



5th July 2024
HEALTH SATELLITE ACCOUNT
2021 – 2023Pe

CURRENT HEALTH EXPENDITURE INCREASED BY 4.7% IN 2023, A SLOWER PACE THAN GDP

In 2023, current health expenditure increased by 4.7% in nominal terms, 4.9 p.p. less than the nominal change in GDP (9.6%). Public (rate of change of 3.7%) and private (6.6%) current expenditure continued to increase due to growth in the activity of hospitals (public and private) and private providers of ambulatory health care.

In 2021, the Gross Fixed Capital Formation (GFCF) of healthcare providers increased by 9.3% and represented 6.0% of the total GFCF of the national economy. The largest increases were recorded by entities of the rest of the economy (13.2%), especially those carrying out Research and Development (R&D) projects in the health field, and by private providers of ambulatory health care (11.6%). At the level of public providers, the increase in investment by public hospitals (6.7%) in construction and intellectual property products stood out.

Statistics Portugal releases the main results of the Health Satellite Account (HSA) for the 2021-2023 period. In addition, information on the Gross Fixed Capital Formation (GFCF) of healthcare providers (including Research and Development - R&D and higher education institutions) is presented for the year 2021, as well as the GFCF of public healthcare providers for the year 2022.

The results for the years 2021 and 2022, published on 4 July 2023, were updated. The data now released are final for 2021, provisional for 2022 and preliminary for 2023. The preliminary results for 2023 were compiled based on information available until the end of April 2024.

Additional tables and a methodological document with more detailed information are available on the Statistics Portugal website, in the National Accounts dissemination area ([Satellite Accounts section](#)).

1. Main results

In 2023, current health expenditure is expected to have increased by 4.7%

Current health expenditure is expected to have increased by 4.7% in 2023, to 26,559.6 million euros (2,574.2 euros per capita), equivalent to 10.0% of Gross Domestic Product (GDP). In that year, current health expenditure continued to grow, in nominal terms, at a slower pace than GDP (-6.6 p.p. in 2022 and -4.9 p.p. in 2023). The activity of hospitals (public and private) and private providers of ambulatory health care (medical and dental practices and medical clinics with several specialities) contributed to this growth.



Current health expenditure rose by 5.6% in 2022, totalling 25,370.2 million euros, corresponding to 10.5% of GDP and 2,463.4 euros per capita. The continuation of the recovery of non-COVID-19 assistance, which began in 2021, was the main reason for this evolution.

Figure 1. Current health expenditure and GDP (2020 – 2023Pe)

	2020	2021	2022Po	2023Pe
Current health expenditure				
Value (10 ⁶ €)	21,150.1	24,033.1	25,370.2	26,559.6
Nominal rate of change (%)	3.7	13.6	5.6	4.7
% of GDP	10.5	11.1	10.5	10.0
<i>Per capita</i> (€)	2,054.0	2,334.5	2,463.4	2,574.2
Gross Domestic Product (GDP)				
Value (10 ⁶ €)	200,518.9	216,053.2	242,340.8	265,525.1
Nominal rate of change (%)	- 6.5	7.7	12.2	9.6

Source: Statistics Portugal (Health Satellite Account and National Accounts)

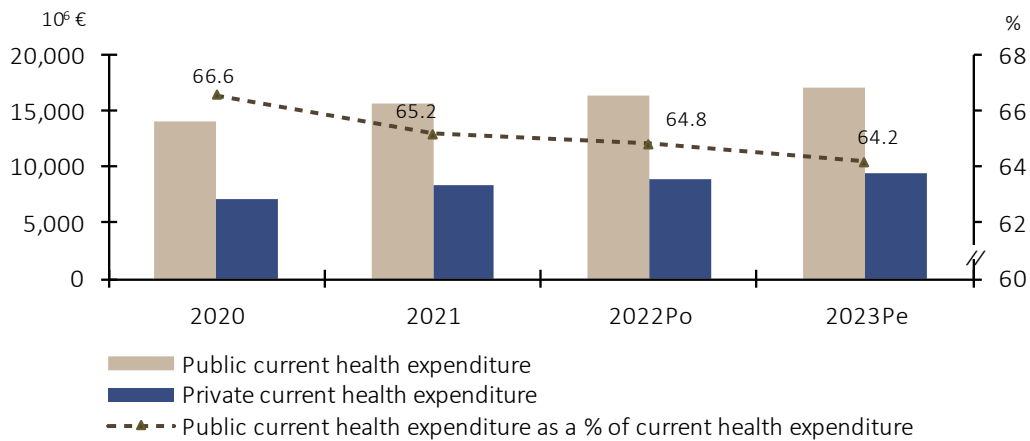
Public current expenditure is expected to have increased by 3.7% and private expenditure by 6.6% in 2023

In 2022, public current expenditure¹ represented 64.8% of current expenditure, 0.4 p.p. less than in 2021 (65.2%). For 2023 it is estimated that the relative weight of public current expenditure will continue to fall (-0.6 p.p.), as a result of lower growth than private current expenditure.

¹ Public current expenditure corresponds to the expenditure made by public financing agents. Public financing agents include the National Health Service (NHS) and the Regional Health Services (RHS) of Azores and Madeira, public health subsystems (compulsory and voluntary), other public administration entities and Social Security funds.



