



1. SUSTAINABILITY OF THE HEALTHCARE SYSTEM

1.1. Public funding of healthcare (% of current expenditure on health) (S-3)

1.1.1. Documentation sheet

Description	<p>Principal indicator: Public funding of healthcare (% of current expenditure on health): Current expenditure on health according to the System of Health Accounts (SHA, OECD) expressed as a percentage financed by government/compulsory schemes for a given year.</p> <p>Secondary indicators: Public expenditure on health according to the System of Health Accounts (SHA, OECD), in million € Current expenditure on health according to the System of Health Accounts (SHA, OECD), in million € Current expenditure on health according to the System of Health Accounts, per capita (current prices and in PPP US\$) Current expenditure on health according to the System of Health Accounts expressed as a percentage of the gross domestic product Revenue sources of the public sector</p>
Calculation	All calculations are done by OECD ¹ on the basis of data provided by experts from each country ² (in compliance with EU Commission Regulations 2015/359 and 2021/1901)
Rationale	<p>The financial sustainability comprises economic and fiscal sustainability. Trends in health expenditure financed by public authorities is an important indicator of sustainability. Fiscal sustainability refers to the capacity to collect public revenues (taxes and social contributions) to meet the public expenditure.³ Current health expenditure and public health expenditure, as well as revenue sources, are thus complementary to reflect the financial sustainability of the system.³</p> <p>Economic sustainability refers to the growth in health expenditure as a proportion of GDP. Current expenditure are sustainable up to the point where the social cost of these expenditure exceeds the value produced. Additionally, current expenditure as a proportion of GDP allow to determine the importance of the health sector in the global economy of countries.</p> <p>Current health expenditure per capita, expressed in Purchasing Power Parity (PPP) US\$, allow to make international comparisons.</p>
Data source	OECD Health Statistics 2021 (https://stats.oecd.org/) ¹ , based on data provided by the FPS Social Security ² (in compliance with EU Commission Regulations 2015/359 and 2021/1901)
Technical definitions	The standard international definitions for healthcare and healthcare expenditure of the OECD's System of Health Accounts (SHA) are used. SHA aims at measuring the final consumption of health goods and services. This includes spending by both public and private sources on medical services and goods, public health and prevention programmes, and overall administration of healthcare provision and financing. Current expenditure on health is broken down by healthcare function, providers and funding agents for the purpose of monitoring healthcare consumption.



	<p>To compare spending levels between countries, per capita health expenditure are converted to a common currency (US dollar) and adjusted to take account of the different purchasing power of the national currencies, in order to compare spending levels. Economy-wide (GDP) Purchasing Power Parities (PPPs) are used as the most available and reliable conversion rates.⁴</p> <p>Gross Domestic Product (GDP) is defined as final consumption plus gross capital formation plus net exports. Final consumption of households includes goods and services used by households or the community to satisfy their individual needs. It includes final consumption expenditure of households, general government and non-profit institutions serving households.</p> <p>See SHA technical manual for all definitions⁵ and specific technical note for Belgium (under information for country)⁶</p>
International comparability	OECD and EU Member countries are at varying stages of implementing the System of Health Accounts (SHA). Therefore, the data reported in OECD Health Statistics are at varying levels of comparability.
Related performance indicators	Out-of-pocket payments
Reviewer	Dirk Moens

1.1.2. Results

Belgium

Current expenditure on health amounted to 55.5 billion € in Belgium in 2021 and accounted for 11% of Belgian Gross Domestic Product (GDP). Current expenditure on health as a percentage of the GDP over the studied period ranged between 10.2% (in 2010) and 11.20% (in 2020) and reached 11.04% in 2021 (see Table 1).

The share of public funding on current health expenditure was quite stable over the studied period, even if a slight decrease was observed in 2019 (75.3%, -1.4 percentage points compared to 2018), followed by an increase in 2020 (77.9%, +2.7 percentage points). In 2021, the share was 77.6% and first estimates calculated by OECD showed that the 2018 level would again be reached in 2022 (estimate to be used with caution, Belgian data not yet provided for 2022).

