

Comments on draft SNA
Chapter 29: Satellite accounts and other extensions

Deadline for comments: 7 November 2008

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This template allows you to record your comments on draft SNA chapter 29 “Satellite accounts and other extensions” and, at the same time, makes it easy for us to use your comments in considering revisions to the draft chapter. You may complete any or all parts of the template.

Note that the examples of tables for the tourism, environmental and health satellites included in the chapter are exact pdf extracts from pages of those manuals. They will be formatted and numbered for the SNA later.

There is no file comparing existing text with draft text for this chapter because the draft is largely new text.

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Part I: General comments

In the space below, please provide any general comments. This may cover e.g. the structure of the chapter, issues missing and (lack of) consistency with other chapters of the 2008 SNA.

General comments:

General comment	Click here and start typing.
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Part II: Comments on specific draft paragraphs and sections

All comments on specific draft paragraphs are welcome. They can be about e.g. scope, content and clarity. Proposing a concrete alternative text or table is also possible. For the paragraphs in separate sections, separate forms are used for providing and collecting comments (see below).

A. Introduction (paragraphs 29.1-29.8)

General comment	Click here and start typing.
29.1	Click here and start typing.
*	Click here and start typing.

* Insert rows in this Word table for each paragraph on which you wish to comment.

B. Functional classifications (paragraphs 29.9-29.20)

General comment	Click here and start typing.
29.9	Click here and start typing.
*	Click here and start typing.

* Insert rows in this Word table for each paragraph on which you wish to comment.

C. Satellite accounts for key sector and other special sector accounts (paragraphs 29.21-29.30)

General comment	Click here and start typing.
29.21	Click here and start typing.
*	Click here and start typing.

* Insert rows in this Word table for each paragraph on which you wish to comment.

D. Satellite accounts; options for conceptual variations (paragraphs 29.31-29.52)

General comment	Click here and start typing.
29.31	Click here and start typing.
*	Click here and start typing.

* Insert rows in this Word table for each paragraph on which you wish to comment.

E. Possible tables for a satellite account (paragraphs 29.53-29.82)

General comment	Click here and start typing.
29.53	Click here and start typing.
*	Click here and start typing.

* Insert rows in this Word table for each paragraph on which you wish to comment.

F. Examples of satellite accounts (paragraphs 29.83-29.157)

General comment	The OECD would like to propose a few editorial changes to complete the information on the System of Health Accounts and its ongoing revision process. Therefore, besides the original text, an amended text is proposed in the following paragraphs.	
	ORIGINAL TEXT	PROPOSED TEXT
29.126	The health care industry is of significant size and importance in many countries in terms of the number of people employed and level of turnover and is always a matter of significant policy concern. In 2002 OECD published the System of Health Accounts (ref) which built on experience over the previous 15 years of information being collected on health care data. As part of the manual, a preliminary health satellite account was also proposed. This work is in the process of being updated with a revised manual being expected about the end of 2009.	The health care industry is of significant size and importance in many countries in terms of the number of people employed and level of turnover and is always a matter of significant policy concern. In 2000, OECD published the System of Health Accounts (ref) which built on experience over the previous 15 years of information being collected on health care data. One of the main purposes of the manual was to provide a framework for analysing health care systems from an economic point of view, consistent with national accounting rules. As part of this, the conceptual links between the System of Health Accounts and health satellite accounts were examined. The manual is currently in the process of being updated as a joint effort by the OECD, Eurostat, and WHO, with a revised version expected about the end of 2010.
29.127	In order to see how a health satellite account can be developed it is useful to begin by looking at the system of health accounts (SHA). There are four categories of information provided in the SHA: a functional classification of health care, an analysis of health care provider units, information on expenditure on health care and information about the funding of health care. Each of these is described briefly in turn.	In order to see how a health satellite account can be developed it is useful to begin by looking at the System of Health Accounts (SHA). The core framework of the SHA is built around three dimensions of health care expenditure, essentially describing who pays, to whom, and for what kind of health care goods and services? The International Classification for Health Accounts (ICHA) therefore defines a functional classification of health care (ICHA-HC), a classification of health care providers (ICHA-HP), and a classification of health care financing (ICHA-HF). Each of these is described briefly in turn in the following paragraphs. The subsequent WHO/World Bank and USAID publication, <i>Guide to producing national health accounts with special applications for lower and middle-</i>

