

Statistical bulletin

Healthcare expenditure, UK Health Accounts: 2019

Healthcare expenditure statistics, produced to the international definitions of the System of Health Accounts 2011.

Contact:
Tom Prendergast
healthaccounts@ons.gov.uk
+44 (0)1633 456551

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1 . Main points

- Total current healthcare expenditure in 2019 was £225.2 billion, equating to £3,371 per person.
- Total current healthcare expenditure in the UK accounted for 10.2% of gross domestic product (GDP) in 2019, compared with 9.9% in 2018.
- Total current healthcare spending grew by 4.0% in real terms in 2019, the strongest rate of annual growth since 2009.
- Government-financed healthcare expenditure grew by 4.0% in real terms in 2019 to £176.8 billion, making up 79% of total healthcare spending.
- Spending on total long-term care grew by 2.8% in real terms in 2019, slower than growth in total current healthcare expenditure.

2 . Total current healthcare expenditure in the UK

Healthcare expenditure in 2019

In 2019 spending on healthcare in the UK totalled £225.2 billion, equating to £3,371 spent per person. This includes both government and non-government spending on healthcare.

Data in this bulletin presents detailed analysis of healthcare spending in 2019. More information on our provisional estimates of healthcare expenditure in 2020 is available in [Healthcare expenditure, UK Health Accounts: provisional estimates for 2020](#).

Healthcare expenditure represented 10.2% of gross domestic product (GDP) in 2019, up from 9.9% in 2018. This increase is because of health expenditure growing at a faster rate than GDP. Health spending in nominal terms grew by 6.2% between 2018 and 2019, and by 4.0% in real terms when adjusted to account for inflation¹.

The UK Health Accounts are produced according to the System of Health Accounts 2011 framework; a set of internationally standardised definitions for healthcare expenditure. These definitions are broader than those used in other UK analyses, and include some services typically considered social care in the UK.

Most healthcare expenditure in the UK is financed by government

Government expenditure on healthcare, including spending by the NHS, local authorities and other public bodies financing healthcare, was £176.8 billion in 2019, equating to £2,647 per person or 79% of total current healthcare expenditure.

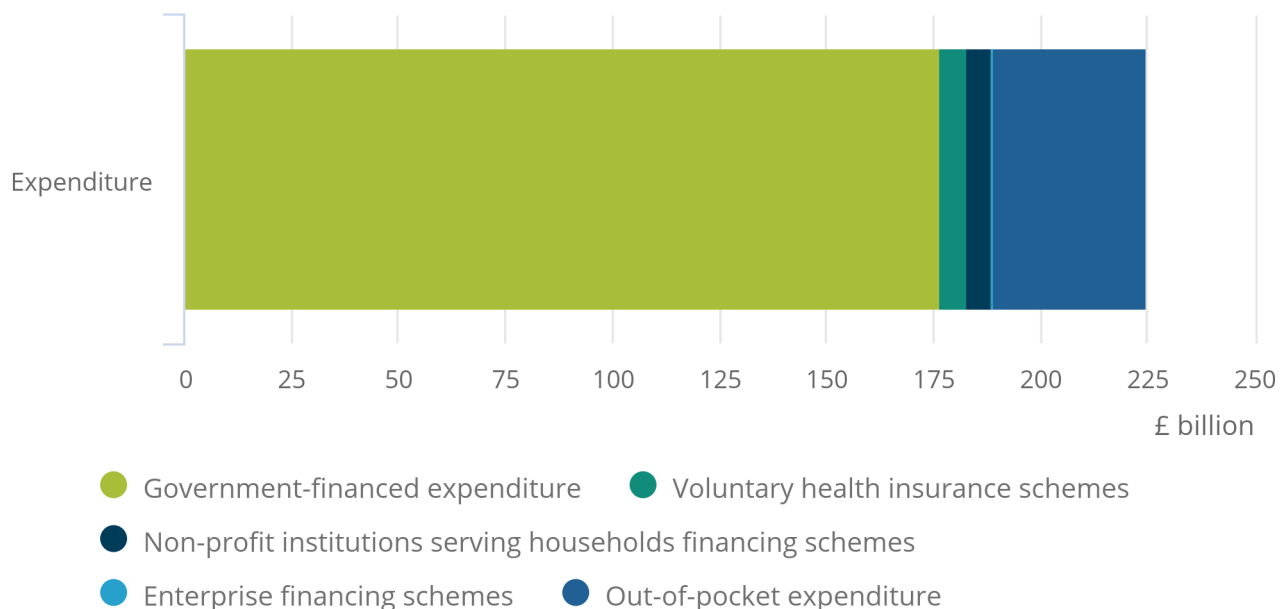
The largest of the non-government financing arrangements was out-of-pocket expenditure, accounting for 16% of overall spending or £35.7 billion. Voluntary health insurance accounted for 3% of overall spending on healthcare, or £6.3 billion, while non-profit institutions serving households (NPISH) and enterprise financing were the smallest financing schemes, accounting for 2% and less than 1% respectively.

