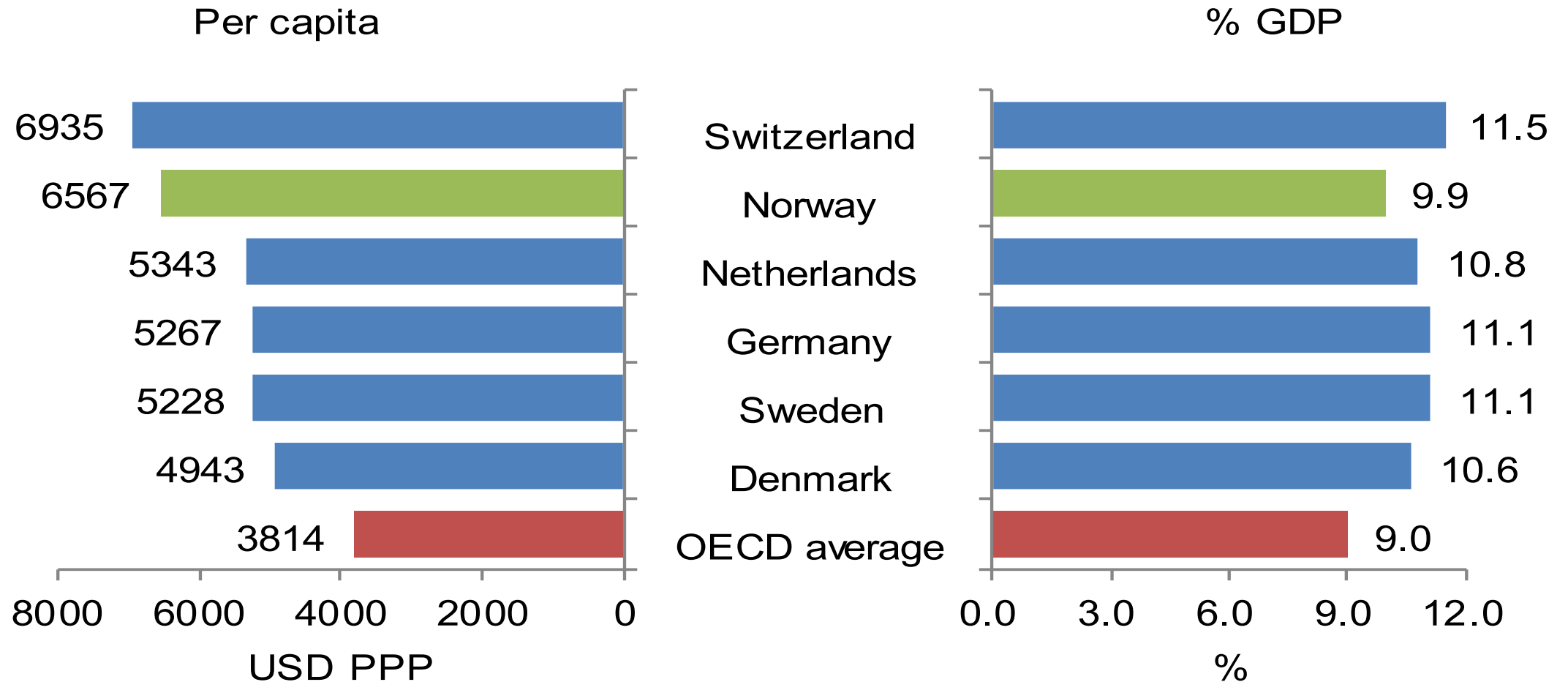
## Initial questions?

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- What explains the apparent disparity between the two indicators?
- Is Norway an outlier in health spending?
- How comparable are current estimates of health spending?



# Health spending per capita and as a share of GDP, 2015



Source: OECD Health Statistics 2016.





## Size of GDP and public resources spent on health, 2015

	General Government Expenditure % GDP	Public Current Health Expenditure (CHE)		
		% General Government Expenditure	% GDP	Per Capita*
Denmark	55.7	16.0	8.9	4160
Germany	44.0	21.4 <sup>†</sup>	9.4	4477
Netherlands	45.1	19.3 <sup>†</sup>	8.7	4312
<b>NORWAY</b>	<b>48.8</b>	<b>17.4</b>	<b>8.5</b>	<b>5598</b>
Sweden	50.3	18.5	9.3	4375
Switzerland	33.9	23.0 <sup>†</sup>	7.8	4711

\*Data adjusted for differences in economy-wide price levels.

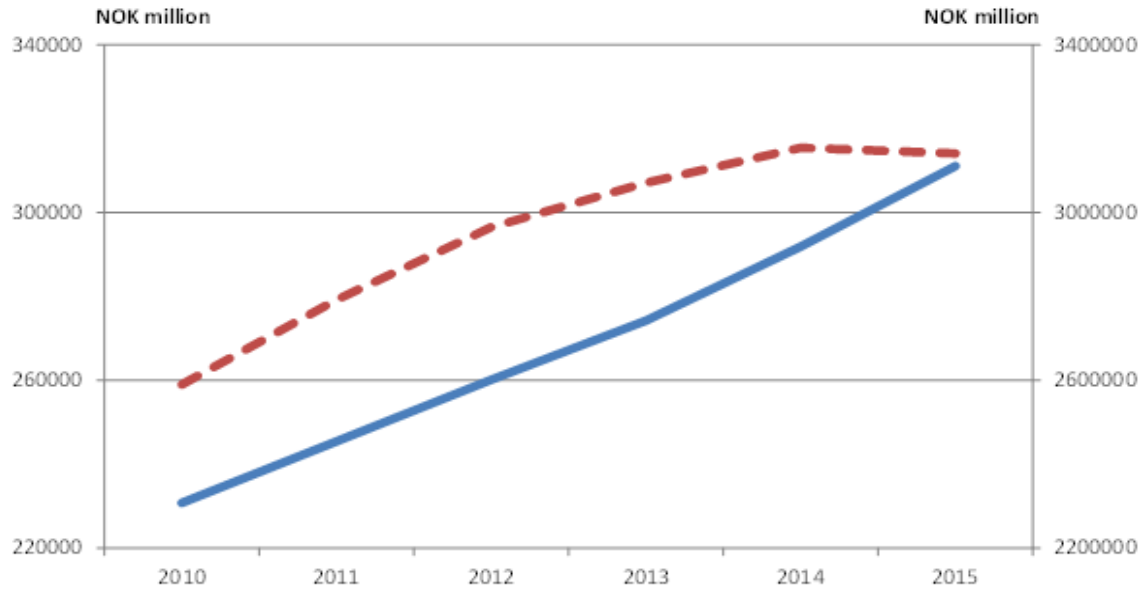
<sup>†</sup>Includes spending by compulsory private contributory schemes.

