

Media Release

info@cbs.gov.il; www.cbs.gov.il; Fax: 02-6521340

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In 2024, the National Expenditure on Health - 7.3% of GDP

In 2024 (preliminary estimate)

- National expenditure on health at constant prices, increased in 2024 by 1.7% compared to 2023.
- 22.8% of the national expenditure on health was financed by the Health Tax, and 41.8% by the government budget.
- The rate of public financing was 4.7% of GDP compared to 4.8% in 2023.
- The current national expenditure (excluding fixed capital formation) on health as a percentage of GDP in Israel was 7.0%.

[Metadata \(definition and explanations\) for National Expenditure on Health](#)

The health expenditure includes the expenditure on all health services provided in clinics and hospitals, as well as the services of private physicians and dentists, medicines, medical supplies and medical equipment, health research and government administration in the field of health, and capital formation in buildings and equipment in health institutions.

The national expenditure on health, at current prices, amounted to 146.0 billion NIS in 2024, representing 7.3% of the GDP (Table 1). The national expenditure on health, at constant prices, increased by 1.7% in 2024 compared with 2023. The expenditure per capita, at constant prices, increased by 0.37%.

Starting this year, the annual publication National expenditure on health will no longer be issued (i.e., only the press release on the subject will be published). The tables and charts that appeared in it will be attached to this release.

Accordingly, this publication is accompanied by 12 tables as follows.

Table 1 presents the national expenditure on health by operating sector (new classification), at current prices, 2003-2024.

Written by Tsofiya Fishman & Liraz Eini, Expenditure on Social Services Accounts Sector
For explanations and clarifications,
please contact the Statistical Information Center at 02-6592666

Table 1a presents the national expenditure on health by operating sector (previous classification)¹, at current prices, 2003-2024.

Table 2 presents the national expenditure on health by operating sector (new classification), at constant prices, 2003-2024.

Table 2a presents the national expenditure on health by operating sector (previous classification), at constant prices, 2003-2024.

Table 3 presents the national expenditure on health by type of expenditure and service, at current prices, 2000-2024.

Table 4 presents the national expenditure on health by type of expenditure and service, at constant prices, 2001-2024.

Table 5 presents the national expenditure on health by operating sector type of expenditure and service, at current prices, 2022-2023.

Table 6 presents the national expenditure on health by financing sector, at current prices, 2001-2024.

Table 7 presents the national expenditure on health, supply and finance, by sector, at current prices, 2022-2023.

Table 8 presents receipts and disbursements health services of the government and local authorities, and of health maintenance organizations – consolidated account, at current prices, 2022-2023.

Table 9 presents receipts and disbursements health services of the government and local authorities, of health maintenance organizations and of private NPIs, at current prices, 2022-2023.

¹ In the past, the national expenditure on health was presented by the following sectors, according to ownership and legal status:

- The government and local authorities – including the National Insurance Institute and national institutions, health maintenance organizations.
- Other non-profit institutions.
- Business (for-profit producers) – business establishments and households.

According to SNA 2008, since 2003 the economy has been divided into the following sectors:

- The government and local authorities.
- Private non-profit institutions.
- Public non-profit institutions (HMOs).
- Market producers – include every institutional unit that sells the majority of its output at a price that is economically significant in the corporation sectors. That is even if the unit is organized legally and formally as a non-profit institution and is not related to the entity that controls it. Therefore, in this publication for-profit producers (private hospitals, private doctors and nurses, etc.) as well as general hospitals owned by the government, health maintenance organizations, and private non-profit institutions are included in this sector.

Table 10 presents expenditure of government and local authorities, of health maintenance organizations and of private NPIs on health services, by type of expenditure, at current prices, 2022-2023.

Table 11 presents supply of medicines, medical supplies and medical equipment at current prices, 2000-2023.

Table 11a presents direct purchase of medicines, medical supplies and medical equipment by households, at current prices, 2000-2023.