Figure 1: Government financing represented 79% of healthcare expenditure in 2019

Total current healthcare expenditure by financing scheme, UK, 2019

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Total current healthcare expenditure by financing scheme, UK, 2019



Source: Office for National Statistics - UK Health Accounts

Growth in healthcare spending in 2019 was driven by government expenditure

Adjusting for inflation, expenditure by all financing schemes aside from voluntary health insurance grew in 2019.

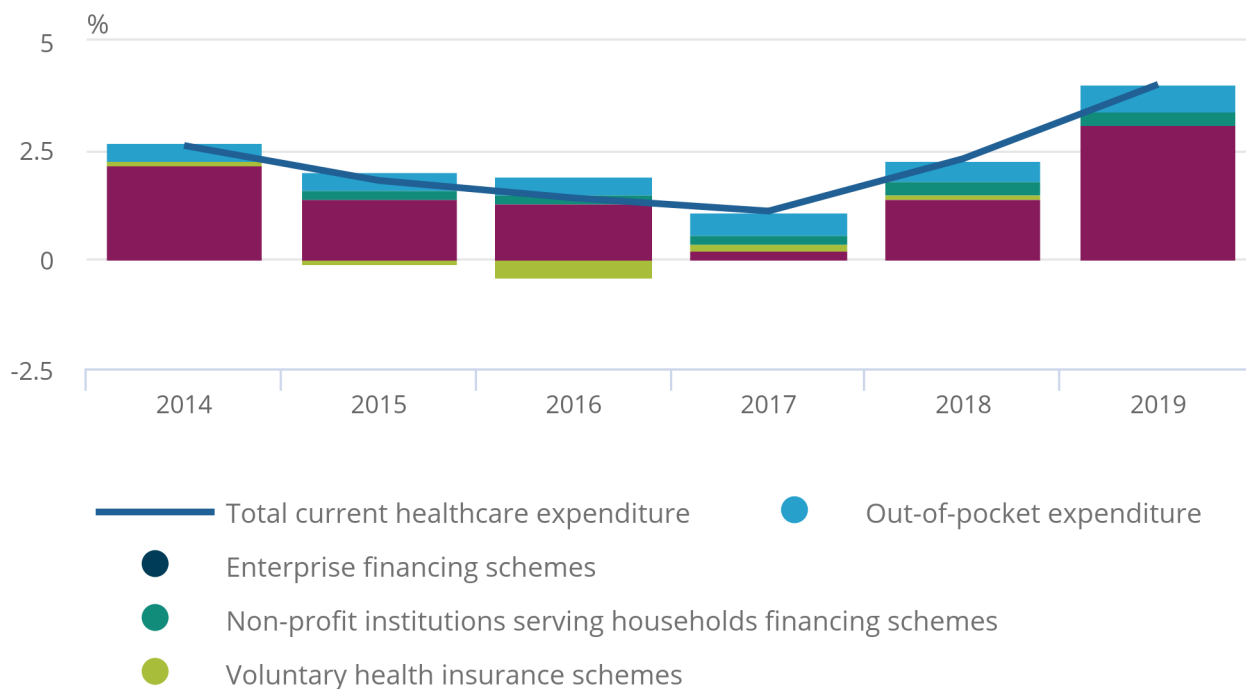
Government expenditure contributed most to the increase in overall healthcare expenditure in 2019. Given that government-financing accounts for the majority of healthcare spending in the UK, it tends to drive the direction of overall healthcare expenditure.

Figure 2: Growth in total healthcare expenditure tends to be driven by growth in government expenditure

Annual growth rates in health expenditure and the contributions to growth for each financing scheme in real terms, UK, 2014 to 2019

Figure 2: Growth in total healthcare expenditure tends to be driven by growth in government expenditure

Annual growth rates in health expenditure and the contributions to growth for each financing scheme in real terms, UK, 2014 to 2019



Source: Office for National Statistics - UK Health Accounts

Notes:

1. Figures are provided in real terms, adjusted for inflation using our gross domestic product (GDP) deflator (series: IHYS).
2. Contributions to growth may not sum to overall growth because of rounding.

