

## **WHO NATIONAL HEALTH ACCOUNTS 2002**

### **Enhancing country templates in-the-making: guidelines**

The attached data relate to ratios and levels to be included in the forthcoming *World Health Report*, extending estimates (accessible in the WHR2000 annex table 8, and WHR2001 annex table 5 and on the WHO site: [www.who.org](http://www.who.org)). The information is included in a template kept at the NHA-WHO Unit, with data collated from accessible reports, journals, supplemented by in-house statistical work. This excerpt has been reduced to the minimum required to document these ratios and levels. These methodological notes are designed to facilitate the required validation process by national authorities.

**I. About National Health Accounts.** NHA indicators attempt to measure expenditure on health levels and trends, to value the resources used in the system to enhance the health status of individuals and populations. Measurement is done from discrete components of expenditure, relying on information that models and reflects the health system in a comprehensive, consistent and systematic way. Their attributes are policy sensitivity, comprehensiveness, consistency, reliance on bookkeeping and imputations, standardisation, multidimensionality, accuracy, timeliness, recurrency, they also ensure the relevant distributions, and are a public good.

**II. Summary Presentation of the Template.** In grey the data to be included --subject to amendments-- in the WHR2002, and in white the underlying figures in millions of national currency units and current prices (per capita values in national currency units). The row number in the first column corresponds to the row number in the base template. The labels of the data are those used in the template and correspond to concepts and definitions adopted by the United Nations, International Monetary Fund, World Bank, OECD and other international organisations. The final column displays the row number of the source of information.

**III. About the validation process.** Member States and WHO have agreed to this validation process, formally limited to the grey coloured section: a set of NHA indicators that synthesize the national expenditure on health. The quality of these ratios and levels depends on the relevance and accuracy of the base estimates. Any source of disagreement should be identified at this stage.

The suggested verification process in this section includes two stages:

a) the identification of the appropriate value corresponding to the concept and establishment of its plausibility, (also its relationship with the equivalent in a national estimation process, when applicable). When a major discrepancy occurs, the search for the source of discrepancy is the best way to construct an alternative closer to reality. The major reasons of discrepancy are:

- each value is composed of different elements, which, ideally should all be verified;
- the boundaries of the value are different. Ideally, NHA deal with resources designed to enhance health as a primary objective. Although many activities can affect the health status, not all of them rest on the primary objective criterion (e.g. the primary focus of water supply is not to enhance health; cash benefits of social insurance are health related but not expenditure on health, etc.).
- the content of some estimates may be different although the label of the category is the same. Ideally a way to review the methodological notes of every source of data should be established to ensure compatibility or generate the convenient adjustments (i.e. The expenditure on health made by parastatals may be considered public instead of private, or a compulsory scheme on social insurance through private providers can be considered as private financing agents instead of public ones).

b) The identification of the plausibility of the relative values. This requires to consider also the denominators. Major coincidence exists among reports of population, GDP and GGE. However, each denominator would lead to a different ratio and per capita value; differences in denominators should thus also be analysed to identify their magnitude and sources. Major reasons of discordance include:

- differences in the period of reference (there may be time lags for similar estimates)
- periodic adjustments of reference values, such as GDP and, consequently, General Government Expenditure (GGE)
- the valuation of currency adjustments

### A summary glossary of concepts and definitions

- **General Government Expenditure on Health (GGHE)** is the sum of outlays on health paid for by taxes, social security contributions and external resources (without double-counting the government transfers to social security and extra-budgetary funds).
  - **Private Expenditure on Health (PvtHE)** comprises the outlays of insurers and third-party payers other than social security, mandated employer health services and other enterprise provided health services, non-profit institutions and non-governmental organisations financed health care, private investments in medical care facilities and household out-of-pocket spending.
  - **Social Security and Extrabudgetary Funds on Health:** expenditure by these schemes to purchase health goods and services. Includes all compulsory schemes for a sizeable segment of the population.
  - **External Resources:** loans and grants for medical care and medical goods channelled through the Ministry of Health or other public agencies. Grants in-kind (capital equipment, pharmaceutical supplies and vaccines, technical assistance such as experts) should be estimated at their monetary values. Grants to non-governmental organisations should be accounted for as private (in practice, this is difficult).
  - **Tax-funded Health Expenditure:** all other public outlays by Central/Federal, Provincial/ Regional/ State/ District, Municipal/ Local Governments for interventions in health, net of inter-governmental transfers, including subsidies to producers of medical goods and services, investment in medical facilities, transfer payments to households to offset medical care costs and extra-budgetary funds.
  - **Prepaid Private risk pooling plans:** the outlays of private social insurance schemes, commercial and non-profit (mutual) insurance schemes, health maintenance organizations and other agents managing prepaid medical and paramedical benefits, including the operating costs of these schemes.
  - **Non-Governmental Organisations expenditure on health:** resources used to purchase health goods and services by enterprises that are not allowed to be a source of income, profit or other financial gain for the units that establish, control or finance them.
  - **Out-of-pocket Spending:** the direct outlays of households including gratuities and payments in-kind made to health practitioners and suppliers of pharmaceuticals, therapeutic appliances, and other goods and services whose primary intent is to contribute to the restoration or to the enhancement of the health status of individuals or population groups. Includes household payments to public services, non-profit institutions or non-governmental organisations, excludes payments made by enterprises which deliver medical and paramedical benefits, mandated by law or not, to their employees.
  - **Expenditure on Hospitals:** medical, diagnostic and treatment services that include a continued presence of the patient in the health facility more than 12 hours.
  - **Expenditure on Pharmaceuticals:** include range of non-durable therapeutic products, both industrial or natural, medical preparations, branded and generic medicines, drugs, patent medicines, serums and vaccines, vitamins and minerals and oral contraceptives consumed in the country, within a medical care or as self prescription.
  - **Final government consumption on health:** compensation of government employees and purchase of supplies and services with a health-related purpose by a government entity.
  - **Final private consumption on health:** goods and services acquired by households for medical care or a health-enhancement purpose (component of private consumption in GDP).
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- **General Government Expenditure:** corresponds to the consolidated outlays of all levels of government; territorial authorities (Central/Federal Government, Provincial/Regional/State/District authorities, Municipal/ Local governments), social security institutions, and extra-budgetary funds, including capital outlays.
  - **Private consumption:** the total amount of goods and services acquired by households or imputed as equivalent to a purchase. Component of Gross Domestic Product.
  - **Exchange rate:** observed annual average number of units at which a currency is traded in the banking system, expressed in US dollars, (Source: IMF, International Financial Statistics, April 2002).
  - **International dollar:** a common currency unit that takes into account differences in their relative purchasing power.