Source: OECD Health Statistics 2016; OECD National Accounts 2016

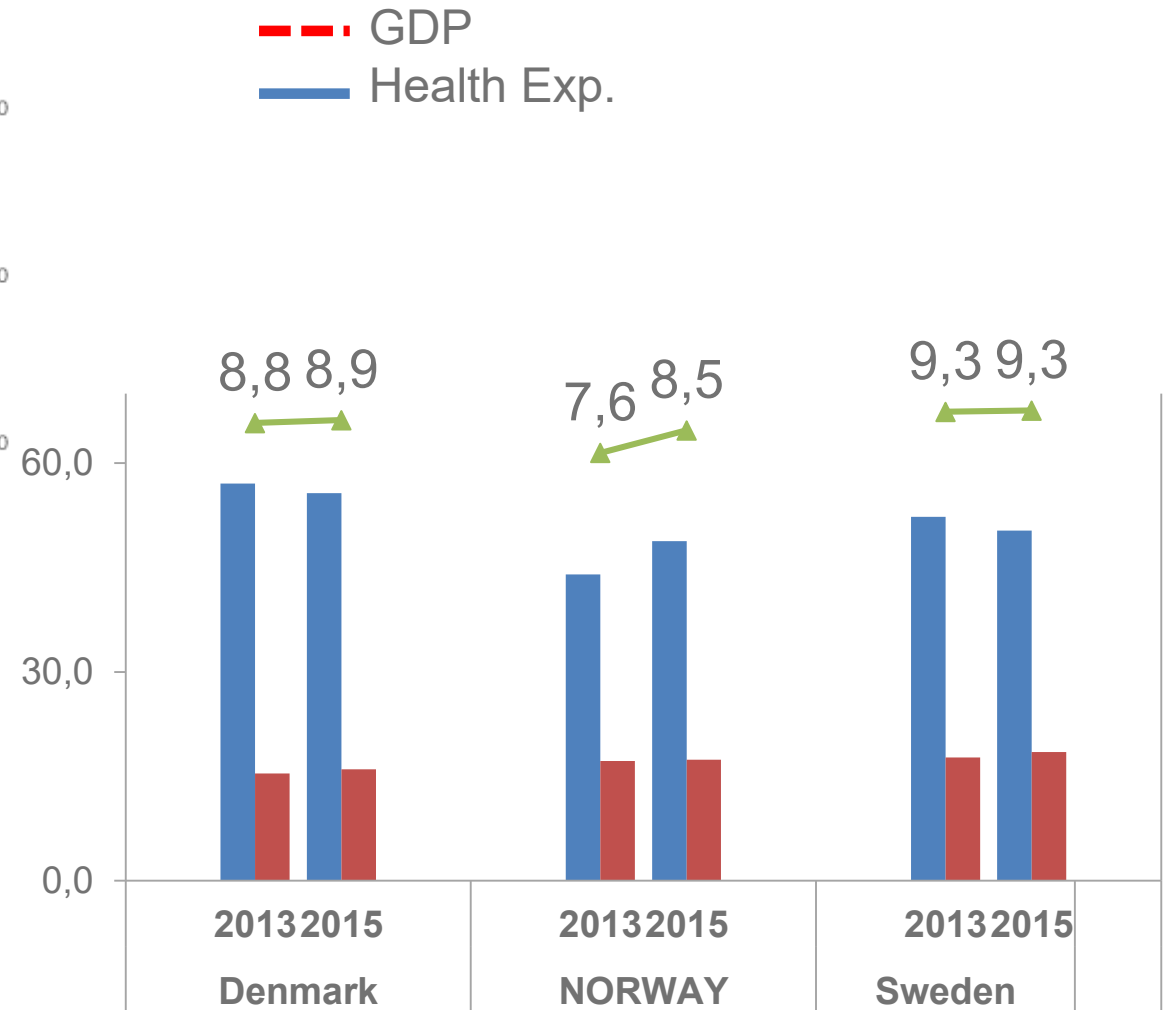
Source: OECD Health Statistics 2016.



# Spending on health as a share of government spending remains stable... as GDP changes



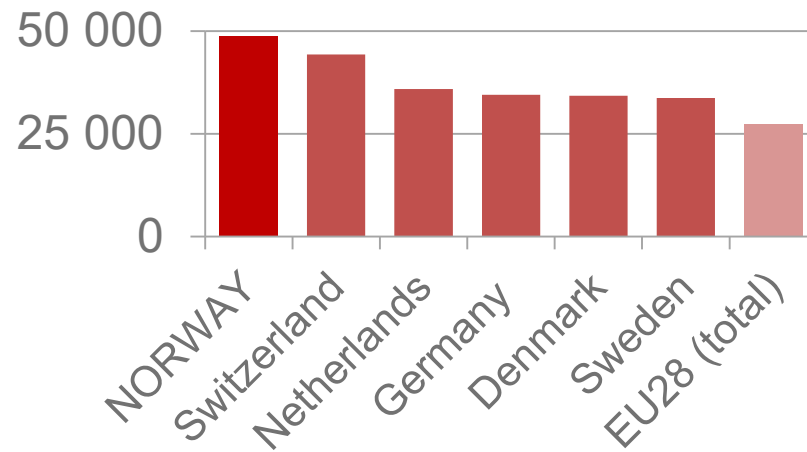
- GGE as % of GDP
- Health as % of GGE
- Public Exp. On Health as % of GDP



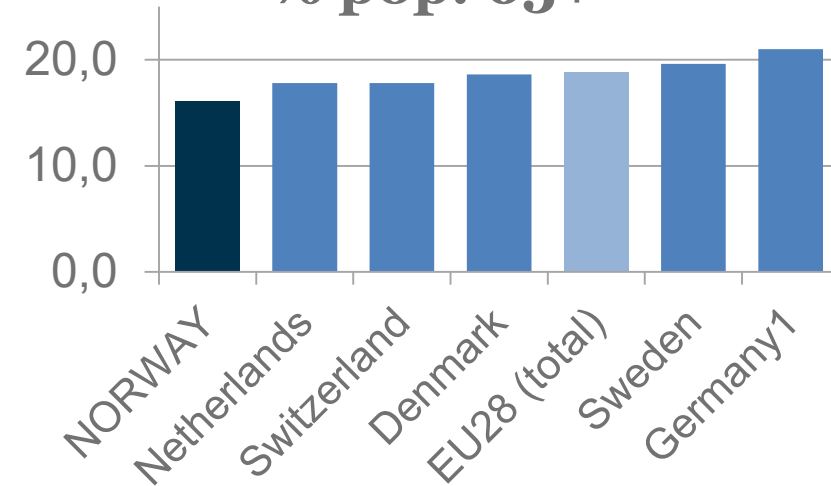


## Norway's demographic and economic profile ...

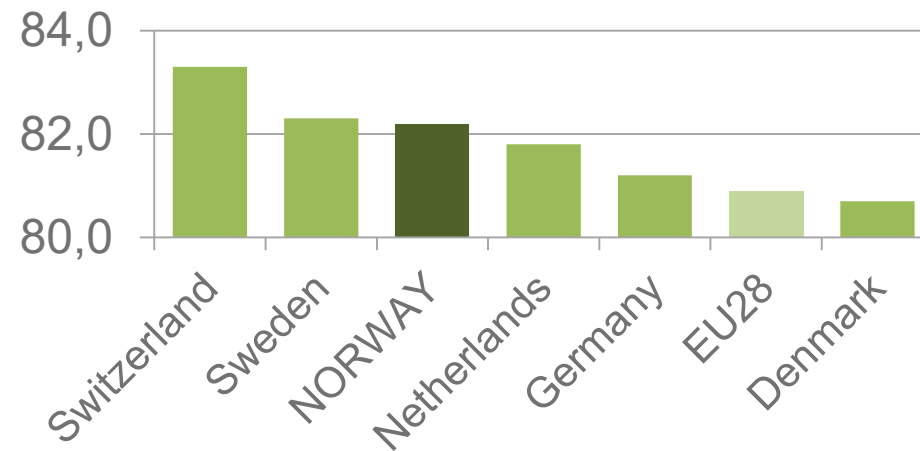
### GDP/capita (€ PPP)