Notes for: Total current healthcare expenditure in the UK

1. Our real terms spending estimates are produced using the [GDP deflator](#). As a general, whole economy price deflator, this is not a measure of average healthcare inflation, nor will it account for the variation in price inflation across different components of health spending.

3 . Government healthcare expenditure

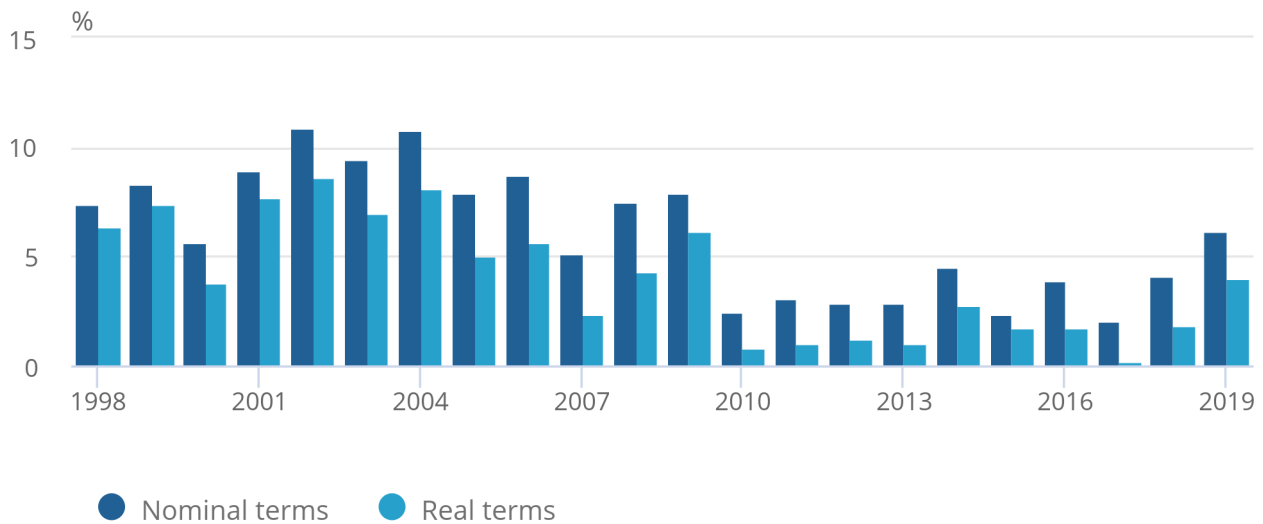
Government healthcare expenditure increased by 6.2% in nominal terms and 4.0% in real terms in 2019, the fastest rate of real growth in government healthcare expenditure since 2009. The real terms average annual rate of growth in government-financed healthcare expenditure from 1997 to 2019 was 4.0%, with growth tending to be strongest during the 2000s.

Figure 3: Government-financed healthcare expenditure in 2019 grew at its fastest rate since 2009

Growth in government-financed healthcare expenditure in nominal and real terms, UK, 1998 to 2019

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Growth in government-financed healthcare expenditure in nominal and real terms, UK, 1998 to 2019



Source: Office for National Statistics - UK Health Accounts

Notes:

1. Figures presented in real terms are adjusted for inflation using the gross domestic product (GDP) deflator (series: IHYS).

Further information on government healthcare expenditure can be found in HM Treasury's [Public Expenditure Statistical Analyses \(PESA\)](#). While the definition of healthcare differs to that used for the UK Health Accounts, PESA shows growth in government healthcare expenditure in the financial year ending (FYE) 2020 to be the highest since FYE 2010.

Care provided in hospitals accounts for the largest share of government healthcare spending

In 2019, the main provider type of government-financed healthcare was hospitals, making up 48% of government healthcare expenditure¹. Providers of ambulatory healthcare (otherwise known as outpatient facilities), including GP surgeries, dentists and home care providers, comprised a further 24% of government expenditure.