Figure 2. Current health expenditure, public and private (2020 – 2023Pe)



Source: Statistics Portugal (Health Satellite Account)

In 2023, public current expenditure is expected to have increased by 3.7%, mainly reflecting the increase in compensation of employees for public providers². In that year, the strong reduction in expenditure on the COVID-19 vaccination process and COVID-19 tests (carried out in pharmacies and laboratories) had a negative effect on the evolution of public expenditure.

In 2023, private current expenditure³ may have grown by 6.6% due to the increase in the assistance activity of private providers, namely hospitals and providers of ambulatory health care.

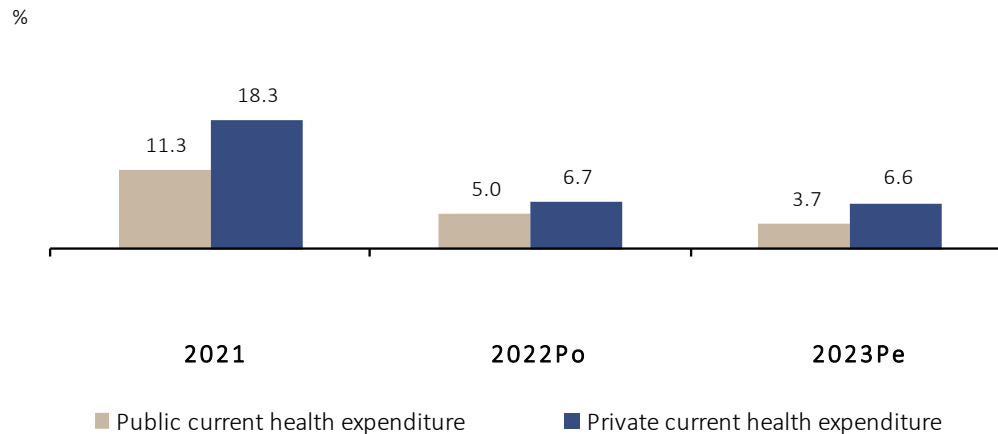
² According to the information published in the [Budgetary Execution Summary of the Directorate-General for the Budget in December 2023](#), "the increase in compensation of employees mainly reflects the impact of the upgrading of nurses' careers and the remuneration of workers in public employment, the extension of the overtime regime for doctors in emergency services, as well as other salary impacts on workers' careers".

³ Private current expenditure corresponds to expenditure made by private financing agents. Private financing agents include corporations (insurance and others), non-profit institutions serving households (NPISHs) (health subsystems and others) and households.



Figure 3. Current health expenditure, public and private (2020 – 2023Pe)

(Nominal rate of change)



Source: Statistics Portugal (Health Satellite Account)

In 2022, the current expenditure of most of the main providers grew moderately

In 2022, the current expenditure of most of the main providers grew at a more moderate pace than in the previous year. The continued recovery in the health care provided by medical and dental practices and medical clinics with several specialities was reflected, in 2022, in the increase in expenditure by private providers of ambulatory health care (9.4%) and in their relative weight in the current expenditure structure (+0.7 p.p.).

Spending on pharmacies rose again in 2022 (8.0%) due to the growth in purchases of medicines reimbursed by the National Health Service (NHS) and Regional Health Services of the Autonomous Regions (RHS), and non-prescription medicines.

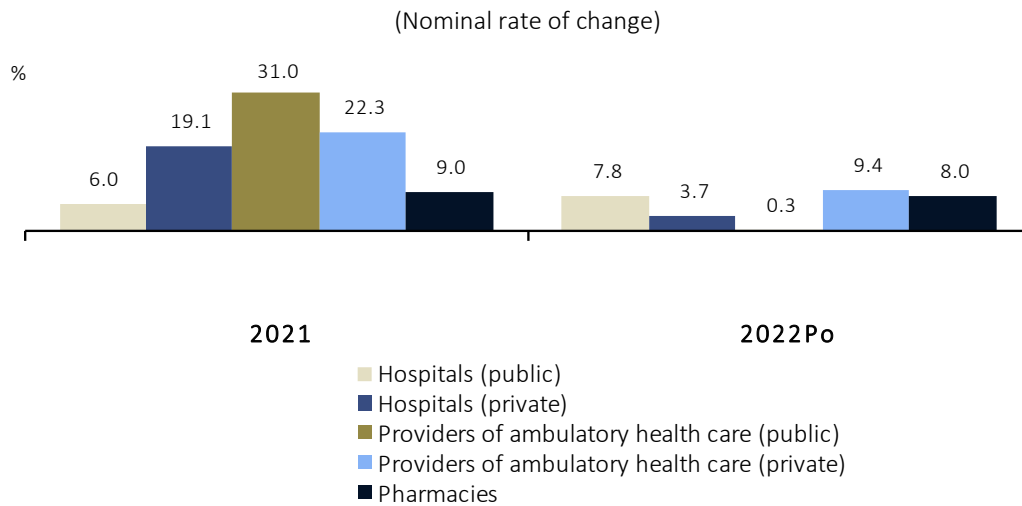
Public hospital⁴ expenditure grew by 7.8% as a result of the increase in intermediate consumption (pharmaceutical products, clinical consumables and others) and in compensation of employees (hiring, career repositioning and others). These increases reflect, in particular, the integration of Hospital de Loures E.P.E.⁵ into the universe of public hospitals, which had been managed under a public-private partnership until 18 January 2022.

