Extent of health care coverage

In addition to the share of the population entitled to core health services, the extent of health care coverage is defined by the range of services included in a publicly defined benefit package and the proportion of costs covered. Figure 5.4 assesses the extent of overall coverage, as well as coverage for selected health care services, by computing the share of expenditure covered under government schemes or compulsory health insurance. Differences across countries in the extent of coverage can be due to specific goods and services being included or excluded in the publicly defined benefit package (e.g. a particular drug or medical treatment); different cost-sharing arrangements; or some services only being covered for specific population groups in a country (e.g. dental treatment).

On average across OECD countries, almost three-quarters of all health care costs were covered by government or compulsory health insurance schemes. This share rose above 80% in ten countries (Norway, Germany, Japan, Denmark, Luxembourg, Sweden, France, the Czech Republic, Iceland, the Netherlands). However, in Mexico, Latvia and Korea less than 60% of all costs are covered by publicly mandated schemes. Coverage is also comparatively low in the Russian Federation.

Inpatient services in hospitals are more comprehensively covered than any other type of care. Across the OECD, 88% of all inpatient costs are borne by government or compulsory insurance schemes. In many countries, patients have access to free acute inpatient care or only have to make a small co-payment. As a result, coverage rates are near 100% in Sweden, Norway, Iceland and Estonia. Only in Korea, Mexico, Greece, Australia and Ireland is the financial coverage for the cost of inpatient care 70% or lower. In some of those countries, patients frequently choose treatment in private facilities where coverage is not (fully) included in the public benefit package.

More than three-quarters of spending on outpatient medical care in OECD countries are borne by government and compulsory insurance schemes (77%). Coverage ranged from under 60% in Korea and Italy, to over 90% in the Slovak Republic, Denmark and the Czech Republic. Outpatient primary and specialist care are generally free at the point of service, but user charges may still apply for specific services or if non-contracted private providers are consulted. This is for example the case in Denmark, where 92% of total costs are covered but user charges exist for visits to psychologists and physiotherapists, and the United Kingdom (85%), where care provision outside of NHS commissioned services are not covered.

Public coverage for dental care costs is far more limited across the OECD due to restricted service packages (frequently limited to children) and higher levels of cost-sharing. On average only around 30% of dental care costs are borne by government schemes or compulsory insurance. More than half of dental spending is covered in only three OECD countries (Japan, Germany and the Slovak Republic). In Greece and Spain, dental care costs for adults without any specific entitlement are not covered. Voluntary health insurance may play an important role in providing financial protection when dental care is not comprehensively covered in the benefit package (e.g. the Netherlands).

