BASYS AKTUELL

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Health Expenditures by Diseases and Conditions

Gesundheitsausgaben nach Krankheiten

'Health Expenditures by Diseases and Conditions (HEDIC)' provides actual statistical information on health investments for human capital development in Europe. In 2013, EU devoted bn. 1,385 EUR to prevention, treatment, and care of diseases. Providing information on the allocation of health expenditure by diseases is key for understanding health systems and their challenges.

In a Eurostat research project, BASYS supported the development and application of the HEDIC methodology in 16 European Countries. The results provide new insights into the structure of health expenditures and their drivers.

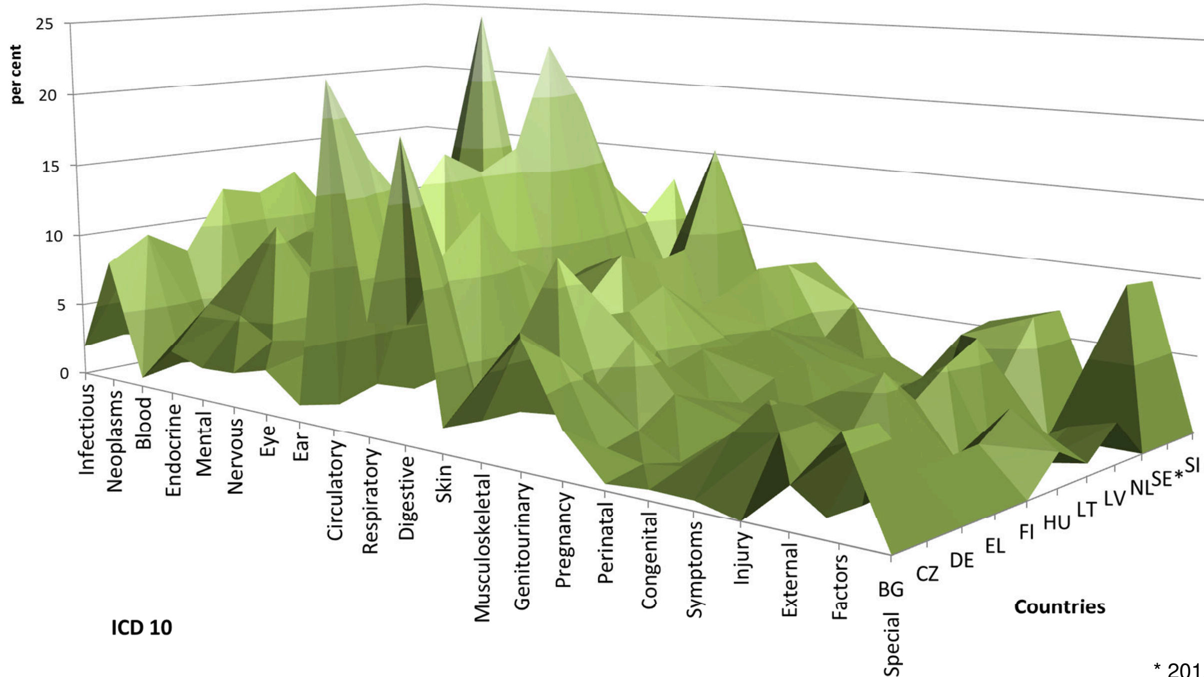
"Gesundheitsausgaben nach Krankheiten (HEDIC)" stellt aktuelle Informationen zur Entwicklung der Gesundheitsinvestitionen in Europa bereit. Im Jahr 2013 gab die EU 1.385 Mrd. EUR für die Prävention, Behandlung und Pflege von Krankheiten aus. Die Bereitstellung von Informationen zur Verteilung der Gesundheitsausgaben nach Krankheiten ist ein Schlüssel für das Verständnis der Gesundheitssysteme und ihrer Herausforderungen.

In einem Eurostat Forschungsprojekt unterstützte BASYS die Entwicklung und Anwendung des Systems der Gesundheitsausgaben nach Krankheiten in 16 europäischen Ländern. Die Ergebnisse liefern neue Einblicke in die Struktur der Gesundheitsausgaben und ihrer Treiber.

Health care spending

Investing in people's health as human capital requires comprehensive financial resources. The allocation of resources is viewed from different perspectives. Who is affected? On whose behalf are decisions made? These perspectives may measure health investments of society as a whole, health financing schemes, health care providers, households, and different population groups.

Disparities in health care spending are found within populations along many different social dimensions, all of which may be of policy and analytical interest. Dimensions of particular interest include the type of disease or health care condition, age, gender, geographic area, and socioeconomic status (see figure).



Diseases and Conditions

HEDIC uses the International Classification of Diseases (ICD) of the World Health Organisation (WHO) in the attribution of health care expenditure according to disease. The sheer size of the ICD classification, which contains many thousands of diseases, requires them to be grouped into ICD chapters, (see *Eurostat* 2016).

> *How does health expenditure by disease vary, over time and between countries?*

European countries show rather different patterns of health spending by major disease categories. However, on average, health expenditures for ICD “Diseases of the Circulatory system” (chapter 9) is the most important category in all European countries including about one sixth of current health expenditures. Other major categories are “Neoplasms” (chapter 2), “Mental and behavioural disorders” (chapter 5), “Diseases of the digestive system” (chapter 11), and “Diseases of the musculoskeletal system and connective tissue” (chapter 13).

Cardiovascular diseases

Expenditure is highest for circulatory diseases in most countries. We suppose that the growth of this expenditure is stagnating because treatment is getting cheaper. As a consequence, the share of health expenditure devoted to circulatory diseases is diminishing compared to previous years.

Neoplasms

Expenditures for neoplasms are increasing because European populations are ageing. Unit costs of treatment are sometimes very expensive. As a consequence the share of health expenditures devoted to neoplasms is increasing. This is only part of the story. Improved survival rates and longer treatment periods also contribute to this rise.

Mental health

Expenditure for mental disease is also increasing, partly as a result of population ageing, partly with rising living standards. There is huge variation in spending for mental health across countries. Within the HEDIC countries, the lowest share is reported for Bulgaria and the highest for the Netherlands. It is likely that much of this variation is the result of health care organisation and other factors including the coding of disease, rather than differences in prevalence rates.

Deviations from other studies

The European Heart Network (EHN) has published several studies of the cost of Cardiovascular Diseases (CVD). EHN estimates of health expenditures devoted to circulatory diseases show lower resources devoted to CVD than the HEDIC approach for all countries (see *Nichols, Townsend, Luengo-Fernandez et al.* 2012).

Also in the case of neoplasms, for all countries the HEDIC approach leads to higher expenditure estimates for cancer diseases than the *Luengo-Fernandez et al.* 2013 study which analysed data for 2009: they have underestimated the cost of cancer as compared to HEDIC. Furthermore, the variation of expenditures among countries is much lower in the Oxford University and King's College London (OUKCL) study which is maybe the result of the variation in access to expensive cancer drugs today.

Conclusion

A number of reasons can explain cross-country variations in the share of health expenditures devoted to different disease chapters, including: 1) differences in prevalence/incidence and in demand for treatment; 2) differences in access to health care services and the local supply of technology; and 3) differences in coding and reporting practices.

HEDIC is a first step linking individual information about health expenditures with utilisation by morbidity. Attributing health care expenditures to diseases by demographic characteristics of age and gender provides basic information on current resource allocations related to the morbidity of the population.

Reference

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