		<i>income countries</i> (2003) included two additional classifications, financing sources (FS) and resource costs (RC). Modified versions of these classifications have been included in a joint health accounts data collection undertaken by OECD, Eurostat and WHO since 2006.
		The SHA Manual 1.0 proposes a set of standard tables, of which the three most widely used are two-dimensional matrices cross-classifying functions, providers and financiers.
	FUNCTIONAL CLASSIFICATION OF HEALTH CARE	ICHA-HC FUNCTIONAL CLASSIFICATION OF HEALTH CARE
29.128	<p>The activities of health care cover the application of medical, paramedical and nursing knowledge and technology, either by institutions or individuals, in pursuit of the following goals:</p> <ul style="list-style-type: none"> a. Promoting health and preventing disease; b. Curing illness and reducing premature mortality; c. Caring for persons affected by chronic illness who require nursing care; d. Caring for persons with health-related impairment, disability and handicaps who require nursing care; e. Assisting patients to die with dignity; f. Providing and administering public health; g. Providing and administering health programmes, health insurance and other funding arrangements 	<p>Expenditure on health care is defined as the final consumption of goods and services performed either by institutions or individuals pursuing, through the application of medical, paramedical and nursing knowledge and technology, the purpose of improving, maintaining and preventing the deterioration of the health status of persons. through:</p> <ul style="list-style-type: none"> a. Promoting health and preventing disease; b. Curing illness and reducing premature mortality; c. Caring for persons affected by chronic illness who require nursing care; d. Caring for persons with health-related impairment, disability and handicaps who require nursing care; e. Assisting patients to die with dignity; f. Providing and administering public health; g. Providing and administering health programmes, health insurance and other funding arrangements.
29.129	<p>Following from this there are three main functional classifications of health care;</p> <ul style="list-style-type: none"> a. Personal health care services and goods; b. Collective health care services; c. Health care related functions. 	<p>From these set of criteria, a core set of functions can be distinguished covering personal health care services, which relate to those health care services and goods provided directly to individuals, and collective services provided for the population or a group of the population as a whole, such as public health and administration or governance. Within personal health care is a breakdown into sub-components such as type of care, medical goods and ancillary medical services.</p>
29.130	<p>Each of these headings is broken down into a number of finer categories. Personal health care distinguishes services of curative care, services of rehabilitative care, services of long-term nursing care, ancillary services to health care and medical goods dispensed to outpatients. Collective health care services are divided between preventive and public health services on the one hand and health</p>	<p>In addition to the core set, there are also a set of health-related functions that include capital formation of health care providers, education and training of health personnel, research and development in health, food, hygiene and drinking water control, environmental health, administration and provision of social services in kind to assist living with disease and impairment, and administration and provision</p>

	administration and health insurance on the other. Health-related functions include capital formation of health care provider institutions, education and training of health personnel, research and development in health, food, hygiene and drinking water control, environmental health, administration and provision of social services in kind to assist living with disease and impairment, and administration and provision of health-related cash benefits	of health-related cash benefits. These functions may be closely linked to the core health care functions, but are reported separately.
	HEALTH CARE PROVIDER UNITS	ICHA-HP – CLASSIFICATION OF HEALTH CARE PROVIDERS
29.131	The providers of health care are divided into the following categories: a. Hospitals; b. Nursing and residential care facilities; c. Providers of ambulatory health care; d. Retailers and other providers of medical goods; e. Provision and administration of public health programmes; f. Health administration and insurance; g. Other industries (rest of the economy); h. Rest of the world.	The production and provision of health care services takes place in a wide range of institutional settings that vary across countries. By arranging country-specific institutions into internationally applicable categories, the classification serves as a link to resource inputs as well as providing a basic building block towards any health satellite account. The classification covers both primary producers such as hospitals and physicians' offices, as well as secondary producers that provide health care services as a secondary activity (rest of economy). Examples of secondary producers may be schools, prisons and some retail outlets.
29.132	Each of these providers can be allocated to one or more of the institutional sectors of the SNA.	Each of these providers can be allocated to one or more of the institutional sectors of the SNA. The production boundary of health care services is very close to that of the SNA but with two exceptions. Occupational health care is included within the SHA whereas in the SNA it is treated as ancillary services and part of the intermediate production of enterprises. The cash transfers to private households (the care-givers at home) are treated as output of domestic services paid for by the transfers. Therefore, ICHA-HP differs from standard industrial classifications by including both providers of occupational health care and private households as secondary providers of health care.
	EXPENDITURE ON HEALTH CARE	ICHA-HF CLASSIFICATION OF HEALTH CARE FINANCING
29.133	Total expenditure on health measures the final use of resident units of health care goods and services plus gross capital formation in health care provider industries (institutions where health care is the predominant activity).	The classification of health care financing provides a breakdown of health care expenditure into the complex range of third-party payment arrangements plus the direct payments by households or other direct funders e.g. corporations providing occupational health care. The categories under ICHA-HF represent