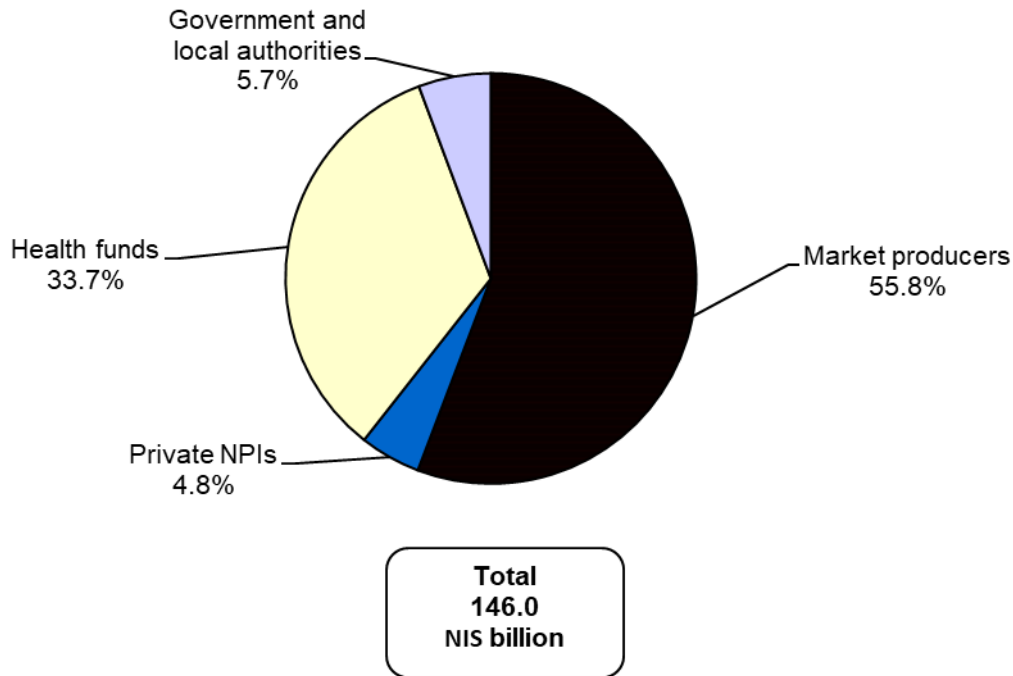
Table 12 presents the current national expenditure on health, international comparison to the years 2010, 2020 and 2024.

National Expenditure on Health, by Operating Sector (Diagram 1, Table 1, Table 5)

In 2024, **Health Maintenance Organizations (HMOs)** provided 33.7% of health services. **Market Producers** - general hospitals,² dentists and other private physicians, private clinics, and manufacturers of medicines and medical equipment, provided 55.8% of total national expenditure on health, in 2024. The share provided by **government institutions** (e.g. hospitals for the mentally ill and for the chronically ill, clinics, and health administration) was 5.7% of national expenditure on health as similar to 6.0% in 2023. In 2020-2022 under the influence of the COVID 19 pandemic the percentages were higher: 8.6% in 2020, 10.3% in 2021 and 9.2% in 2022. In 2003-2019 the percentages were similar to that of 2024. The share of services provided by other **non-profit health institutions** (such as emergency services "Magen David Adom") provided 4.8% of national expenditure on health.

² General hospitals were classified as market producers since 2003, in line with international recommendations, since they supply most of the services at economically significant prices.

Diagram 1 - National Expenditure on Health, by Operating Sector 2024*



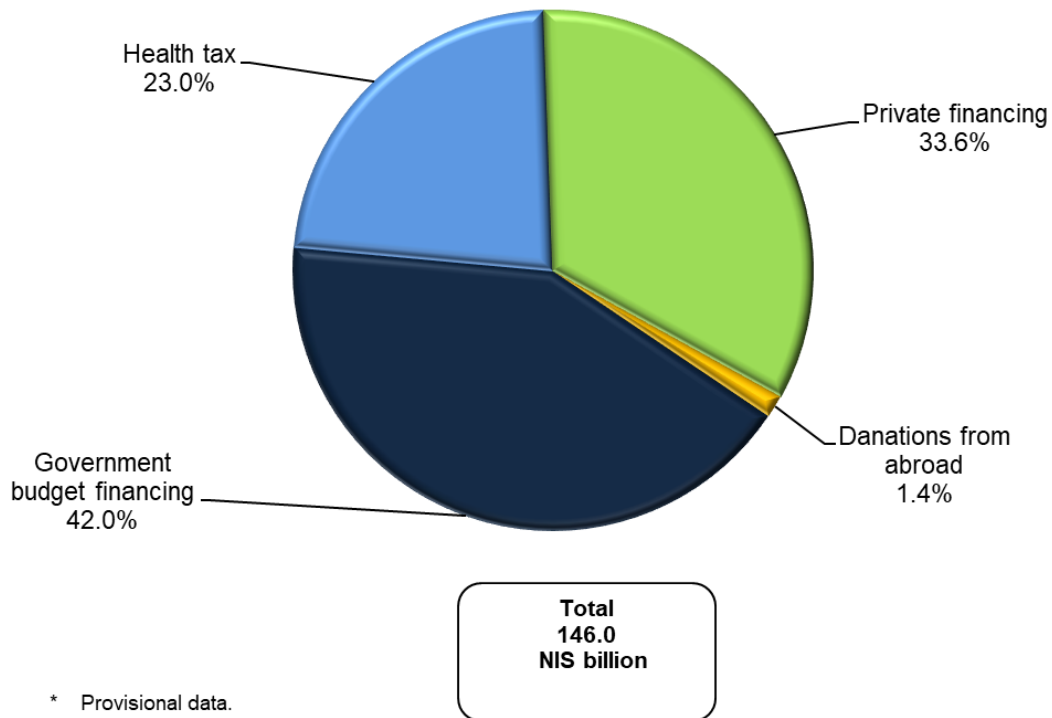
* Provisional data.