Figure 4: Hospitals and ambulatory healthcare combined accounted for 72% of government healthcare expenditure in 2019

Government healthcare expenditure by share of healthcare providers, UK, 2019

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Government healthcare expenditure by share of healthcare providers, UK, 2019



Source: Office for National Statistics - UK Health Accounts

Notes:

1. Figures may not sum because of rounding.

Outpatient curative and rehabilitative care accounted for 27% of government healthcare spending

In 2019, £48.5 billion was spent through government schemes on services providing curative or rehabilitative care for outpatients, growing by 2.1% in real terms compared with 2018.

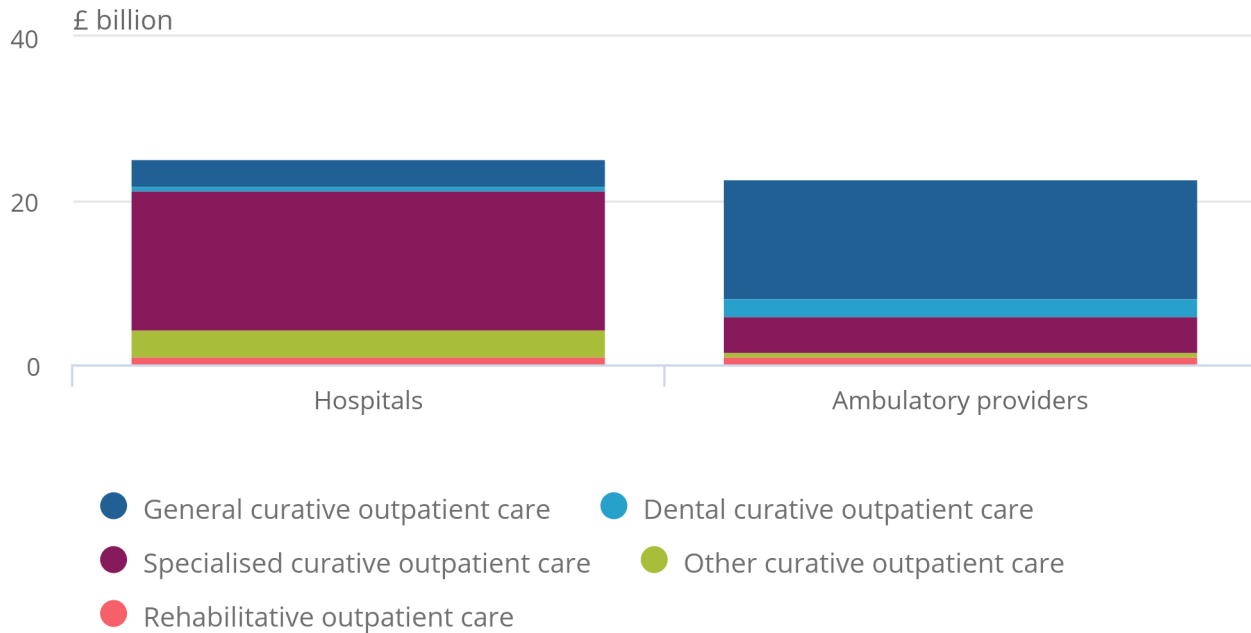
Specialised curative outpatient care, which includes services delivered by specialist consultants and mental health practitioners in hospital and community-based settings, represented the largest share at 44% of spending. A further 37% of this expenditure related to general curative outpatient care, covering services delivered by A&E departments and GPs. The remaining outpatient spending related to other curative outpatient care (10%), dental care (5%), and rehabilitative care (4%), such as rehabilitative hospital treatments and community-based rehabilitative therapies. The predominant type of outpatient care varied across different provider settings.

Figure 5: Most expenditure on care for outpatients in hospitals went towards specialised curative care, while most outpatient spending involving ambulatory providers went towards general curative care

Government expenditure on curative and rehabilitative outpatient care by subfunction, UK, 2019

Figure 5: Most expenditure on care for outpatients in hospitals went towards specialised curative care, while most outpatient spending involving ambulatory providers went towards general curative care

Government expenditure on curative and rehabilitative outpatient care by subfunction, UK, 2019



Source: Office for National Statistics - UK Health Accounts

Notes:

1. Excludes a small amount of curative and rehabilitative outpatient care by other providers.

Notes for: Government healthcare expenditure

1. Government healthcare spending by hospital providers is not equivalent to healthcare spending by acute NHS Trusts.

4 . Non-government healthcare expenditure

The type of healthcare spending differs between non-government financing schemes

Individuals' out-of-pocket spending represented the largest of the non-government financing schemes, at £35.7 billion in 2019. Individuals spent £15.3 billion on medical goods, accounting for 43% of out-of-pocket spending on healthcare, with a further 37% on health-related, long-term care services.