The main revenue sources of the public sector are transfers from government domestic revenue (57.4% in 2021) and social insurance contributions (42.5%). Transfers were more important during the COVID-19 period (see Table 2 and Figure 1).

International comparison

To allow comparisons between countries, health expenditure is also expressed per capita in Purchasing Power Parities (PPP) US\$. Belgium spent slightly more on health per capita than on average across EU countries (i.e. 6 022 PPP US\$ in 2021 compared to 5 557 and 4 410 PPP US\$ for the EU-14 and EU-27 averages respectively). An increased trend is observed both in Belgium and for the European averages (+54%, +47%, +60% between 2010-2021 in Belgium, for the EU-14 average, and for the EU-27 average respectively) (see Figure 2).

The share of public funding on current expenditure on health in Belgium was similar to the EU-14 averages and above the EU-27 averages between 2010 and 2021. This share was nevertheless lower than in our neighbouring countries.

Impact of COVID-19 pandemic

Current expenditure on health was impacted by the COVID-19 pandemic. An increase was observed in all EU countries but with a slight delay for Belgium (falling in 2020 and rising in 2021). The lower expenditure in 2020 in Belgium, not observed in other EU countries, may be explained by a drop in the consumption of (non-urgent) care (lockdown, admission freezes in residential care, postponement of care by the population, etc.) but also by



methodological differences between countries. Indeed, some income supports in the health sector in Belgium were not included in health expenditure because these measures (temporary unemployment for the salaried and covid premiums for the self-employed) were addressed to the whole population and do not specifically targeted health professions, while in other countries, some measures specifically targeted health professions and could therefore be included in health expenditure. Earlier death of frail people could also have an impact on health expenditure (e.g. less need for end-of-life care) but more analyses are needed to determine such an impact.

The increase in current expenditure per capita (in PPP US\$) between 2019 and 2021 was lower in Belgium (+11%) than on average across EU-14 (+17%) and EU-27 countries (+20%).

The share of public funding on current expenditure on health increased both in Belgium and on average across EU-14 and EU-27 countries between 2019 and 2020 (+2.7%, +1.9%, and +2.7% percentage points respectively).

The increase in public funding in 2020 in Belgium is mainly related to the Covid-19 pandemic. Indeed, several additional measures financed by public funds were taken (e.g. regarding hospital funding, purchases of protective equipment and testing) while at the same time, as already explained, there has been a drop in the consumption of non-urgent care. As a result, the share of OOP decreased in 2020, and the share of public funding increased in 2020.

From 2021, the share of public funding decreased both in Belgium and for the EU-14 average while the EU-27 average continued to slightly increase. Based on first estimates calculated by OECD, Belgium seems to bounce back to a similar share than 2018 while EU averages remained higher (see Table 3 and Figure 3) but 2022 estimates must be used with caution (Belgian data not yet provided).

Table 1 – Current expenditure on health in Belgium (2010-2022)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	(2022)*
Public funding of healthcare (% of current expenditure on health)	76.28	76.21	76.49	76.02	76.15	76.41	76.80	76.76	76.63	75.26	77.93	77.61	76.63
Public expenditure on health, in million €, current prices	28 261.8	29 693.5	31 021.8	31 587.9	32 558.5	34 379.8	35 652.6	36 889.7	38 290.6	38 886.0	40 123.3	43 069.6	46 064.9
Current expenditure on health, in million €	37 048.6	38 963.0	40 556.3	41 553.4	42 755.0	44 993.1	46 421.5	48 059.0	49 968.3	51 672.0	51 489.2	55 492.9	60 113.0
Current expenditure on health per capita, current prices (in €)	3 400.3	3 529.8	3 651.4	3 723.6	3 814.3	3 990.8	4 096.7	4 224.9	4 372.8	4 497.5	4 462.3	4 789.6	5 174.3
Current expenditure on health per capita, in PPP US\$	3 908.5	4 053.9	4 242.1	4 442.3	4 594.7	4 817.9	5 013.4	5 143.5	5 351.0	5 423.7	5 509.1	6 022.3	6 600.0
Current expenditure on health (% GDP)	10.20	10.36	10.50	10.58	10.61	10.80	10.79	10.80	10.86	10.80	11.20	11.04	10.94
Public expenditure on health (% GDP)	7.78	7.90	8.03	8.04	8.08	8.25	8.29	8.29	8.32	8.12	8.73	8.57	8.38