⁴ Public hospitals include Public Business Entities (E.P.E.) hospitals.

⁵ The management contract for the Hospital de Loures, in terms of clinical management, under a public-private partnership (PPP) ended on 18 January 2022 (Decree-Law no. 100-A/2021, of 17 November) and the Hospital de Loures E.P.E. was created under public management.



Figure 4. Evolution of current expenditure of the main providers (2020 – 2022Po)



Source: Statistics Portugal (Health Satellite Account)

In 2022, expenditure by other public administration entities decreased

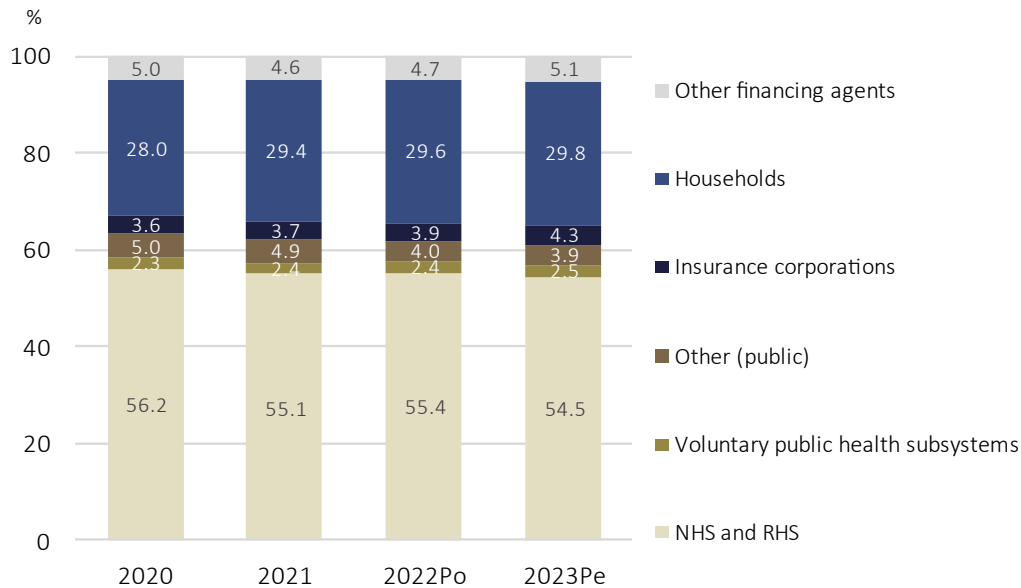
Expenditure by other public administration entities fell by 12.6% in 2022, mainly due to the reduction in expenditure associated with the COVID-19 pandemic by other public entities (municipalities, various ministerial bodies, among others) and deductions from personal income tax collection for healthcare and nursing homes. The relative weight of these financing agents fell by 0.9 p.p. in 2022.

Conversely, the NHS and RHS (+0.3 p.p.), households (+0.2 p.p.) and insurance corporations (+0.2 p.p.) increased their relative weight in the health system's financing structure.

For 2023 the growth in current expenditure by the main financing agents is estimated, mainly insurance corporations (16.9%), voluntary public health subsystems (11.1%), households (5.1%) and the NHS and RHS (3.1%). In structural terms, the relative importance of NHS and RHS expenditure is expected to fall (-0.9 p.p.) and, conversely, the weight of insurance corporations is expected to increase (+0.4 p.p.).



Figure 5. Current health expenditure by financing agent (2020 – 2023Pe)



Source: Statistics Portugal (Health Satellite Account)

In 2022, NHS and RHS expenditure grew by 6.2%

In 2022, NHS and RHS expenditure grew by 6.2%, after recording the maximum increase of 11.4% in 2021.

The growth in financing for public hospitals (8.1%) supported increases in compensation of employees and intermediate consumption, reflecting namely the integration of Hospital de Loures, E.P.E..

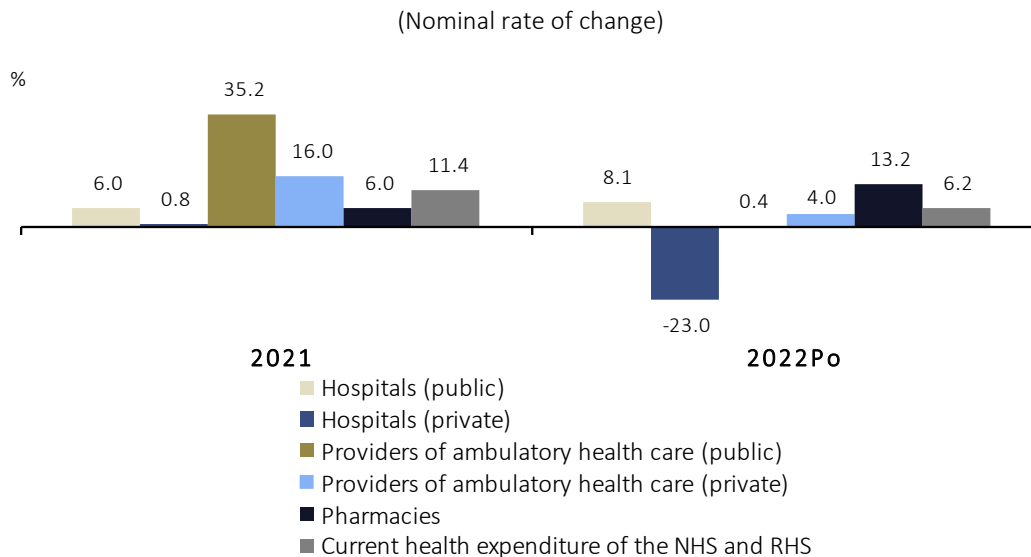
Expenditure on pharmacies increased by 13.2% due to higher reimbursement for rapid antigen tests for professional use and the purchase of medicines, mainly for diabetes control (antidiabetics) and anticoagulants⁶. This was the largest increase recorded in the available data series, which began in 2000.