### % pop. 65+



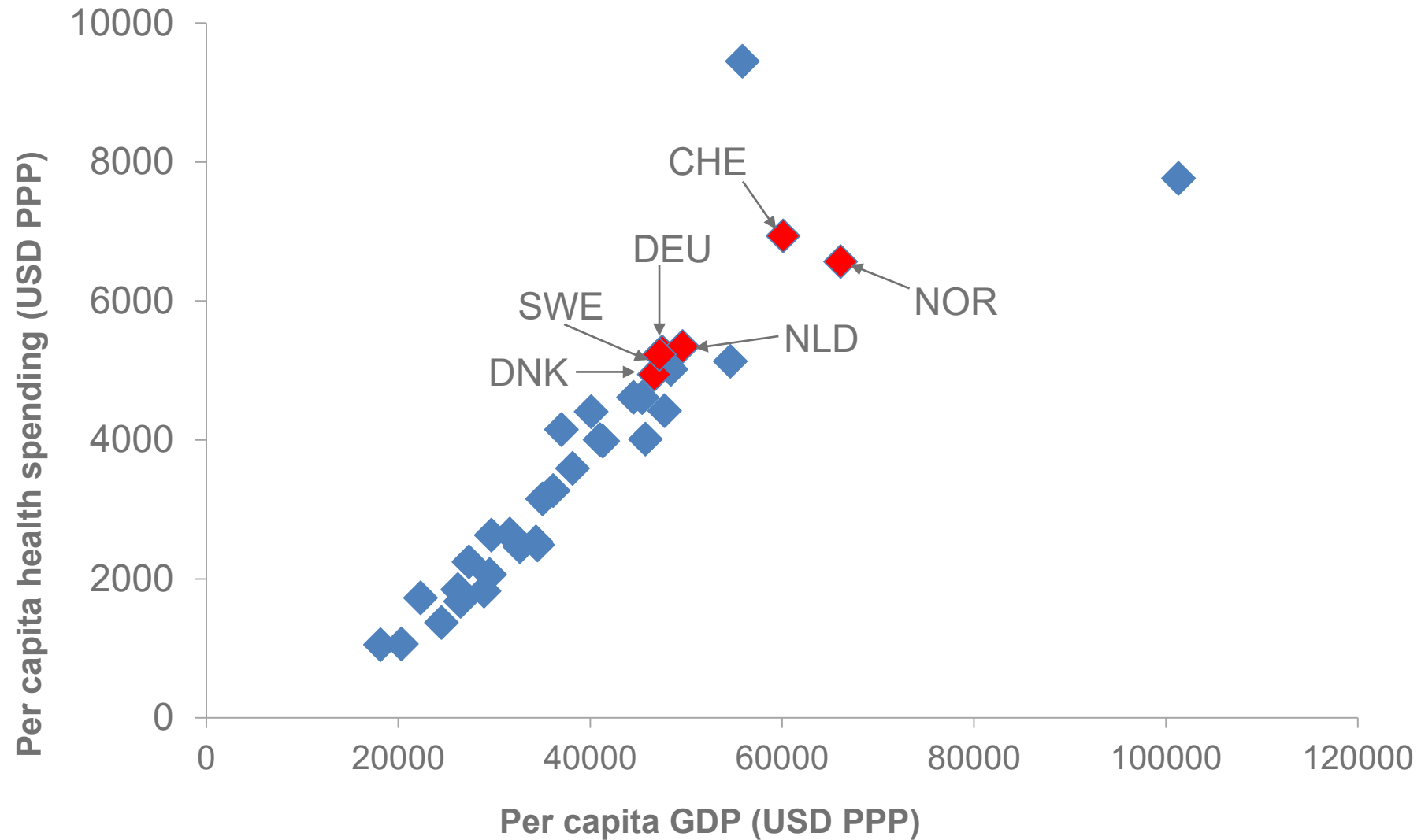
### Life expectancy at birth



Source: OECD  
Health at a Glance  
Europe 2016

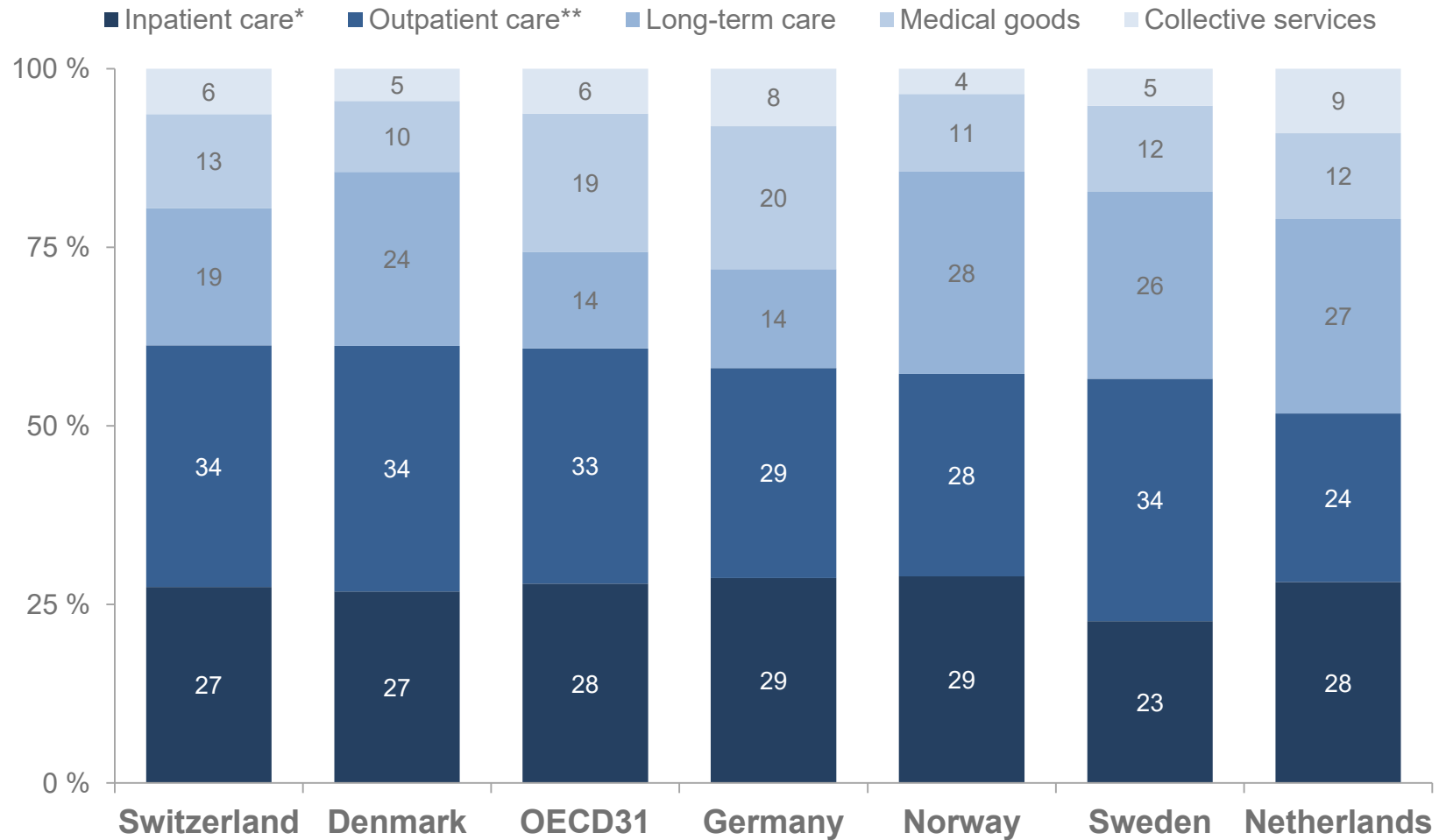


... explains it's high level of health spending





## “Health” spending is defined by the services



Note: Countries are ranked by curative-rehabilitative care as a share of current expenditure on health.