*First estimates calculated by OECD (Belgian data not yet provided, to be used with caution). Source: System of Health accounts – SHA – OECD Health Statistics 2023; GDP: Gross Domestic Product; PPP: Purchasing Power Parities.

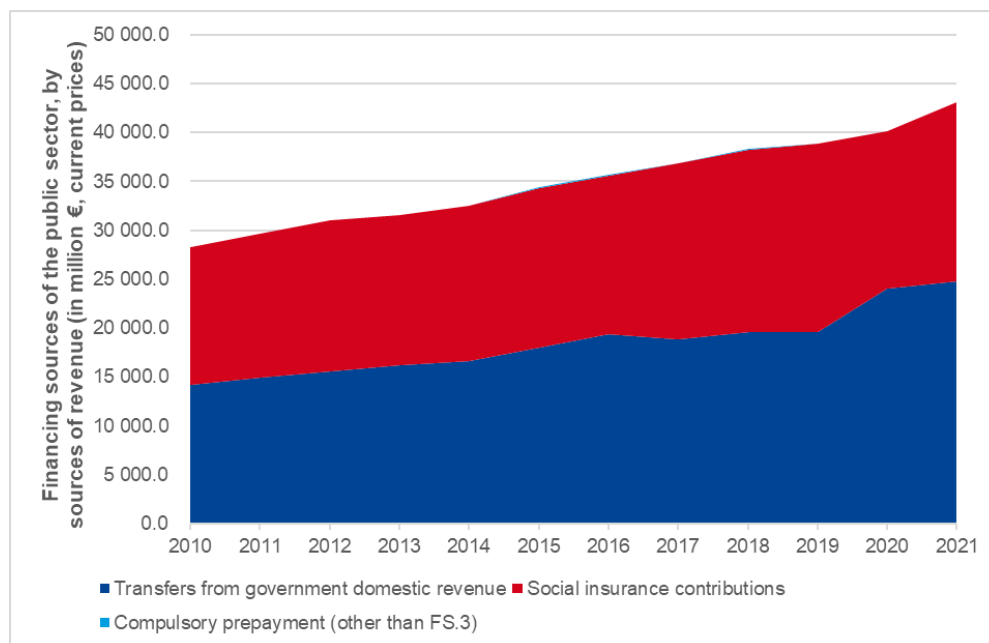


Table 2 – Financing sources of public sector (government and compulsory insurance) by type of revenue, in Belgium (2010-2021)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Transfers from government domestic revenue (in million € - current prices)	14 231.7 (50.4%)	14 983.9 (50.5%)	15 578.9 (50.2%)	16 186.2 (51.2%)	16 683.7 (51.2%)	17 997.5 (52.3%)	19 413.2 (54.5%)	18 811 (51%)	19 544.9 (51%)	19 551.2 (50.3%)	24 061.1 (60%)	24 733.2 (57.4%)
Social insurance contributions	14 011.7 (49.6%)	14 692.5 (49.5%)	15 423.8 (49.7%)	15 382.5 (48.7%)	15 856.3 (48.7%)	16 363 (47.6%)	16 219.7 (45.5%)	18 058.6 (49%)	18 725.2 (48.9%)	19 314.7 (49.7%)	16 042.9 (40%)	18 316.4 (42.5%)
Compulsory prepayment (other than FS.3)	18.4 (0.1%)	17.1 (0.1%)	19.1 (0.1%)	19.2 (0.1%)	18.5 (0.1%)	19.3 (0.1%)	19.8 (0.1%)	20.2 (0.1%)	20.5 (0.1%)	20.1 (0.1%)	19.2 (0.05%)	19.9 (0.05%)

Source: System of Health accounts – SHA – OECD Health Statistics 2023.