In addition, financing from the NHS and RHS to private hospitals fell by 23.0%, mainly due to a reduction in the cost of hospitals with PPP contracts. It should be noted that, after 18 January 2022, the only hospital that remained with a PPP contract was Cascais Hospital.

⁶ According to the [Medicines Consumption Monitoring Report \(Ambulatory\) - December 2022](#)



Figure 6. Evolution of current expenditure of the NHS and RHS, by main providers (2020 – 2022Po)



In 2022, household expenditure increased by 6.4%

Household expenditure increased by 6.4% in 2022, reflecting the growth in expenditure on private hospitals (13.9%), private providers of ambulatory health care (12.3%) and pharmacies (7.0%).

Conversely, households reduced their expenditure on entities of the rest of the economy⁷ (-11.6%), namely on long-term healthcare and the purchase of personal protective equipment (PPE) and disinfectants at other retailers.

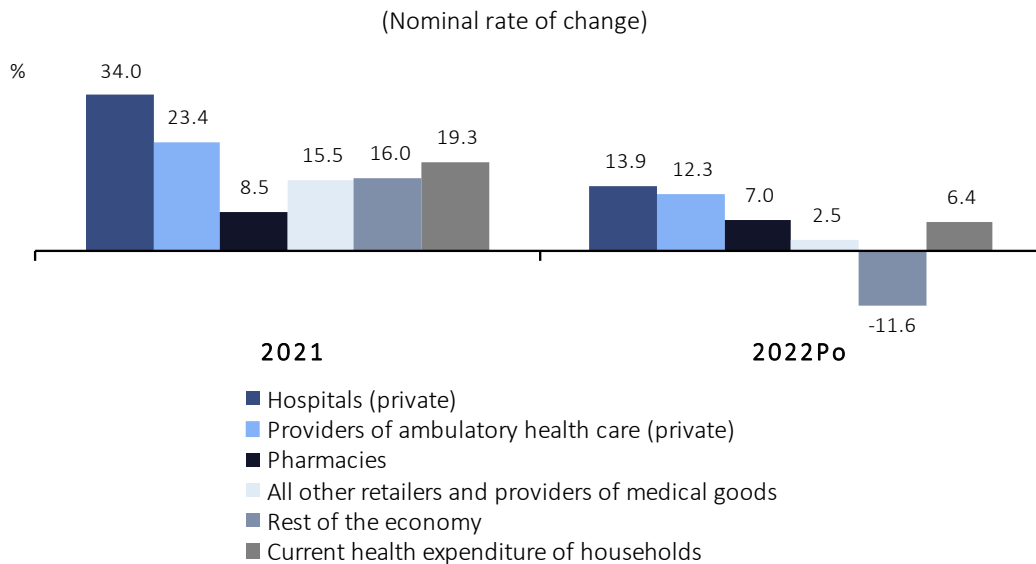
In 2022, there was also a large reduction in household expenditure on public hospitals (-24.1%) and public providers of ambulatory health care (-71.2%) due to the extension of exemptions from paying user fees to almost all services (with the exception of hospital emergency services without prior referral by the NHS or when there is no admission to inpatient care through the urgency)⁸.

⁷ Entities of the rest of the economy include, among others, Research and Development (R&D) and higher education institutions, the National Institute of Legal Medicine and Forensic Sciences, I. P., the Armed Forces Hospital and organisations that provide long-term care (as a secondary activity).

⁸ [Decree-Law no. 37/2022, of 27th May](#)



Figure 7. Evolution of current household expenditure by main providers (2020 – 2022Po)



Source: Statistics Portugal (Health Satellite Account)

In 2021, the GFCF of healthcare providers increased by 9.3%

In 2021⁹, the GFCF of healthcare providers increased by 9.3% to 2.635,2 million euros, representing 6.0% of the total GFCF of the national economy. The largest increases in GFCF were recorded by entities of the rest of the economy (13.2%), especially those carrying out Research and Development (R&D) projects in the health field, and by private providers of ambulatory health care (11.6%).