National Expenditure on Health, by Financing Sector (Diagrams 2-3, Table 4)

In 2024, households' out-of-pocket payments for medicines and medical services (e.g., services of physicians, clinics and dentists) financed 19.9% of national expenditure on health. An additional 13.7% was financed by households' private insurance, private NPIs, general hospitals that belong to them and donations from different private bodies. Total private financing of households and others amounted to 33.6% in 2024.

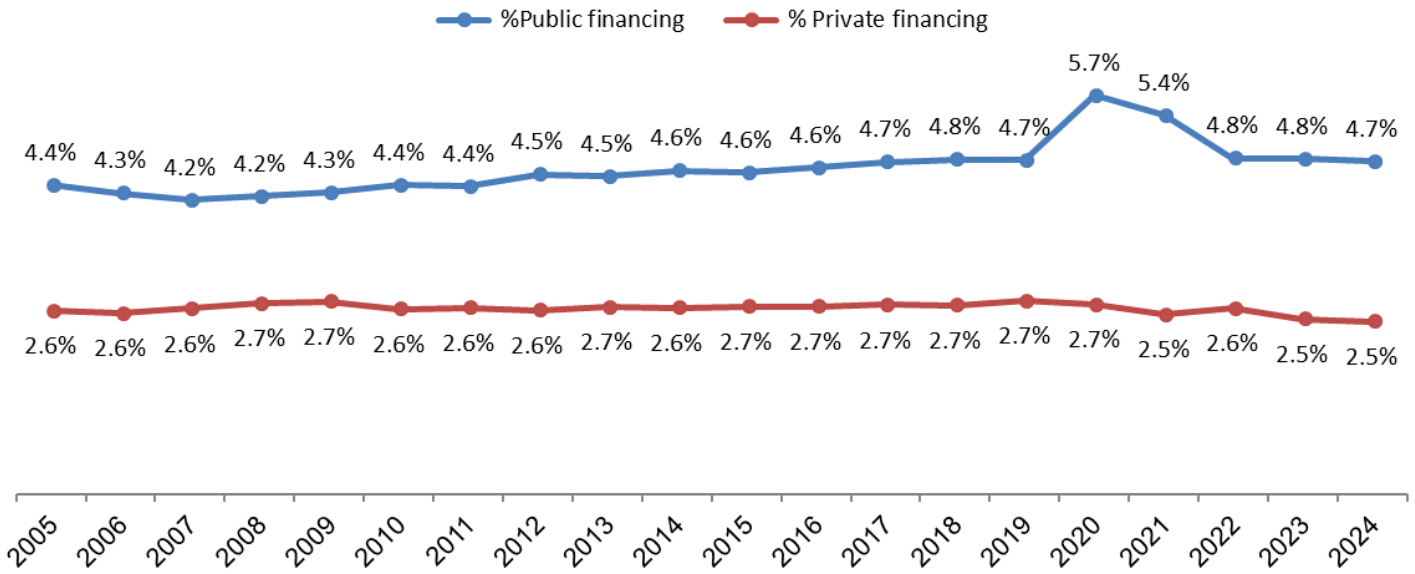
The public financing (government ministries, local authorities and public non-private institutions) includes both government budget and Health Tax. Health Tax financed 23.0% of the national expenditure in 2024. Another 42.0% was financed by the government budget. Financing from the government budget includes transfers to the Health Maintenance Organizations (HMOs) and other non-profit institutions, supply of health services by government health institutions, finance of capital formation in building and acquisition of equipment in governmental hospitals.