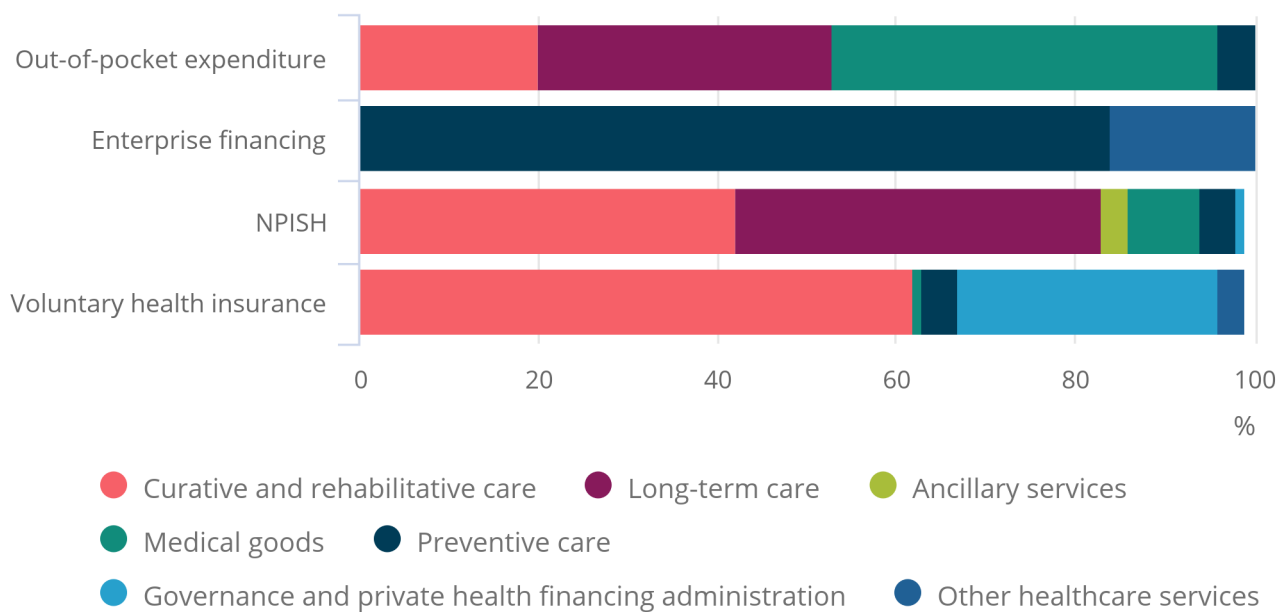
The remaining non-government healthcare financing schemes in the UK represented just 6% of overall healthcare spending in 2019. The type of healthcare purchased varied across different non-government financing schemes.

Figure 6: The type of healthcare purchased through non-government schemes varies depending on the scheme

Non-government financing schemes by function, UK, 2019

Figure 6: The type of healthcare purchased through non-government schemes varies depending on the scheme

Non-government financing schemes by function, UK, 2019



Source: Office for National Statistics, LaingBuisson, Association of British Insurers

Notes:

1. Figures may not sum because of rounding.

5 . Long-term care expenditure

Long-term care expenditure accounts for services aimed at managing chronic health conditions related to long-term care dependency (including old-age and disability-related conditions) and reducing suffering where an improvement in health is not expected.

Total long-term care expenditure can be divided into:

- health-related long-term care, an element included within our measure of total current healthcare expenditure, relating to services where care ordinarily includes help with activities such as bathing, dressing and walking
- social long-term care, an element relating to assistance-based services, such as shopping, cooking and managing finances, which sits outside the definition of healthcare and so is not included in our measure of total current healthcare expenditure