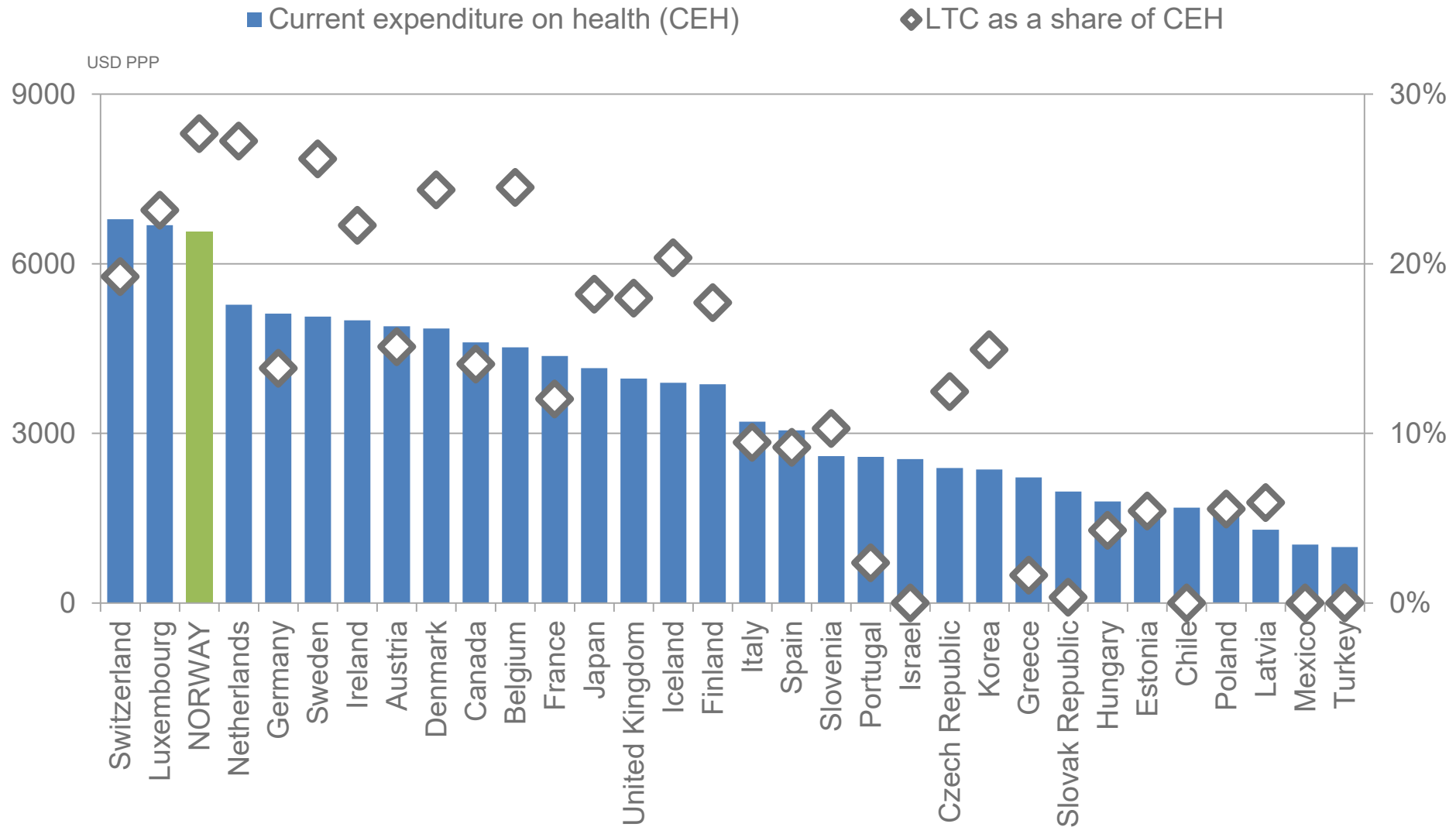
\*Refers to curative-rehabilitative care in inpatient and day care settings. \*\*Includes home-care and ancillary services.

1. Inpatient services provided by independent billing physicians are included in outpatient care for the United States.

Source: OECD Health Statistics 2016.



# LTC spending has a large effect on overall spending levels

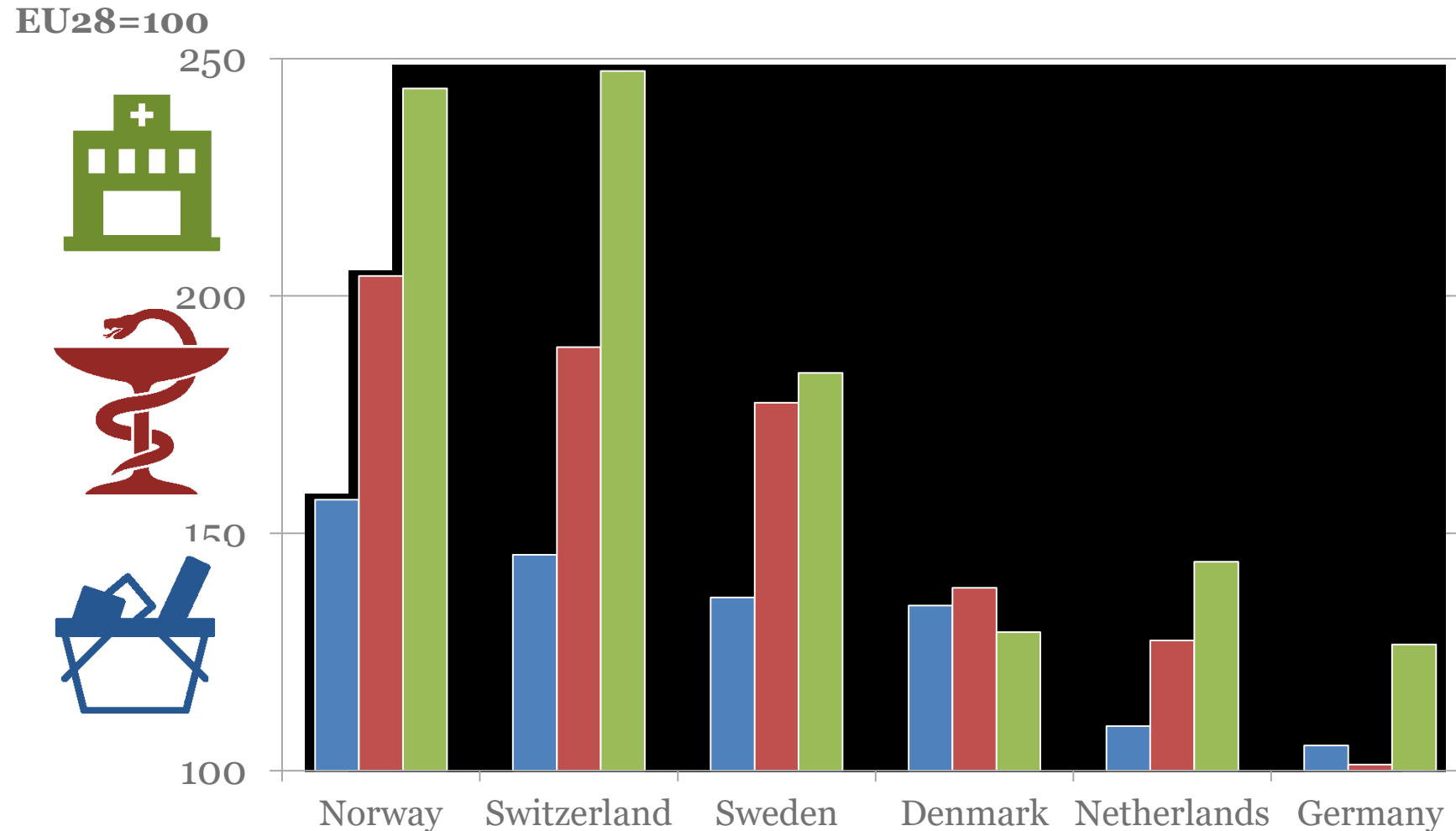




Do Norwegians Consume  
More Health Care or  
Pay a Higher Price?