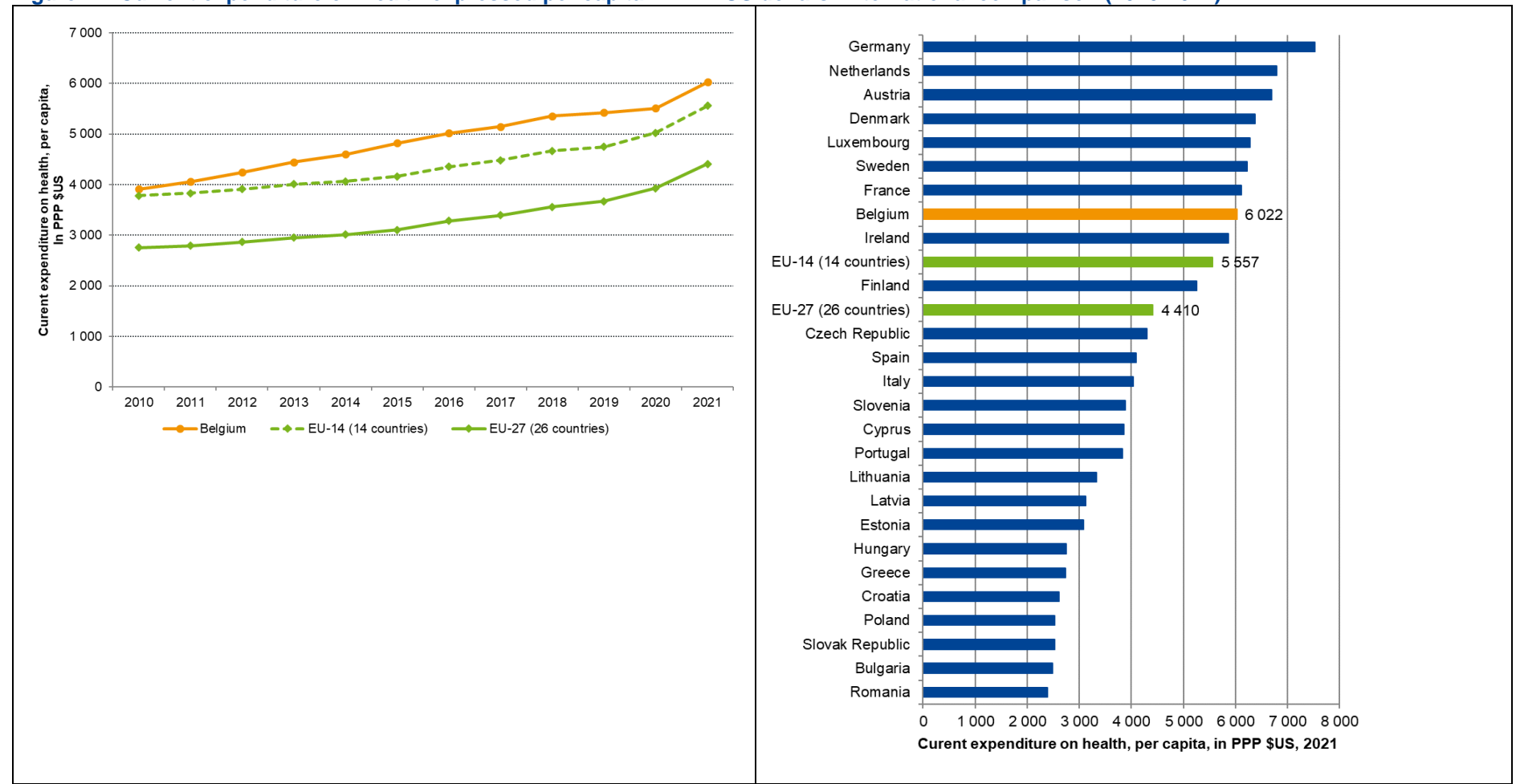
Figure 1 – Financing sources of public sector by type of revenue, Belgium (2010-2021)



Source: System of Health accounts – SHA – OECD Health Statistics 2023.