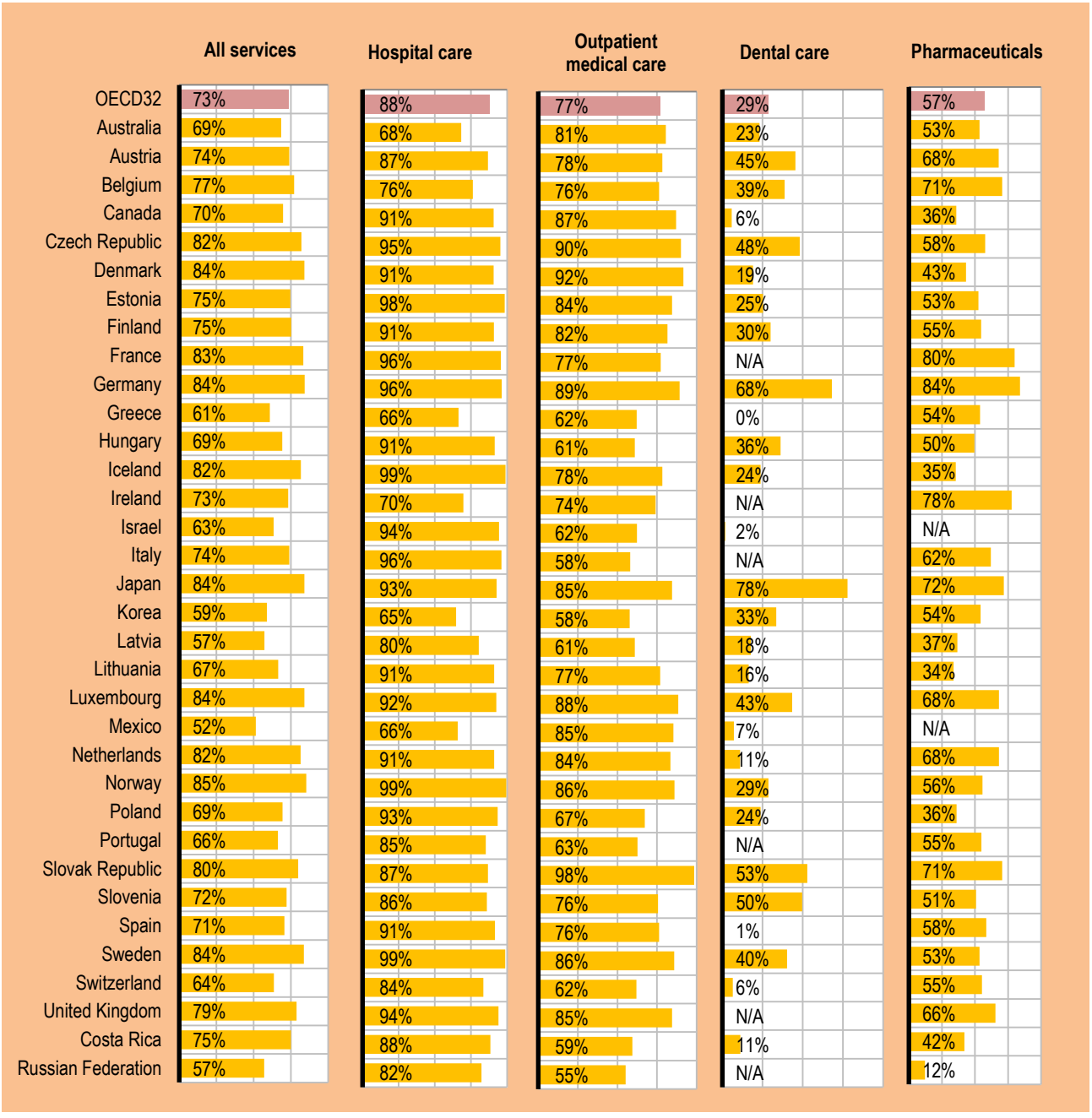
Coverage for pharmaceuticals is also typically less comprehensive than for inpatient and outpatient care: across the OECD, around 57% of pharmaceutical costs are covered by government or compulsory insurance schemes. This share is less than 40% in Lithuania, Iceland, Poland, Canada and Latvia. Coverage is most generous in Germany (84%), followed by France (80%) and Ireland (78%). Over-the-counter medications – which by their nature are not usually covered by public schemes – play an important role in some countries (see indicator "Pharmaceutical Expenditure" in Chapter 10).

Definition and comparability

Health care coverage is defined by the share of the population entitled to services, the range of services included in a benefit package and the proportion of costs covered by government schemes and compulsory insurance schemes. Coverage provided by voluntary health insurance and other voluntary schemes such as charities or employers is not considered. The core functions analysed here are defined based on definitions in the System of Health Accounts 2011. Hospital care refers to inpatient curative and rehabilitative care in hospitals, outpatient medical care to all outpatient curative and rehabilitative care excluding dental care, pharmaceuticals to prescribed and over-the-counter medicines including medical non-durables.

Comparing the shares of the costs covered for different types of services is a simplification. For example, a country with more restricted population coverage but a very generous benefit basket may display a lower share of coverage than a country where the entire population is entitled to services but with a more limited benefit basket.

Figure 5.4. **Extent of coverage in OECD countries, 2017 (or nearest year)**
Government and compulsory insurance spending as proportion of total health spending by type of care



Source: OECD Health Statistics 2019.

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