Diagram 2 - National Expenditure on Health, by Financing Sector, 2024*



In this context, it should be noted that the rate of private financing (excluding foreign) in 2024 was 2.5% of GDP, no change compared to 2023 and a decrease of 2.6% compared to 2022. The rate of public financing (state budget and Health Tax) as a percentage of GDP in 2024 was 4.7%. Until 2019 the percentages were stable – 4.5%-4.8%. In 2020-2021 the percentages increased to 5.7% and 5.4%, respectively, and decreased to 4.8% in 2023 and 2022 (Diagram 3).

Diagram 3 - The Private Financing Rate Compared to the Public Financing Rate as Percentage of GDP, 2005-2024

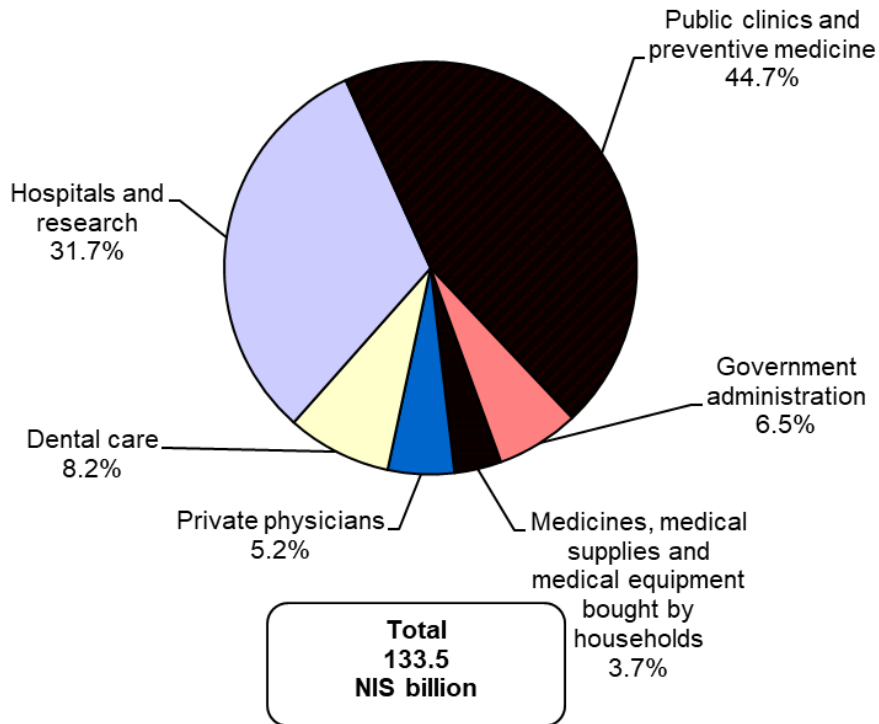


Current Expenditure on Health (Excluding Capital Formation in Buildings and Equipment), by Type of Service (Table 5, Diagram 4)

Distribution of the current expenditure on health (excluding capital formation in buildings and equipment) by type of service shows that in 2023³ the share of hospital services and research was 31.7% of current expenditure on health. The share of expenditure on services provided by public clinics and preventive-medicine services was 44.7%. The expenditure on dental care and private physicians was 13.4%. The expenditure of households on medicines and medical equipment was 3.7% of current expenditure on health. The expenditure on administration includes both government administration and operating fees to private insurance.

³ Data for 2024 are preliminary and partial. For 2023 detailed data are presented.

