

# Indicators of Health Care in the *System of National Accounts*

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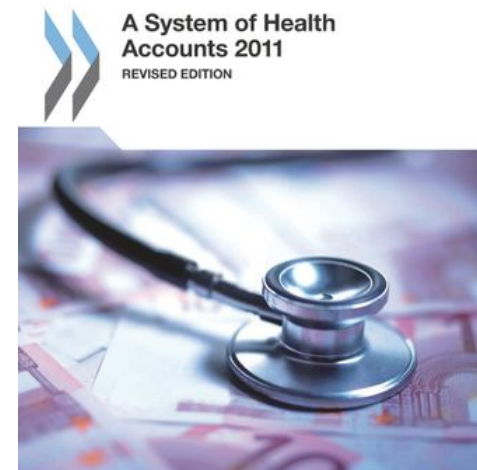


14<sup>th</sup> Meeting of the Advisory Expert Group on National Accounts  
October 9, 2020

- Ann Lisbet Brathaug (Statistics Norway)
- Elisabeth Hopkins (Statistics Sweden)
- Ciara O'Shea (Central Statistics Office Ireland)
- Paolo Passerini (Eurostat)
- Maria Pettersson (Statistics Sweden)
- Dylan Rassier (U.S. Bureau of Economic Analysis)
- Lisbeth Rivas (International Monetary Fund)
- Rachel Soloveichik (U.S. Bureau of Economic Analysis)

- Consider options for indicators of health care
  - Embedded in the *SNA* core framework
  - Extensions of the *SNA* core framework
- Options considered
  - Implementation within the *SNA* central system
    - Classifications of final consumption expenditures
    - Health care products and supply-use tables
    - Volume measures of health care
    - Paid long-term social care services
  - Developments outside the *SNA* central system
    - Unpaid household production of care
- Changes required to *SNA 2008* and *SHA 2011*

- Well-developed framework for classifying health expenditures
  - *“Health accounts provide a systematic description of the financial flows related to the consumption of health care goods and services.”*
- **Foundation for recommendations on health indicators**
- Three key classifications
  - Functions
  - Providers
  - Financing schemes



# Primary Differences between *SNA* and *SHA*

	<i>SHA 2011</i>	<i>SNA 2008</i>
Unpaid household production	Impute production for the value of health services covered by dependency allowances	Excluded
Occupational health care	Final consumption	1) Purchased = intermediate consumption 2) Own-account = compensation
Retail sales of health products	1) Manufacturers excluded 2) Retail output = goods + retail margin	1) Manufacturers included 2) Retail output = retail margin
R&D expenditures	Intermediate consumption	Capital formation

- International Classification of Health Accounts (ICHA)
  - Functions – final consumption of health care
    - Sets the boundary for “health care”
  - Providers – provision of health care
  - Financing schemes – funding of health care
- COICOP 2018 (division 06)
  - Reflects restructuring to better align with ICHA
- COFOG 1999 (division 07)
  - Has not been updated to align with COICOP 2018
- **Recommendation**
  - **Update and harmonize ICHA, COICOP, and COFOG**

- **Definition**
  - *“A health care product is the result of the interaction of capital, labour, and entrepreneurship in the production process, which has the primary purpose of improving, maintaining, or preventing deterioration of the health status of persons or mitigating consequences of ill-health.”*
- Provide policy-relevant detail for supply-use tables
- Not all Annex E products have CPC/CPA equivalents
  - Three 2-digit categories and five 3-digit categories
  - Lower tier categories
- **Recommendations**
  - Review, update, and harmonize product classifications
  - Compile supplementary supply-use table from health accts

- Measurement methods
  - Non-market activity: direct volume (output) approach
  - Market activity: deflation approach
- Quality adjustment for direct volume measures
  - Excluded from *ESA* over concerns of comparability
  - Included in *SNA* if measures reflect service provided
- Country experiences (Eurostat, UK, U.S.)
  - Quality adjustment has a meaningful impact on real growth
- Recommendation
  - Continue research on quality of health care and best methods for reflecting quality change in volume measures



- LTC (health) and LTC (social) kept separate in *SHA*
  - LTC (health) is within scope of “health care”
  - LTC (social) is a memorandum item that includes IADL
- Line between LTC (health) and LTC (social) is fuzzy
- LTC (social) is also important for well-being
  - Start with LTC (social) in *SHA 2011*
  - Add child welfare and others as relevant
- **Recommendation**
  - Scope of indicators for well-being should include all health care and long-term social care

- Significant role in understanding well-being
- Guidance Note on Unpaid Household Activities
  - Provides definitions and recommendations
- Include health care and long-term social care
  - Cash transfers to households currently included in *SHA* production boundary
  - Valuation based on time-use data or administrative data
- **Recommendation**
  - Include imputed values for unpaid household production of health care and long-term social care in an *SNA* extension

- Embedded in the *SNA* core framework
  - Final consumption expenditures with breakdowns by function, provider, and financing schemes
- Extensions of the *SNA* core framework
  - Physical measures (e.g., employment)
  - Supplemental classifications of private health insurance
  - Unpaid household production
- Recommendations
  - Review the *SHA* for relevant indicators based on final consumption expenditures
  - Compile a list of relevant indicators based on extensions of the *SNA* core framework

- Primary changes
  - Current classifications for *SHA* functions and providers need to be introduced to the *SNA*
  - Own-account production of occupational health services that is currently included in compensation of employees should be imputed as secondary output and allocated to intermediate consumption
- Primary supplements
  - Expand the production boundary to include unpaid household production of health and long-term social care
  - Compile supplementary supply-use tables for health and long-term social care from *SNA* core supply-use tables

- Opinions on the recommendations made in the note.
- Opinions or alternatives to the two changes proposed for the *SNA*.
- Ideas on priority indicators of health care for well-being.
- Feedback on ways to further improve the guidance notes.