## Prices are relatively high, particularly in the Norwegian health sector

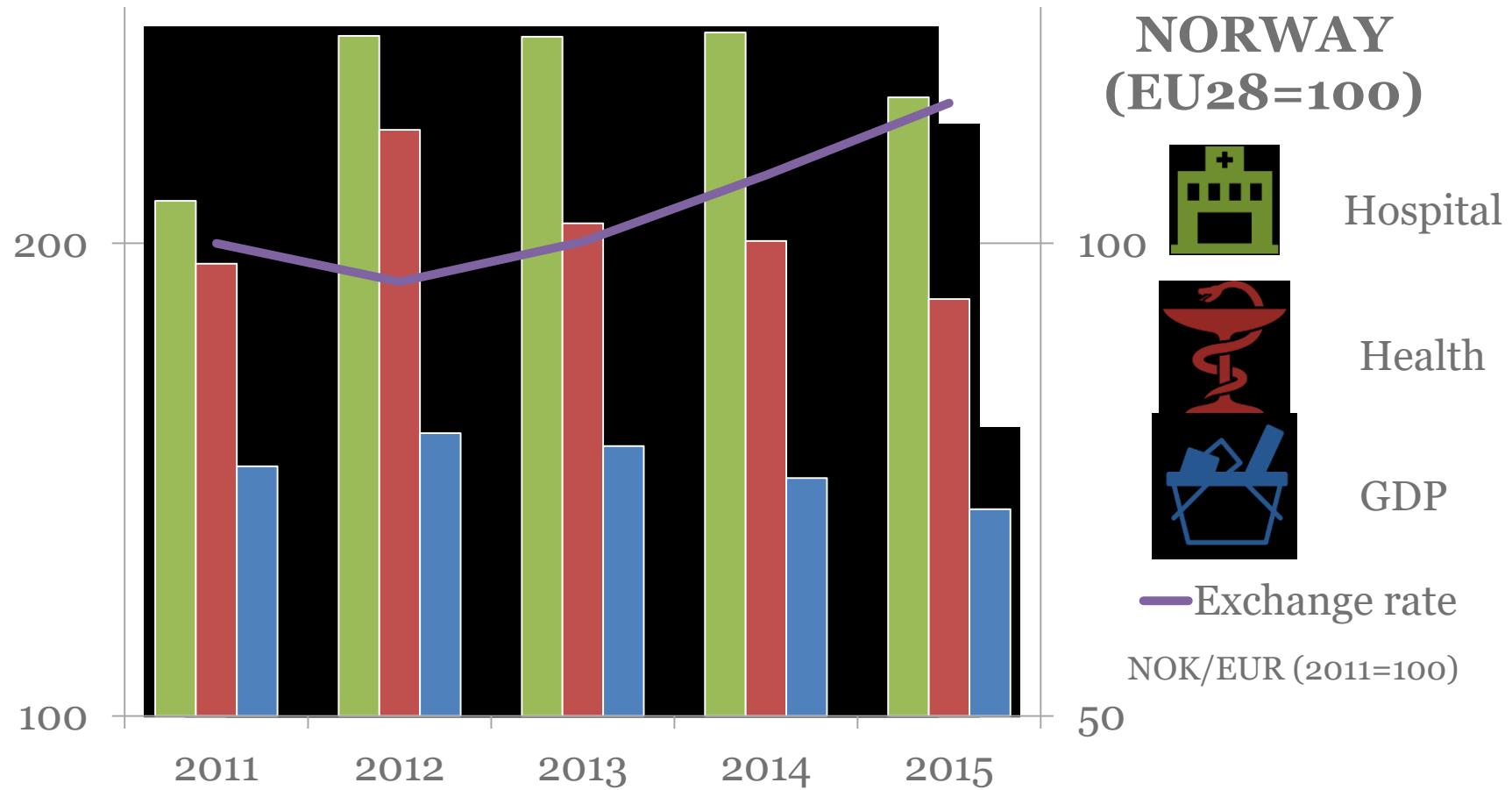


Source: Eurostat/PPP study





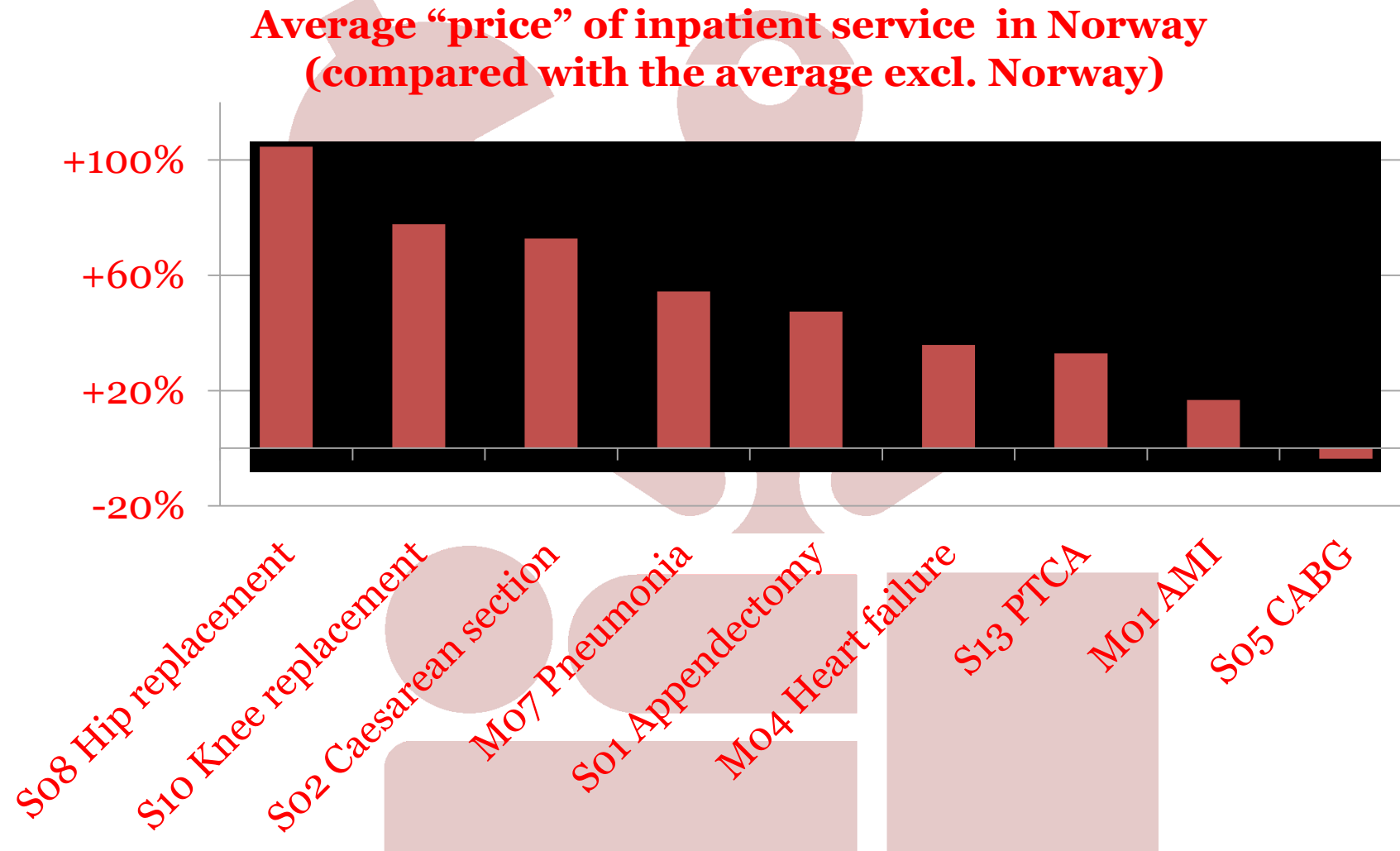
## Relative prices are also subject to exchange rate changes