		the different entities/arrangements for raising and pooling funds and purchasing health care.
29.134	Expenditure on health can be divided into the following categories; a. Personal health care services; b. Medical goods dispensed to outpatients; c. Total personal expenditure on health; d. Prevention and public health services; e. Health administration and health insurance; f. Total current expenditure on health (the sum of the above); g. Gross capital formation in health care industries; h. Total expenditure on health.	<i>See 29.128 to 29.130</i>
29.135	The production boundary of health care services is very close to that of the SNA but with two exceptions. Occupational health care is included within the SHA whereas it is treated as ancillary services in the SNA. The cash transfers to private households (the caregivers at home) are treated as output of domestic services paid for by the transfers.	<i>See 29.132</i>
	FUNDING OF HEALTH CARE	
29.136	The funding of health care is divided between that provided by general government, that from the private sector and that from the rest of the world. Within general government a distinction is made between the levels of government and social security funds. Within the private sector a distinction is made between private social insurance, other private insurance, private households, NPISHs and corporations excluding health insurance.	<i>See 29.133</i>
	CONVERTING THE SHA TO HEALTH SATELLITE ACCOUNTS	INTEGRATION OF THE SHA INTO HEALTH SATELLITE ACCOUNTS
<i>29.136bis</i>		In addition to the basic SHA tables used in international data collection, the SHA 1.0 would also allow for the enhancement of the representation of the health care system through a set of additional accounts, including: a. Production accounts; b. Supply and use tables and a symmetric input-output table; c. Health care industries' gross capital stock; d. A full set of sectoral accounts. These additional accounts would provide an extension of the SHA relevant in the framework of a satellite account for health and for satellite analysis.
29.137	The following steps are required in order to translate the economic framework of the SHA into a health satellite account;	To fully implement the translation of SHA in terms of a health satellite account, the following steps would be required:

	<p>a. A comprehensive listing of goods and services considered specific to the production of health care services needs to be determined;</p> <p>b. The boundary line of production to define total expenditure on health needs to be determined;</p> <p>c. The activities for which capital formation will be recorded needs to be determined;</p> <p>d. Specific transactions need to be identified;</p> <p>e. The detailed analysis of transfers as an integral part of health accounting needs to be provided;</p> <p>f. Ultimate users and ultimate mirrors of health expenses need to be identified.</p>	<p>a. The development of a comprehensive listing of goods and services considered specific to the production of health care;</p> <p>b. The definition of production boundaries;</p> <p>c. Determination of the activities for which capital formation is recorded;</p> <p>d. Identification of specific transactions;</p> <p>e. A detailed analysis of transfers as an integral part of health accounting;</p>
29.138	<p>One of the difficulties with establishing a list of characteristic products is that the CPC does not deal with categories of health care services in the detail that is required for health accounts.</p> <p>Therefore a more detailed classification is required. Further since health care is often a public responsibility information drawn from administrative data is often inadequate to provide the degree of detail that is required for a satellite account</p>	<p>One of the difficulties with establishing a list of characteristic products is that the CPC does not deal with categories of health care services in the detail that is required for health accounts.</p> <p>Therefore, a more detailed classification is required. Further, since health care is often a public responsibility, information drawn from administrative data is often inadequate to provide the degree of detail that is required for a satellite account.</p>
29.139	<p>Despite these difficulties it is proposed that four additional accounts would extend the SHA into a satellite account for health;</p> <p>a. Production account and health care value added by health care industry;</p> <p>b. Intermediate inputs to the production of health care industries by type of input;</p> <p>c. Health care industry's gross capital stock;</p> <p>d. An input-output table of health care industries.</p>	<p><i>See 29.137bis</i></p>
29.140	<p>Table 29.x shows indicative supply and use tables that might be drawn up for health care.</p>	<p>Tables 29.x1 and 29.x2 show illustrative supply and use tables taken from SHA1.0. These tables will be revised under the SHA revision process.</p>

* Insert rows in this Word table for each paragraph on which you wish to comment.

Part III. Other specific comments

You are welcome to make other specific comments. To assist you in doing so, the following points are provided as a guide to the types of points on which you might wish to comment. Note, though, that you are not restricted to commenting on only these points.

1. Is the description of key satellite accounts clear and sufficient?

2. Are Sections D and E concerning the options for satellite accounts in general helpful?
3. Are there more examples of satellite accounts that should be referenced or described in Section F?

Specific comments:

Specific comments	Click here and start typing.
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You are also welcome to comment directly on the PDF file of the draft chapter. Please do so by using Adobe Acrobat Version 6 or 7.

If you don't have Adobe Acrobat Version 6 or 7 and would like to make detailed comments, please send a message to sna@un.org requesting a version of the draft chapter that permits you to comment. To optimize your commenting tools, please download Adobe Reader 7.0 for free from <http://www.adobe.com/products/acrobat/readstep2.html>