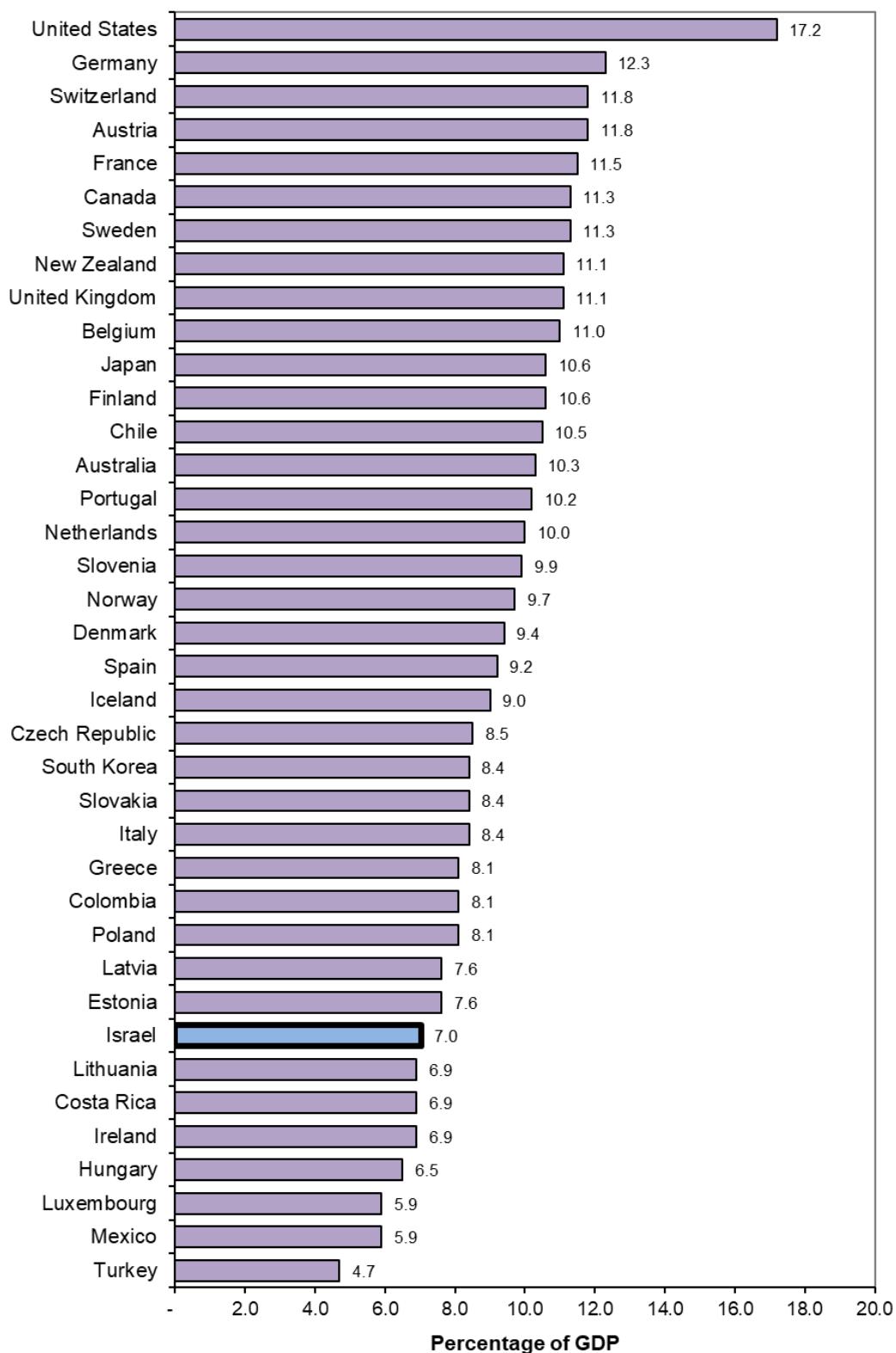
Diagram 4 - Current National Expenditure on Health, by Type of Service, 2023



International Comparison (Table 12, Diagrams 5-6)

In 2024 the current national expenditure on health Per Capita (excluding capital formation) as percentage of the GDP in Israel (7.0%) was lower than part of the OECD countries, especially that of the United States (17.2%) and Germany (12.3%). Among the OECD countries the lowest share was in Turkey (4.7%) and Mexico (5.9%).