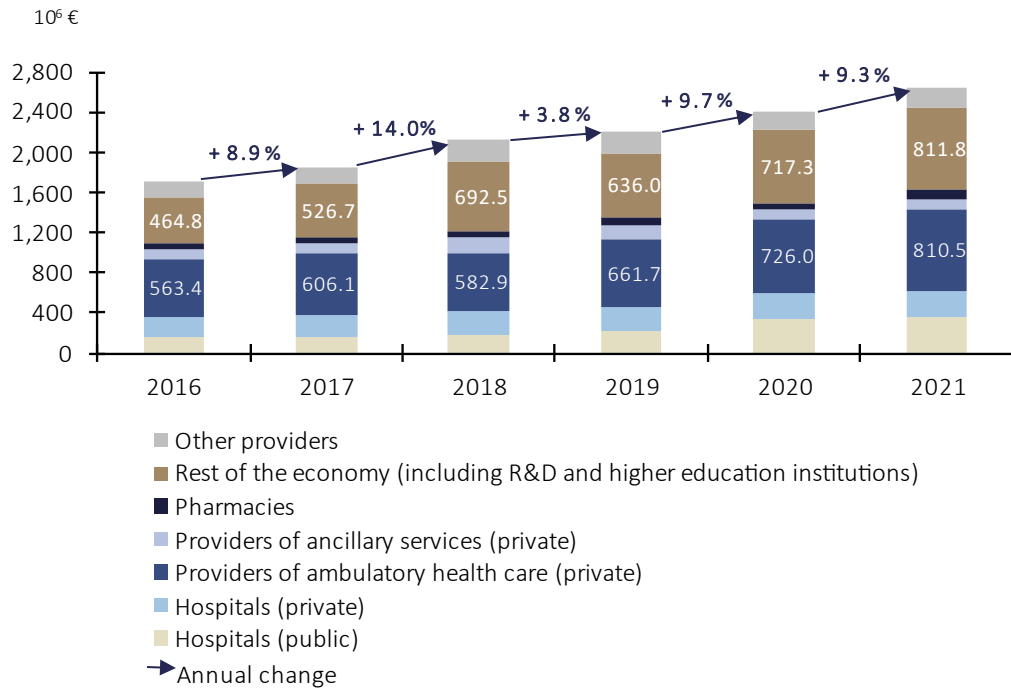
Investment by public providers totalled 625.0 million euros in 2021, corresponding to 23.7% of the total GFCF of healthcare providers. It grew by 7.0% that year, mainly reflecting the increase in investment by public hospitals (6.7%) in construction and intellectual property products (R&D). For 2022¹⁰, provisional data indicate a slight decrease in GFCF by public providers (-1.1%) as a result of the decrease in investment by public hospitals (-7.3%) in medical equipment, which did not compensate the increase in GFCF by providers of health system administration and financing services (72.5%) due essentially to the acquisition of software licences (intellectual property products).

⁹ The availability of GFCF results for all healthcare providers within the scope of the HSA is only possible after the presentation of final and detailed results from the Portuguese National Accounts, with 2021 being the last year currently available.

¹⁰ For 2022, the data available allows us to present provisional results for public healthcare providers (see table 9 in the file attached to the press release).



Figure 8. GFCF of health care providers, including R&D and higher education institutions (2016 – 2021)

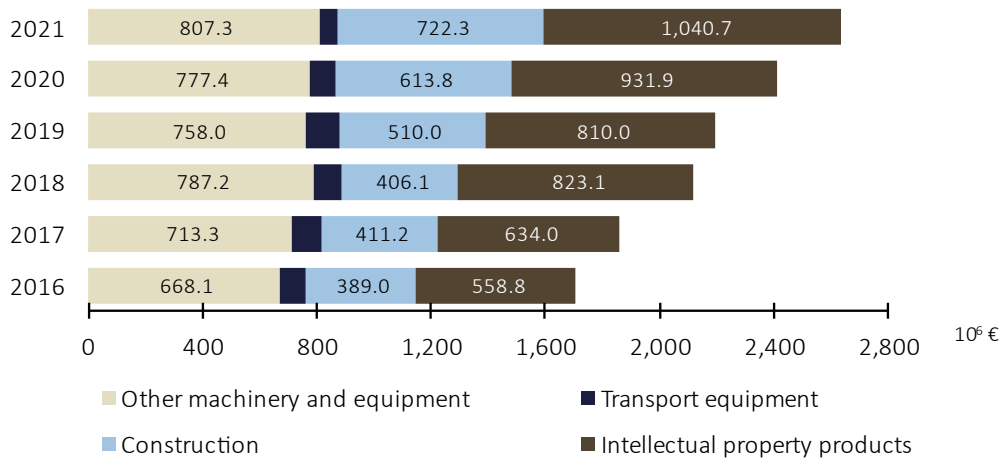


Source: Statistics Portugal (Health Satellite Account)

Analysing GFCF by type of asset, in 2021, there was growth in investment in construction (17.7%) and in intellectual property products (11.7%) made by public hospitals, private providers of ambulatory health care and entities of the rest of the economy. Investment in these assets accounted for 66.9% of healthcare providers' GFCF (64.1% in 2020).



Figure 9. GFCF of health care providers, including R&D and higher education institutions, by asset (2016 – 2021)



Source: Statistics Portugal (Health Satellite Account)

2. International comparisons

In 2022, compared to the 22 Member States (MS) with data available¹¹, Portugal recorded the 11th highest increase in current health expenditure (5.6%) and ranked 6th among the MS with the highest relative weight in GDP (10.5%).

