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Revision of the International Classification for Health Accounts

OECD, Eurostat, WHO

Revision of the International Classification for Health Accounts

(A note by the International Health Accounts Team for the meeting of the UN Expert Group on Economic and Social Classifications 1-4 September 2009)

The International Classification for Health Accounts (ICHA) was first published in the OECD Manual “A System of Health Accounts” in 2000.

The OECD, Eurostat and WHO have agreed to revise the System of Health Accounts (SHA) methodology including the ICHA, culminating in the publication of the SHA Manual 2.0. The revision process is planned to be completed by end 2010. The process is supervised by the International Health Accounts Team (IHAT) drawn from the three organizations and consultation is done through an EDG, the SHA website, and the meetings of the relevant experts network of OECD, Eurostat and regional health accounts meetings organized by WHO.

Related to the SHA Manual, the WHO published in 2003 “Guide to producing national health accounts – with special applications for low-income and middle-income countries”. This adapted SHA to address a wider range of health accounting needs with compilation guidance and is an important input to the revision of SHA.

What is the System of Health Accounts?

Over recent decades, there has been a growing need of health policy analysts to address such questions as:

- What are the main drivers accounting for health expenditure growth?
- What factors explain the observed differences between countries?
- What are the main structural differences in health spending between countries?
- How are changes in the structure of health spending and performance of health systems related?

To answer those questions, a common international system of statistical reporting rules was needed. The System of Health Accounts (SHA) establishes a set of common concepts, definitions, classifications and accounting rules to enable comparability of health spending data over time and across countries. The System of Health Accounts (SHA) addresses three basic questions:

- Where does the money come from?
- Where does the money go to?
- What kinds of services are performed and what types of goods are purchased?

In practice this is translated into three main dimensions of health accounts: the classification of functions of health care (HC); the classification of health providers (HP); and the classification of financing agents/schemes (HF) with cross-classified tables. Additional dimensions are currently added such as financing sources and resource costs.

These together form the basis for a joint data collection (OECD, Eurostat and WHO) amongst OECD and EU countries.

Why revise?

Ten years of experience with SHA implementation highlighted that there are unresolved issues in SHA methodology. These include the definition of the boundary between health and long-term social care; the boundary of public health; and a lack of adequate methods for output and price measurement. The current categories of health financing (ICHA-HF) do not reflect adequately the complex and changing systems of health financing. The methods of organization of national health systems are evolving. There is also the aim of developing a more unified guidance for countries developing national health accounts.

The revised SHA Manual aims to provide a refined conceptual framework and a revised and expanded version of the International Classification for Health Accounts in order to:

- improve the comparability of health expenditure data across countries and over time;
- take into account increasingly complex financing schemes for health care;
- provide better information for assessing the performance of health systems; and
- provide better information on the role of the health sector within the national economy.

This may result in extra dimensions of ICHA including capital expenditure of health care providers and links to information on the beneficiaries of health services.

The revision of ICHA will give health analysis information needs primary importance, and will take into account any changes in other related classifications such as ISIC, the SNA classification of institutional sectors, and CPC.

Further information on the revision of SHA and ICHA can be found on the website <http://www.oecd.org/health/sha/revision>

Any advice from the UN Expert Group would be welcome.