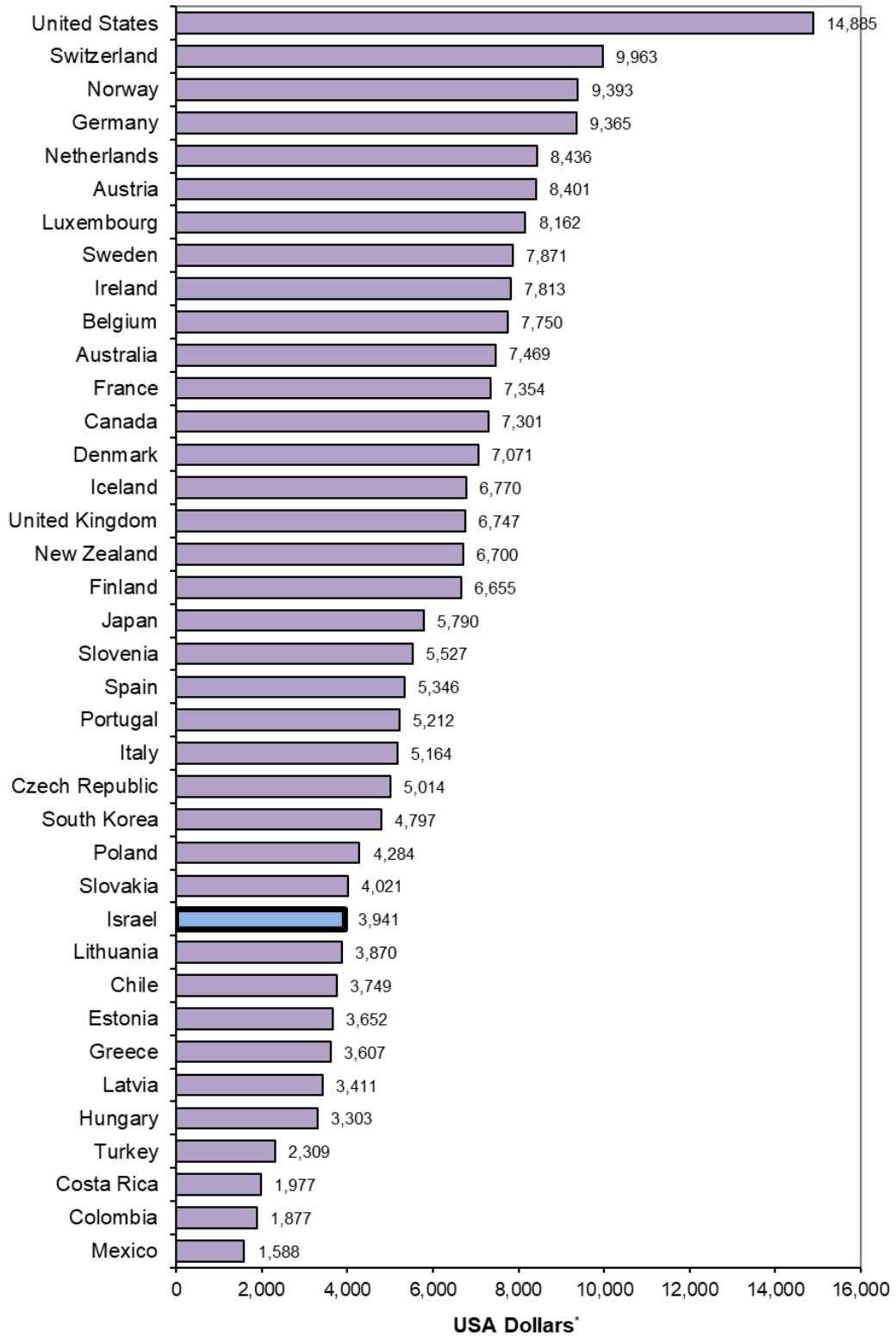
**Diagram 5 - Current National Expenditure Per Capita, and as a Percentage of GDP, 2024
International Comparison**



Moreover, the international comparison shows that in 2024, the current national expenditure per capita in terms of Purchasing Power Parity (PPP)⁴ in Israel was \$3,941, similar to the expenditure in Lithuania 3,870\$, and lower than in most OECD countries. The highest current expenditure on health per capita was in the United States – \$14,885. The calculation in terms of PPP takes into account differences in prices of GDP in different countries. Nonetheless, the international comparison does not take into account differences in other factors that may affect expenditure, such as age composition, health system structure, employment structure, etc. When health expenditure is weighted by age, national expenditure per capita becomes higher in Israel.

⁴ PPP (Purchasing Power Parity) - is a special exchange rate which can be used to deduct the differences in price levels between countries. With the amount of money that was replaced using Purchasing Power Parity (PPP), it is possible to buy an identical basket of goods and services in all countries. In this way we can estimate the purchasing power of different currencies on a uniform basis.

**Diagram 6 - Current National Expenditure Per Capita, and as a Percentage of GDP, 2024
International Comparison**



*Adjusted to terms of the purchasing power parity of the GDP.