In that year, current health expenditure increased significantly in Poland (18.2%), Latvia (13.7%), Lithuania (11.4%) and Slovenia (10.1%). Conversely, Sweden (-1.6%) and Denmark (-2.2%) decreased their current expenditure.

With the exception of Poland (+0.2 p.p.) and Slovenia (+0.1 p.p.), the relative weight of current health expenditure in GDP¹² decreased in 2022 in the remaining MS, with Denmark (-1.3 p.p.), the Netherlands (-1.0 p.p.) and Austria (-1.0 p.p.) standing out. Germany (12.6%), France (11.9%) and Austria (11.2%) continued to lead the ranking of MS with the highest share of current expenditure in GDP, recording more than double that of Luxembourg (5.5%).

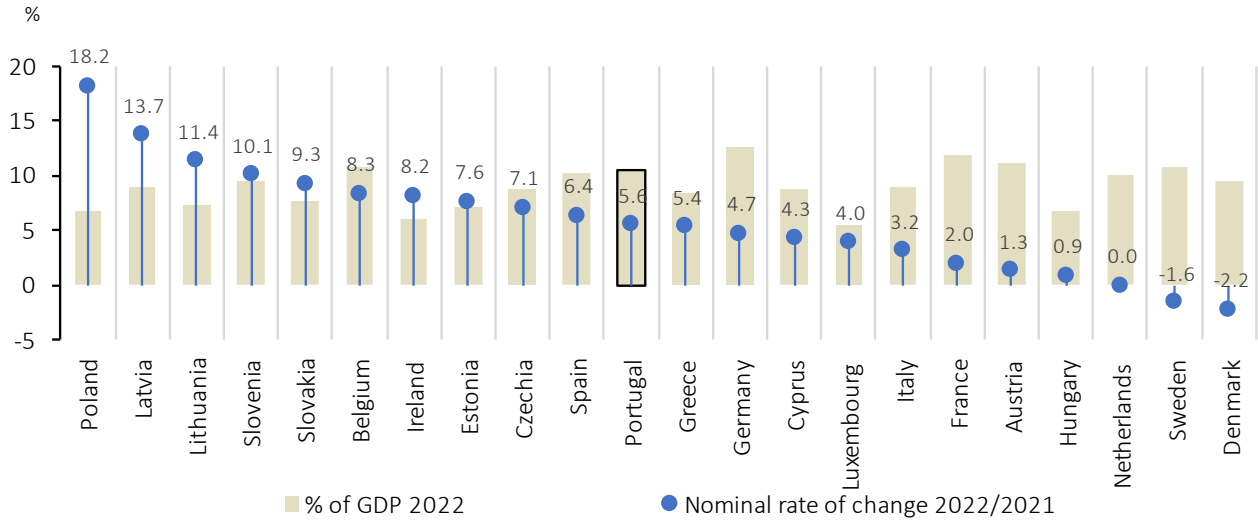
¹¹ Data extracted on 25 June 2024 from the Eurostat database (last update date: 3 January 2024) and the OECD database (last update date: October 2023) supplemented with updated data published on the official statistics websites of each member state.

¹² Data extracted from the Eurostat database on 28 June 2024 (date of last update: 27 June 2024).



Figure 10. Evolution of current health expenditure and share of current health expenditure in GDP in EU countries

(2021 – 2022)



Source: Statistics Portugal (Health Satellite Account and National Accounts); OECD; Eurostat; Official Statistics websites of each MS



METHODOLOGICAL NOTE:

Health Satellite Account (HSA) has, as main methodological references, the System of [Health Accounts Manual - 2011 Edition \(SHA 2011\)](#) and the [Commission Regulation \(EU\) 2021/1901, of October 29, 2021](#). SHA 2011 manual is consistent with the principles, concepts, definitions, and classifications of the European System of National and Regional Accounts 2010 (ESA 2010) and System of National Accounts 2008 (SNA 2008) of the United Nations, thus ensuring the harmonization of methodologies and international comparability of results.

According to the SHA 2011 manual, **current health expenditure** includes the final consumption expenditure of the statistical resident units in health goods and services. Excludes exports of health goods and services provided to non-resident units in the economic territory and includes imports of health goods and services provided to resident units outside the economic territory.

The international classification used in health accounts is the *International Classification for Health Accounts – ICHA*. The structure of the health accounts system, according to SHA 2011, focuses on the three-dimensional analysis of health systems at the level of health care functions (ICHA-HC), provision (ICHA-HP) and their financing (ICHA-HF/ICHA-FA).

Figure 11: Classification of functions (ICHA–HC) of health care (transposition for the Portuguese case)

Functions of Health Care		Mode of production
HC.1	Curative care	Inpatient care Day care Outpatient care Home-based care
HC.2	Rehabilitative care	
HC.3	Long-term care (health)	
HC.4	Ancillary services (non-specified by function)	
HC.5	Medical goods (non-specified by function)	
HC.6	Preventive care	
HC.7	Governance and health system and financing administration	
HC.9	Other health care services not elsewhere classified (n.e.c.)	
Memorandum items: reporting items		
HC.RI.1	Total pharmaceutical expenditure	
Memorandum items: health care related		
HCR.1	Long-term care (social)	

Source: Statistics Portugal (Health Satellite Account)

The HSA presents the separation between public and private providers. It also considers the following specification:

- Health care centres specialized in ambulatory services of the National Health Service (NHS) and Regional Health Services (RHS): include the ambulatory health centres of the NHS and the RHS of the Azores and Madeira.



