New OECD Report - Health at a Glance 2019:
Health spending expected to outpace GDP growth in the next 15 years

Health expenditure is projected to outpace GDP growth over the next 15 years in almost every OECD country, according to new OECD forecasts. Health spending per capita will grow at an average annual rate of 2.7% across the OECD and total 10.2% of GDP by 2030, up from 8.8% in 2018, according to a new OECD report. According to the OECD’s forecast, the increase expected in Israel is from 7.4% in 2015 to 8.8% in 2030.

Diagram 1 - Health expenditure as a share of GDP, 2018 (or nearest year)

1. Australian expenditure estimates exclude all expenditure for residential aged care facilities in welfare (social) services.

For explanations and clarifications, please contact the Media Relations Unit at +972-2-659-2666
2. Includes investments

According to the report *Health at a Glance 2019: OECD Indicators*, the United States spent the most on health care in 2018, equivalent to 16.9% of GDP, followed by Switzerland, at 12.2%. Germany, France, Sweden and Japan all spent close to 11% of GDP, while a few countries spent less than 6% of their GDP on health care, including Mexico, Latvia, Luxembourg, and Turkey (with the lowest expenditure at 4.2%). Expenditure on health in Israel was 7.5% of GDP, less than the 8.8% on average in the OECD. Most OECD countries spend around 9% of GDP on health, equivalent to about USD 4,000 per capita per year. Health expenditure per capita in Israel is lower than the OECD average, USD 2,780 annually.

Diagram 2 - Health expenditure as a share of GDP, projection to 2030

Reforms to make health systems more financially sustainable in the long run are critical and Health at a Glance outlines areas where spending could be more effective:

- Increased use of generics has generated cost-savings but these only represent around half the volume of pharmaceuticals sold across OECD countries. Generics accounted for more than three-quarters of the volume of pharmaceuticals sold in Chile, Germany, New Zealand and the United Kingdom, but less than one-quarter in Luxembourg and Switzerland in 2017.

- In OECD countries, health and social systems employ more workers now than ever before, with about one in every ten jobs found in health or social care.
Shifting tasks from doctors to nurses and other health professionals can alleviate cost pressures and improve efficiency. The proportion of doctors and nurses in Israel is low compared with the OECD: In 2017, the proportion of doctors was 3.1 per 1,000 persons, compared with an OECD average of 3.5, and the rate of nurses was 5.1 compared with an OECD average of 8.8. In Israel, the high percentage of doctors aged 55 and over is noticeable and there is an increase in this percentage over the years.

- Reducing adverse events – critical for patient safety – can also save money. Yet almost 5% of hospitalised patients had a healthcare associated infection in 2015-17.

- Establishing an array of indices of quality and outcome is important for examining the quality of care. In Israel, some of these indices exist and a portion of them are reported to the OECD. The mortality rate of those aged 45 and over who died within 30 days of admission to hospital due to a heart attack was 7.5 per 100,000 persons, compared with an average of 9.1 in the OECD.

Diagram 3 - Share of doctors aged 55 and older, 2000 and 2017 (or nearest year)
Diagram 4 - Thirty-day mortality after admission to hospital for AMI based on linked data, 2007 and 2017 (or nearest years)

1. Three-year average.
2. Results for Canada do not include deaths outside of acute care hospitals.

Health at a Glance 2019 also highlights some worrying patterns in health outcomes and unhealthy lifestyles.

On average across OECD countries, a person born today can expect to live almost 81 years. But life expectancy gains have slowed recently across most OECD countries, especially in the US, France and the Netherlands. 2015 was a particularly bad year, with life expectancy falling in 19 countries. The life expectancy in Israel, 82.6 years, is higher than the OECD average. In Israel, too, in recent years there has been a slowdown in the rate of increase in life expectancy, but it is lower.
Diagram 5 - Life expectancy at birth, 1970 and 2017 (or nearest year)

Diagram 6 - Slowdown in life expectancy gains, 2012-17 and 2002-07

1. 3-year average
The causes include rising levels of obesity and diabetes that have made it difficult to maintain previous progress in cutting deaths from heart disease and stroke. Respiratory diseases such as influenza and pneumonia have also claimed more lives in recent years, notably amongst older people.

Diagram 7 - Type I and II diabetes prevalence among adults, 2017 (or nearest year)

In some countries, the opioid crisis has caused more working-age adults to die from drug-related accidental poisoning. Opioid-related deaths have increased by about 20% across OECD countries since 2011, and have claimed about 400,000 lives in the United States alone. Opioid-related deaths are also relatively high in Canada, Estonia and Sweden. In Israel, there has been a worrying increase in the use of opiates in recent years, but there is not yet a significant manifestation in the rates of mortality.

Smoking, drinking and obesity continue to cause people to die prematurely and worsen quality of life:

- Unhealthy lifestyles, notably smoking, harmful alcohol use and obesity, – are the root cause of many chronic health conditions, cutting lives short and worsening quality of life.
- Whilst smoking rates are declining, 18% of adults still smoke daily in OECD countries. In Israel, 17% of people aged 15 and over smoke daily, 21.3% of men compared with 12.8% of women.
- Alcohol consumption averaged 9 litres of pure alcohol per person per year across OECD countries, equivalent to almost 100 bottles of wine. Nearly 4% of adults were alcohol dependent. Annual alcohol consumption per capita in Israel was 2.6 liters in 2017, lower than the OECD average.

- Obesity rates continue to rise in most OECD countries, with 56% of adults overweight or obese and almost one-third of children aged 5-9 overweight. In Israel, the proportion of overweight or obese children aged 5-9 who are overweight or obese (38%) is higher than the OECD average.

- Air pollution caused about 40 deaths per 100,000 people across OECD countries. Death rates were much higher in countries like India and China, at around 140 deaths per 100,000 people, whereas in Israel, air pollution caused the death of 23 people per 100,000 people.

Diagram 8 – Adult population smoking daily, 2007 and 2017 (or nearest year)
The report also shows that while quality of care continues to improve, more attention should be placed on patient-reported outcomes and experiences.

Yet few health systems routinely ask patients about the outcomes and experiences of their care. Israel has also begun testing these indicators as in other OECD countries.

For more information:

Health at a Glance 2019