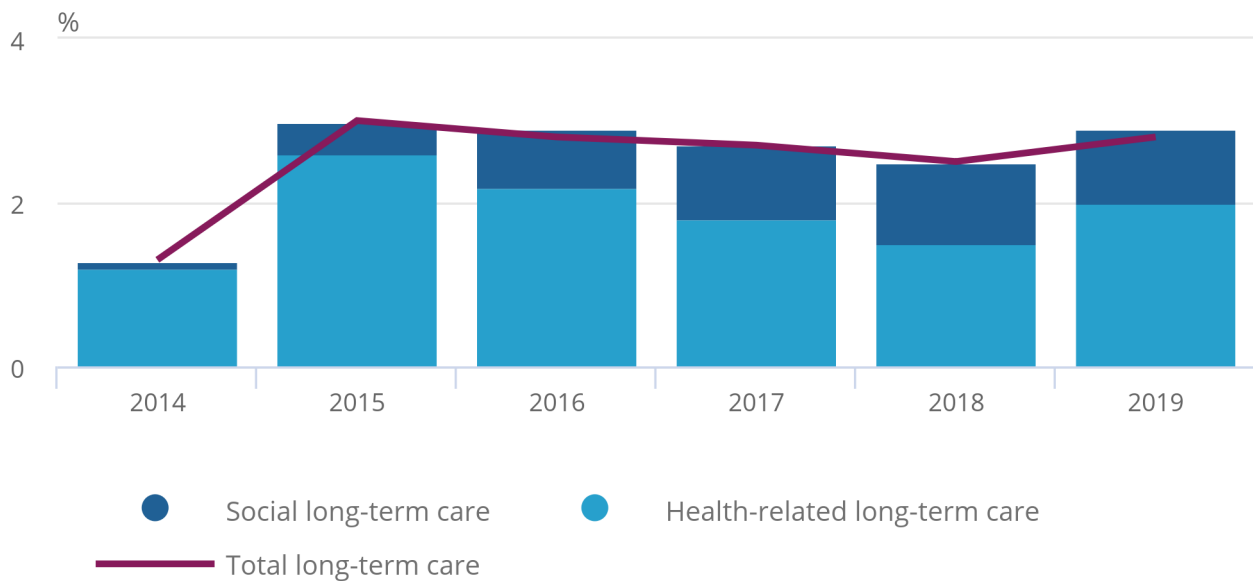
When these elements are combined, total expenditure on long-term care in 2019 was £50.5 billion. This was an increase on 2018 of 5.0% in nominal terms, and 2.8% in real terms.

Figure 7: Growth in total long-term care expenditure has been largely driven by health-related long-term care

Contributions to growth in long-term care expenditure by component in real terms, UK, 2014 to 2019

Figure 7: Growth in total long-term care expenditure has been largely driven by health-related long-term care

Contributions to growth in long-term care expenditure by component in real terms, UK, 2014 to 2019



Source: Office for National Statistics, LaingBuisson

Notes:

1. Figures are presented in real terms, adjusted for inflation using the gross domestic product (GDP) deflator (series: IHYS).
2. Contributions to growth may not sum to overall growth because of rounding.

Health-related long-term care grew by 2.5% in real terms in 2019, compared with growth in social long-term care spending of 4.2%. Social long-term care spending is not included in our measure of current healthcare expenditure.

In 2019, 64% of total long-term care was financed through government and 26% through out-of-pocket funds, with the remaining services financed through charities. Government expenditure was the main means of financing both health-related and social long-term care in 2019, accounting for 65% and 60% of financing respectively.

6 . Capital expenditure

Gross fixed capital formation (GFCF), is an [estimate of net capital investment](#) by both the public and private sectors in the UK. In 2019 the net capital outlay on healthcare in the UK was £6.8 billion. Investment in fixed assets is separate from the measurement of healthcare consumption and so is not a part of our headline current healthcare expenditure statistics.