Figure 12: Classification of providers (ICHA–HP) adopted in Portugal

Health Care Providers		Public Providers	Private Providers
HP.1	Hospitals	✓	✓
HP.2	Residential long-term care facilities	✓	✓
HP.3.1, HP.3.2, HP.3.3	Medical and dental practices and other health care practitioners		✓
HP.3.4	Ambulatory health care centres	✓	✓
HP.3.4	Ambulatory health care centres (NHS and RHS)	✓	
HP.3.5	Providers of home health care services		✓
HP.4.1	Providers of patient transportation and emergency rescue	✓	✓
HP.4.2	Medical and diagnostic laboratories	✓	✓
HP.5.1	Pharmacies		✓
HP.5.2-5.9	All other retailers and providers of medical goods		✓
HP.6	Providers of preventive care		✓
HP.7	Providers of health care system administration and financing	✓	✓
HP.8	Rest of the economy	✓	✓

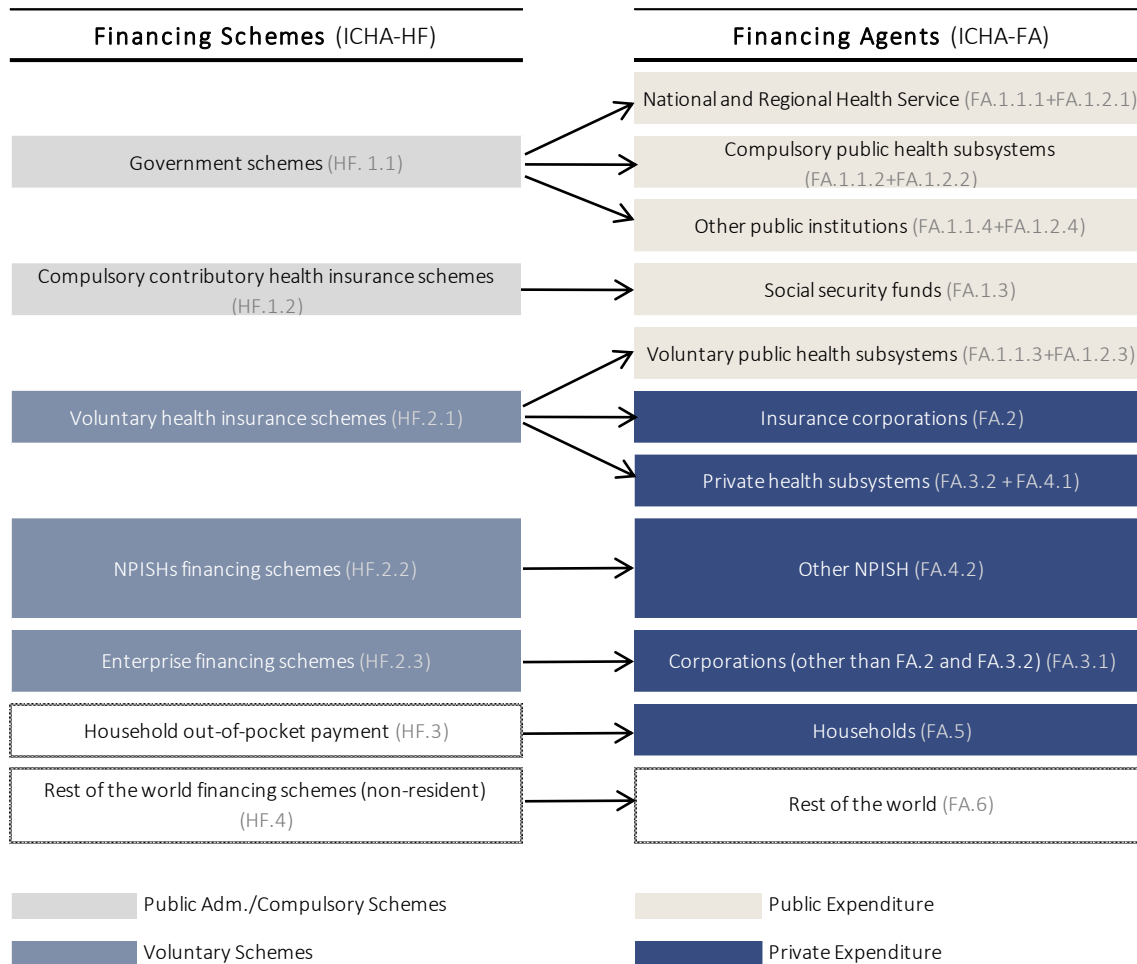
Source: Statistics Portugal (Health Satellite Account)

The financing schemes (ICHA-HF) constitute the structural components of health care financing systems through which individuals have access to health goods and services. In addition, the SHA 2011 manual considers the classification of financing agents (ICHA-FA), which are the institutional units that manage and administer financing schemes, collect revenues and/or purchase health goods and services.