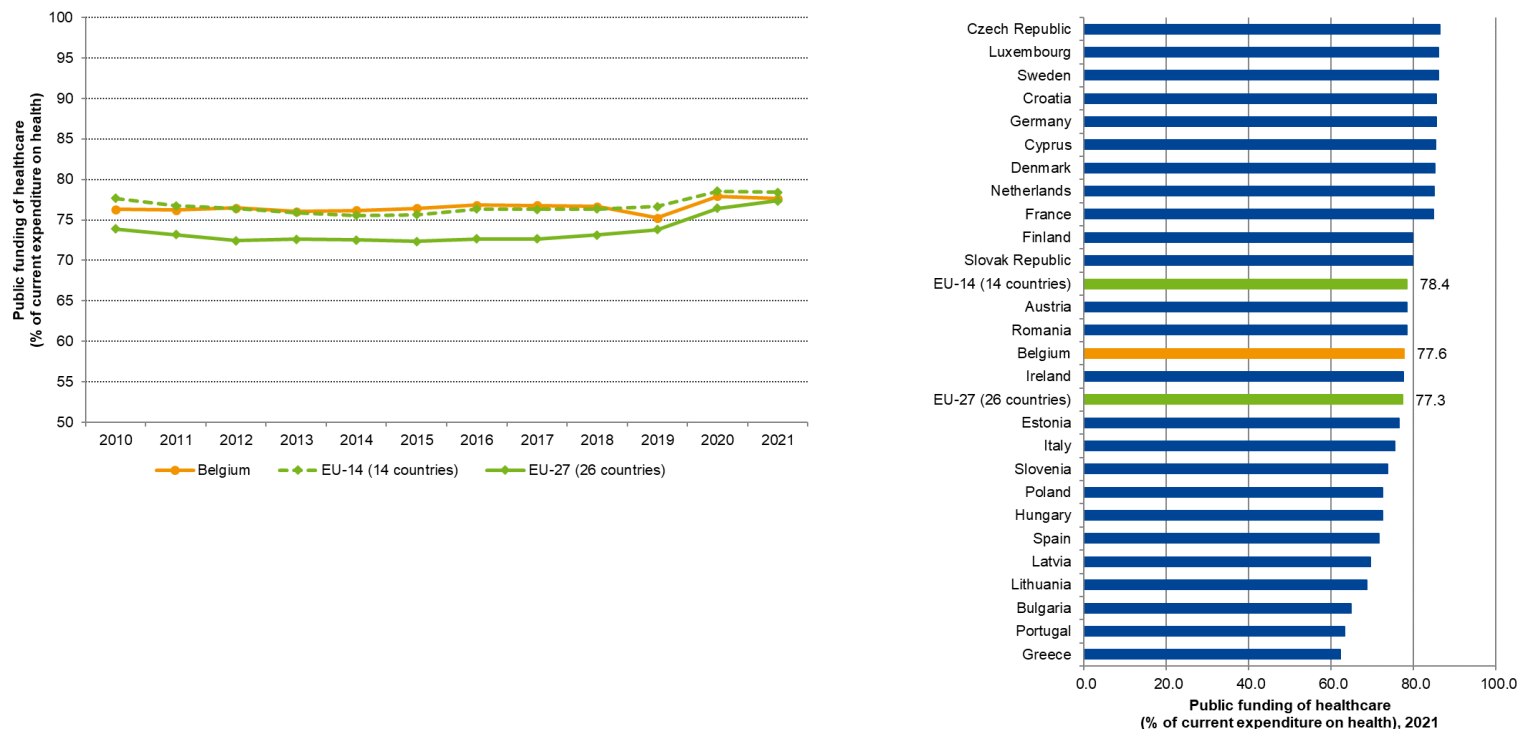
Figure 2 – Current expenditure on health expressed per capita in PPP US dollars: international comparison (2010-2021)