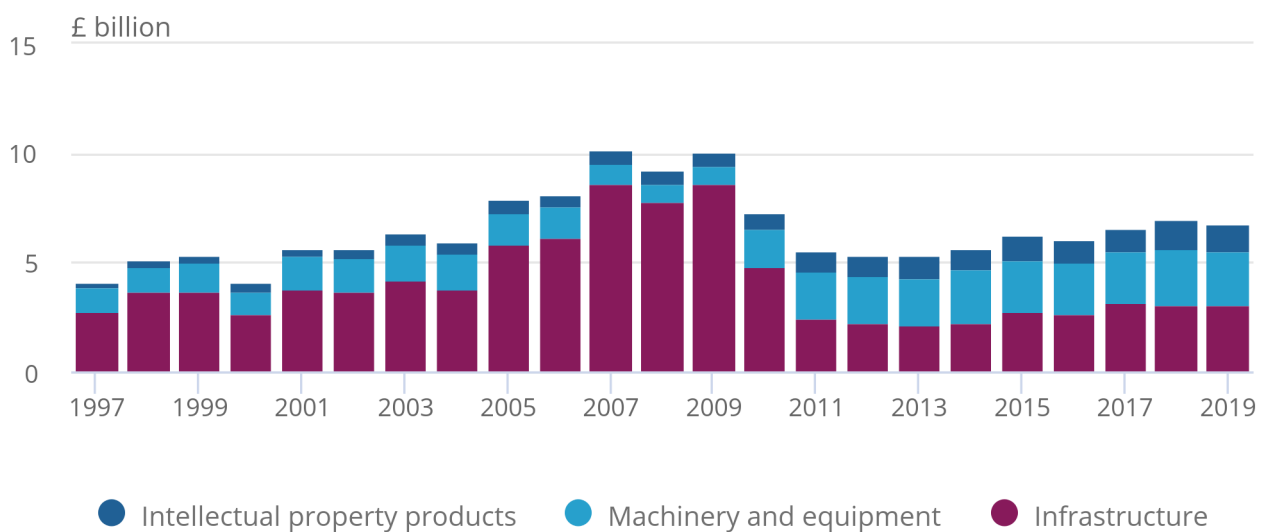
Our estimate of GFCF excludes research and development for the purposes of international comparability.

Figure 8: Infrastructure accounted for the largest share of healthcare-related capital expenditure in 2019

Expenditure on healthcare gross fixed capital formation in real terms, 1997 to 2019, UK

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Expenditure on healthcare gross fixed capital formation in real terms, 1997 to 2019, UK



Source: Office for National Statistics - UK Health Accounts

Notes:

1. Figures are presented in real terms, adjusted for inflation using the gross domestic product (GDP) deflator (series: IHYS).
2. Intellectual property products excludes research and development.

7 . Revisions

Improvements and changes to data sources have resulted in revisions to the UK Health Accounts back series of no more than plus or minus 1.4% of total current healthcare expenditure. Further information on revisions is available in the [UK Health Accounts reference tables](#).

8 . Health expenditure data

[UK Health Accounts](#)

Dataset | Released 1 June 2021

UK health expenditure. Final data for financing schemes, functions, providers, long-term care expenditure, revenues of financing and capital expenditure. Provisional data for financing schemes only.

[OECD health accounts dataset](#)

Dataset | Updated as new data become available

Data on health expenditure and financing for Organisation for Economic Co-operation and Development (OECD) member states.

9 . Measuring the data

For more information about the sources and methods used to produce the UK Health Accounts, please see [UK Health Accounts: methodological guidance](#) and [Estimating the 1997 to 2012 UK Health Accounts time series – methodology guidance](#).

10 . Strengths and limitations

International comparability

The UK Health Accounts are constructed using standardised definitions drawn from the System of Health Accounts 2011 (SHA) framework. This framework is employed by all EU member states and most OECD countries, making health accounts the most suitable source for international comparisons of healthcare expenditure.

Timeliness

Sufficiently detailed data on healthcare functions and providers are only available at a two-year lag, limiting the timeliness of the UK Health Accounts. However, new provisional estimates of healthcare spending in 2020 are available in [Healthcare expenditure, UK Health Accounts: provisional 2020 estimates](#).

11 . Related links

[Healthcare expenditure, UK Health Accounts: provisional estimates for 2020](#)

Statistical bulletin | Released 1 June 2021

Provisional high-level estimates of healthcare expenditure in 2020 by financing scheme.

[UK Health Accounts: methodological guidance](#)

Methodology article | Last revised 19 May 2016

This guidance note explains the methodology used to calculate healthcare expenditure for government and non-government financing schemes of health accounts.

[Estimating the 1997 to 2012 UK Health Accounts time series – methodology guidance](#)

Methodology article | Last revised 28 April 2020

The methodology used to calculate healthcare expenditure by financing scheme for the period 1997 to 2012 on a basis consistent with the international definitions of the System of Health Accounts 2011.

[Introduction to health accounts](#)

Article | Last revised 12 May 2016

This article explains what health accounts are and how they differ from the previous Office for National Statistics (ONS) analysis “Expenditure on healthcare in the UK”.

[System of Health Accounts 2011 \(revised edition\)](#)

Framework | Released 16 March 2017

A systematic description of the financial flows related to the consumption of healthcare goods and services.

[Public service productivity, healthcare, England: financial year ending 2019](#)

Statistical bulletin | Released 2 February 2021

This article provides further analysis of public service healthcare productivity for England only and on a financial year basis.