European Commission Regulation (EU) 2021/1901 requires the adoption of the classification of financing schemes (ICHA-HF). In the Portuguese case, it was considered important to adopt, simultaneously, the classification of financing agents (ICHA-FA), allowing the results to be analysed in more detail in terms of the separation of expenditure from the NHS and RHS.

In the transposition of the financing classification, the relationship described in Figure 13 between financing schemes and financing agents was adopted, as well as the respective separation between private and public expenditure.

Figure 13: Correspondence between financing schemes, financing agents and public and private expenditure
(Base 2016)



Source: Statistics Portugal (Health Satellite Account)

Gross Fixed Capital Formation (GFCF) in the health system is measured by the total value of fixed assets that health care providers acquired during the accounting period (less the value of disposals of assets) and that are used repeatedly or continuously for more than one year in the provision of health services. Acquisitions and disposals of fixed assets are recorded when ownership is transferred to the provider who intends to use them in the provision (in the case of acquisitions) or from the provider who previously used them in the provision (in the case of disposals).

Note that GFCF includes Research and Development (R&D) expenditure by public health care providers, other institutions and higher education institutions that have developed health R&D projects. Although the 2011 SHA Manual recommends excluding R&D expenditure from GFCF, considering it as a related expenditure of the Capital Account, R&D expenditure was included in the estimate of GFCF in the HSA to ensure full consistency with the definition of GFCF from ESA 2010 and SNA 2008.



The total value of GFCF estimated by the Portuguese National Accounts (PNA) by the different industries¹³, by type of asset and institutional sector, constituted the starting point for the calculation of the GFCF of the providers belonging to the universe of HSA. The available data did not allow the calculation of the GFCF of the financial corporations that manage health insurance and of the entities of the General Government that manage the compulsory public health subsystems, SAD-PSP and SAD-GNR, classified in the HP.7 (Providers of administration and financing services of health systems).

Compared with the GFCF results of the health function (Division 07) of the classification of public expenditure (COFOG)¹⁴, the GFCF of public providers within the scope of HSA includes additional entities considered in the universe of the account, such as, for example, the Service for Intervention in Addictions and Dependencies (SICAD) and the National Institute of Legal Medicine and Forensic Sciences, I. P..

Revisions

This press release publishes revised results for 2021 and 2022.

The final data for 2021 reflected an upward revision of current expenditure resulting from the incorporation of final data from the various sources of information.

The provisional results for 2022 showed a downward revision of current expenditure and public current expenditure and, conversely, an upward revision of private current expenditure. These changes reflect the integration of new sources of information and updated and detailed data, namely from the Simplified Business Information (SBI) and administrative data on the provision and financing of the NHS and RHS and on deductions from personal income tax collection for healthcare and nursing homes.

At the level of providers, the most significant changes were recorded in public and private hospitals, public and private providers of ambulatory health care and private providers of ancillary care. On the financing side, the revision of expenditure by the NHS and RHS, other public administration entities and households stood out.

¹³ Mainly from the industries of PNA 86 (Human health activities), 87 (Residential care activities), 88 (Social work activities without accommodation), 84 (Public administration and defence; compulsory social security) and 47 (Retail trade, except of motor vehicles and motorcycles).

¹⁴ Classification of the functions of government (COFOG)



Figure 14. Revisions of current health expenditure, public and private (2021 – 2022)

	2021	2022
Current expenditure		
Revision (10 ⁶ €)	117.4	- 47.4
Revision (% of current expenditure)	0.5	- 0.2
Public current expenditure		
Revision (10 ⁶ €)	- 14.6	- 271.0
Revision (% of public current expenditure)	- 0.1	- 1.6
Private current expenditure		
Revision (10 ⁶ €)	131.9	223.5
Revision (% of private current expenditure)	1.6	2.6

Fonte: Statistics Portugal (Health Satellite Account)

CONVENTIONAL SIGNS

Pe - Preliminary data

Po - Provisional data

% - Percentage

ACRONYMS AND ABBREVIATIONS

COFOG - Classification of the functions of government

COVID-19 - Coronavirus Disease 2019

E.P.E - Public Business Entities

ESA - European System of National and Regional Accounts

EU - European Union

GDP - Gross Domestic Product

GFCF - Gross Fixed Capital Formation

HSA - Health Satellite Account

ICHA - International Classification for Health Accounts

ICHA-FA - Classification of Financing Agents

ICHA-HC - Classification of Functions of Health Care

ICHA-HF - Classification of Financing Schemes



ICHA-HP - Classification of Health Care Providers

MS - Member State/s

NHS - National Health Service

NPISH - Non-profit Institutions Serving Households

OECD - Organisation for Economic Co-operation and Development

PNA - Portuguese National Accounts

PPE - Personal Protective Equipment

PPP - Public-Private Partnership

R&D - Research and Development

RHS - Regional Health Services of Azores and Madeira

SAD-GNR - Assistance in health care to Militaries of Republican National Guard

SAD-PSP - Assistance service in health care to Agents of Public Security Police

SBI - Simplified Business Information

SICAD - Intervention Service for Addictive Behaviours and Dependencies

SHA - System of Health Accounts

SNA - System of National Accounts

WHO - World Health Organisation