Source: OECD Health data 2023



Figure 3 – Public funding of healthcare as a percentage of current expenditure on health: international comparison (2010-2021)



Source: OECD Health Statistics 2023

Table 3 – Public funding of healthcare as a percentage of current expenditure on health (%), Belgium and EU averages, 2010-2022

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022*
Belgium	76.28	76.21	76.49	76.02	76.15	76.41	76.80	76.76	76.63	75.26	77.93	77.61	76.63
EU-14	77.65	76.76	76.38	75.90	75.57	75.65	76.36	76.29	76.36	76.66	78.52	78.42	77.98
EU-27	73.88	73.17	72.41	72.61	72.52	72.33	72.67	72.66	73.15	73.77	76.43	77.34	76.80

*First estimates. Source: OECD Health Statistics 2023



Key points

- In 2021, current expenditure on health amounted to 55.5 billion € in Belgium, accounting for 11.0% of Belgian Gross Domestic Product and with 77.6% financed by the public sector.
- The COVID-19 pandemic caused massive disruption on health expenditure in every country but the increase in current health expenditure was only observed from 2021 in Belgium (in part due to methodologic differences with other countries). Moreover, while the current expenditure per capita in PPP US\$ is usually higher in Belgium than on average across EU countries, the increase between 2019 and 2021 was lower in Belgium (+11%) than on average across EU-14 (+17%) and EU-27 countries (+20%).
- Due to the COVID-19 pandemic, several additional measures financed by public funds were taken (e.g. additional hospital funding, purchases of protective equipment and testing, etc.) while at the same time, there has been a drop in the consumption of non-urgent care (lockdown, admission freezes in residential care, postponement of care by the population, etc.), which decreased the share of OOPs and increased the share of public funding.
- Between 2010-2019, the share of public funding in Belgium was usually close to the EU-14 average and higher than the EU-27 average, and they all followed a similar stable pattern (except a small decline in 2019 in Belgium).
- During the COVID-19 pandemic (2020-2021), the most important increase was observed for the EU-27 average (+3.6 percentage points between 2019 and 2021 compared to +2.4 percentage points in Belgium and +1.8 percentage points for the EU-14). With this higher increase, the EU-27 reached a share close to Belgium in 2021. The share of public funding in Belgium was however lower than in the neighbouring countries (Luxembourg, Germany, the Netherlands, and France).

- **Based on first estimates calculated by OECD, Belgium seems to bounce back in 2022 to a similar share of public funding than in 2018 while EU averages remained higher (estimates to be used with caution, Belgian data not yet provided).**

References

1. OECD. OECD Health Statistics 2023 [Web page].2023 [cited 5 May 2023]. Available from: <https://stats.oecd.org/Index.aspx?ThemeTreeld=9>
2. FPS Social Security. System of Health Accounts [Web page].Brussels: Federal Public Service Social Security;2023 [cited July 2023]. Available from: <https://socialsecurity.belgium.be/fr/chiffres-de-la-protection-sociale/statistiques-de-la-protection-sociale/comptes-de-la-sante>
3. Thomson S, Foubister T, Mossialos E. Financing health care in the European Union - Challenges and policy responses. European Observatory on Health Systems and Policies; 2009. Observatory Series 17 Available from: http://www.euro.who.int/__data/assets/pdf_file/0009/98307/E92469.pdf?ua=1
4. OECD. Health at a Glance 2017: OECD Indicators. Paris: 2017. Available from: http://dx.doi.org/10.1787/health_glance-2017-en
5. OECD, Eurostat, WHO. A System of Health Accounts 2011; Revised edition. OECD Publishing. 2017.
6. OECD. Note on data sources and comparability - Belgium [Web page].Paris: Organisation for Economic Co-operation and Development;2023. Available from: <http://stats.oecd.org/wbos/fileview2.aspx?IDFile=ad9a6a14-4ee2-4e36-b9ad-eb4522b3f194>