Source: EUROBASE



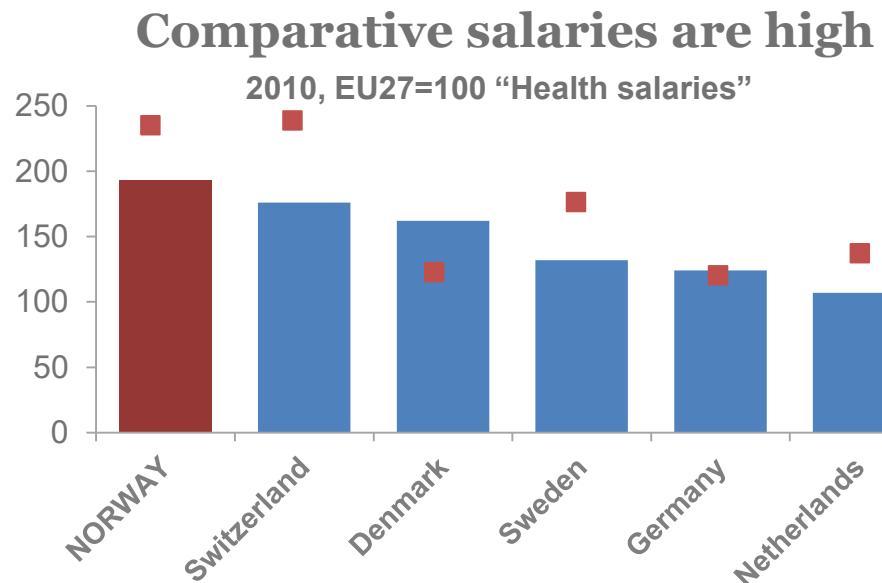
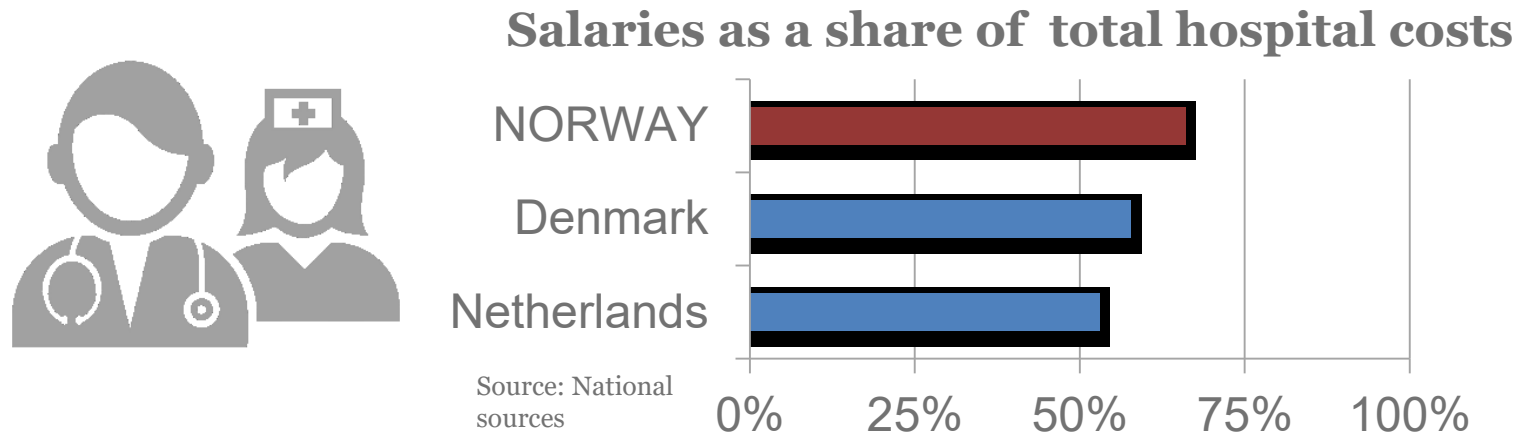
# The high cost of medical and surgical procedures in Norway



Source: OECD Eurostat PPP Study (unpublished)

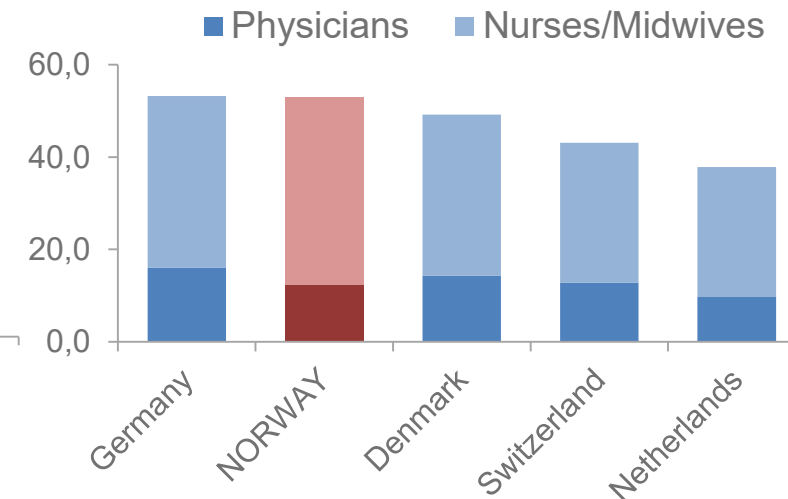


# Staff costs account for more than 65% of hospital operating costs in Norway



Source: Eurostat PPP (unpublished)

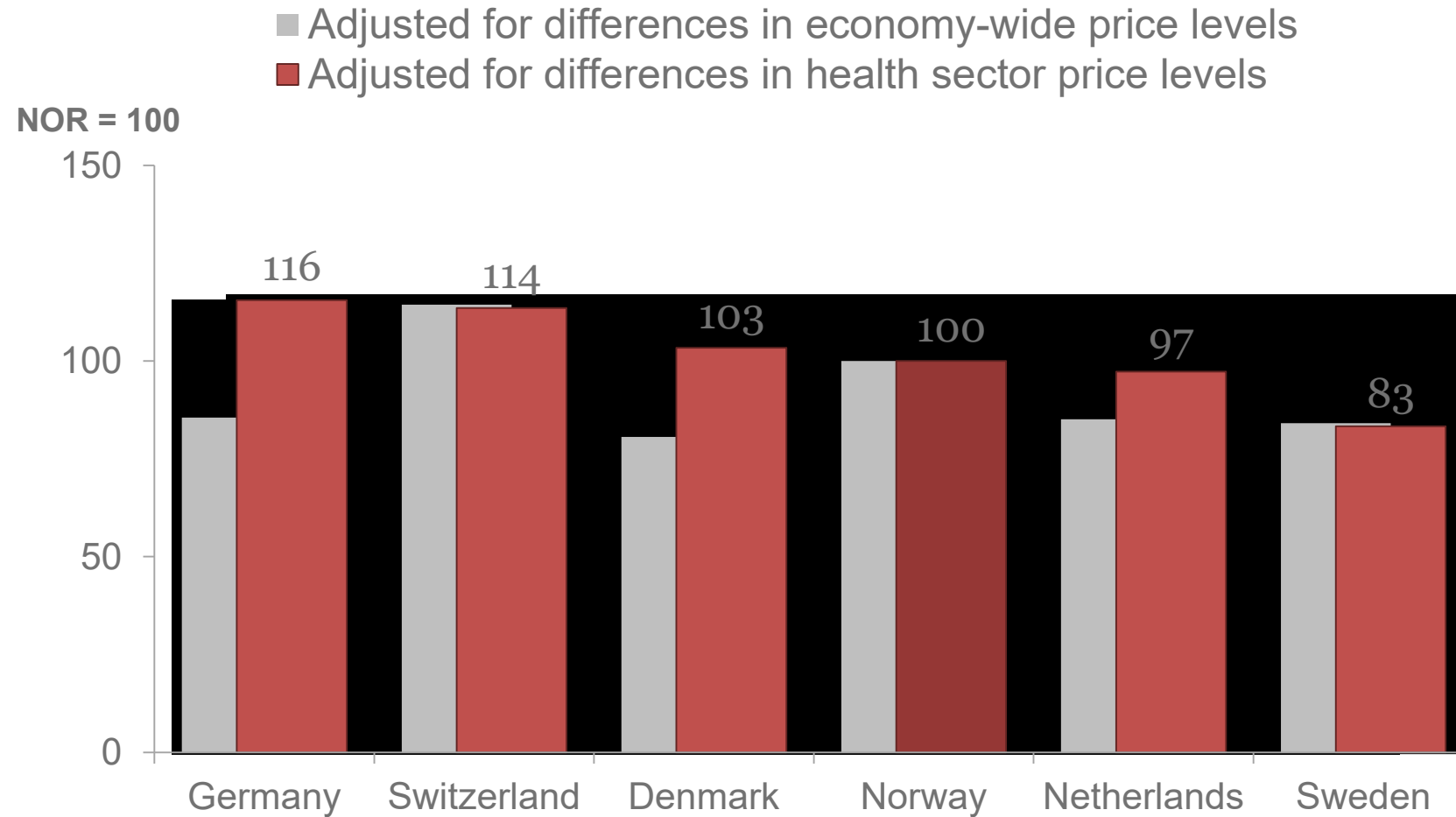
## High proportion of health workers



Source: OECD Health Statistics 2016

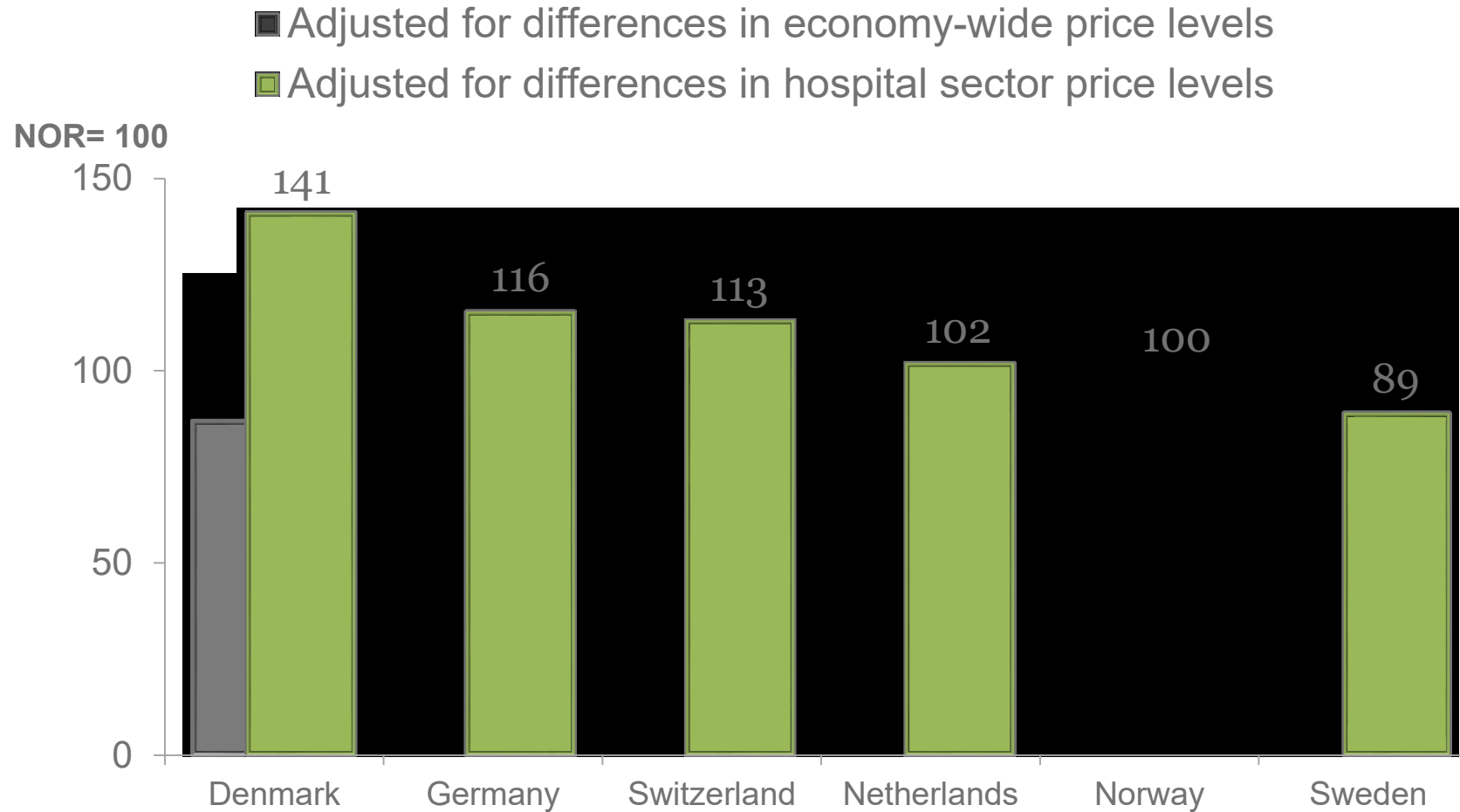


## Removing the health price effect gives a measure of the volume of health care consumption





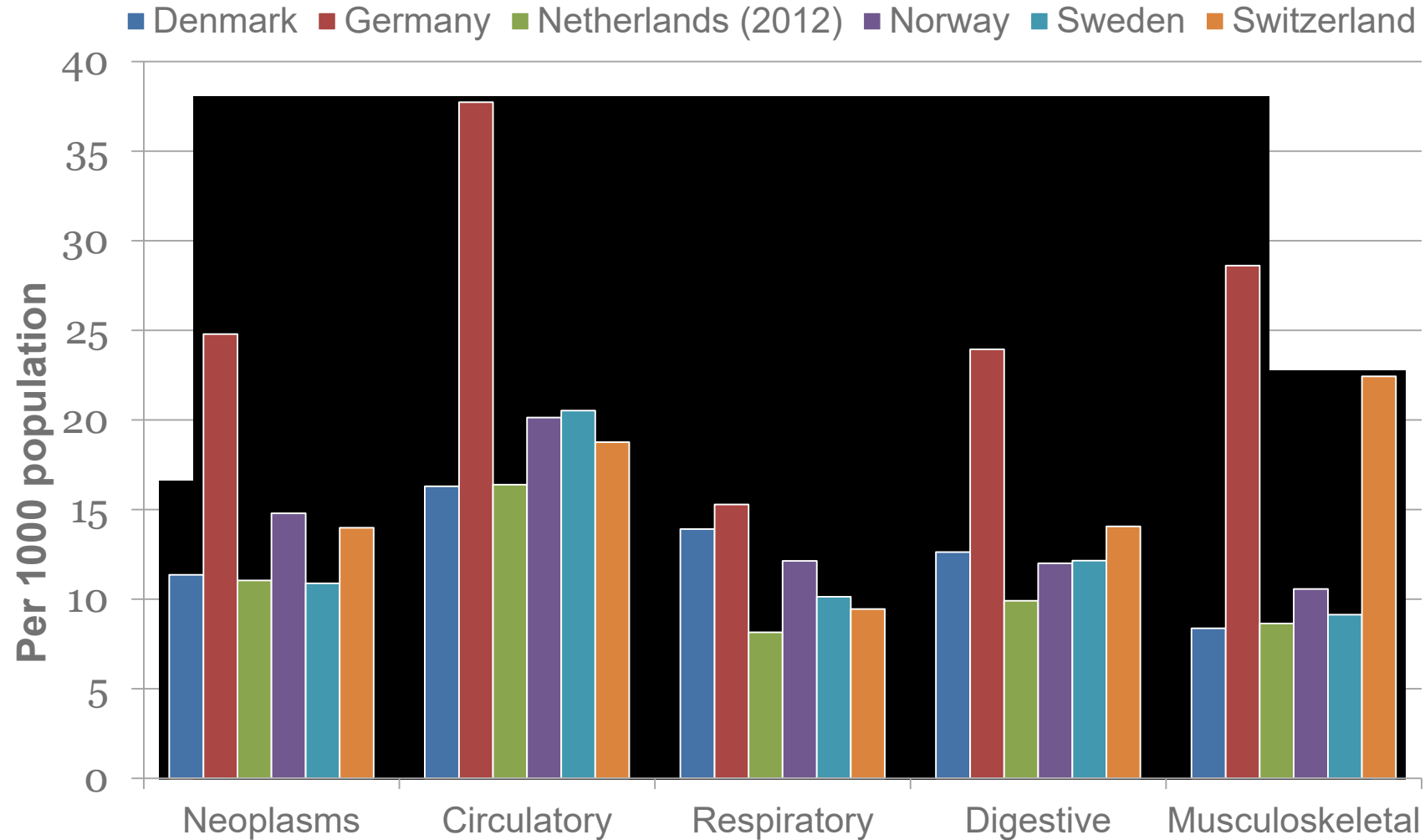
## And high hospital prices would suggest somatic volumes are relatively low in Norway



Source: OECD estimates for 2013



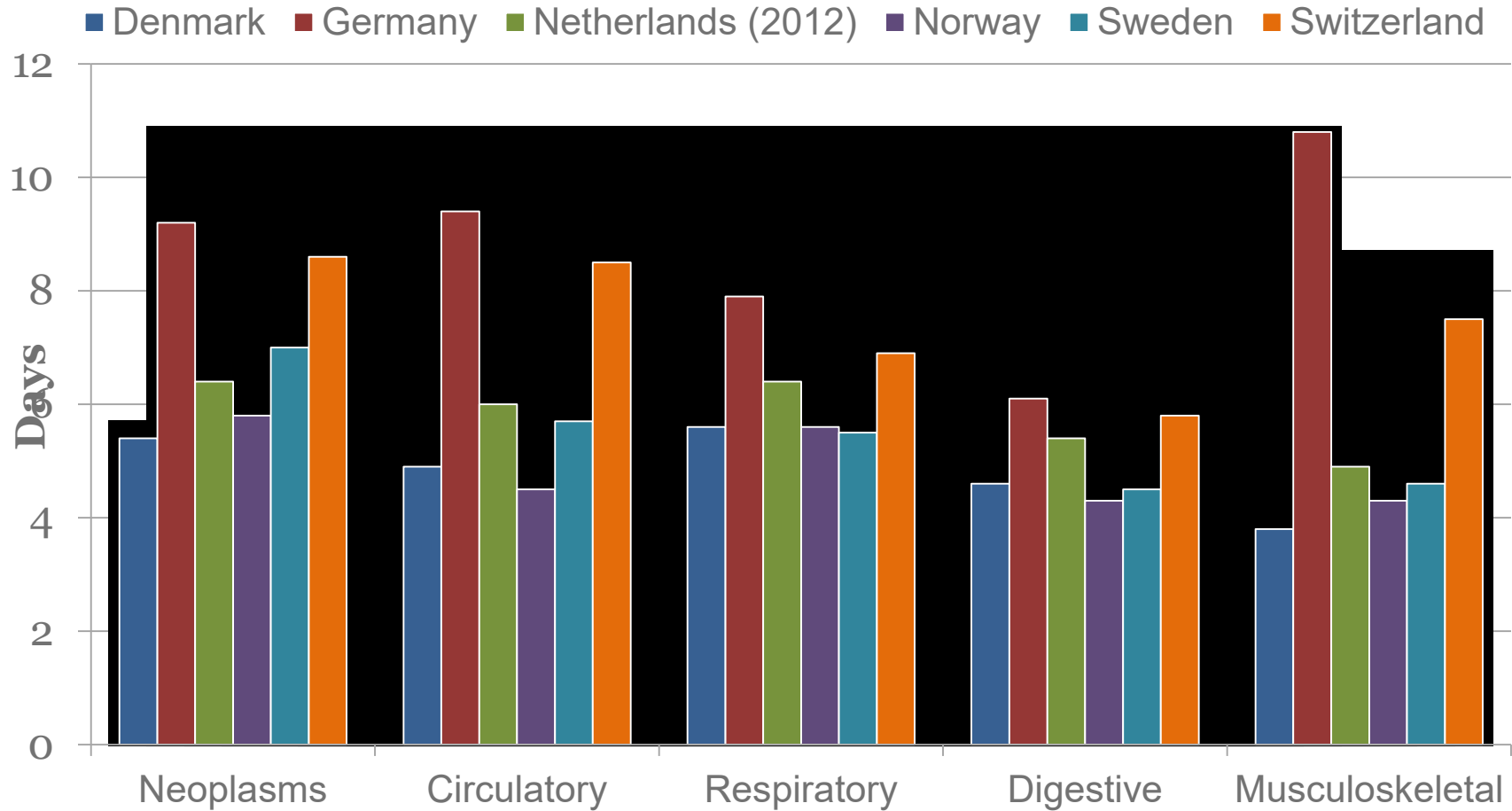
# Germany has a much higher level of hospital discharges than Norway



Source: OECD Health Statistics 2016



## ...while Switzerland has longer length of stays



Source: OECD Health Statistics 2016



## Summary points

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- Norway's **per capita health spend** appears in line with its level of income and demographic structure
- Spending on **long-term care** is methodologically comparable with the other countries
- The **share of GDP** on health is explained by country-specific factors while the **allocation of public resources** is in line with other countries
- **Inpatient care** expenditure reflects different coverage and service organisation – an adjusted measure of somatic care is more comparable – with the adjusted spending closer to the comparator countries





## Summary points

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- Available price comparisons point to significantly **high prices** in the Norwegian health and hospital sector
- Figures point to high **staff costs** from higher density of health professional and higher comparative salaries.
- Higher prices suggest that **hospital volumes** are at similar levels to other comparator countries
- The difference in volumes is supported – to an extent – in differences in **number of discharges and length of stay**



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