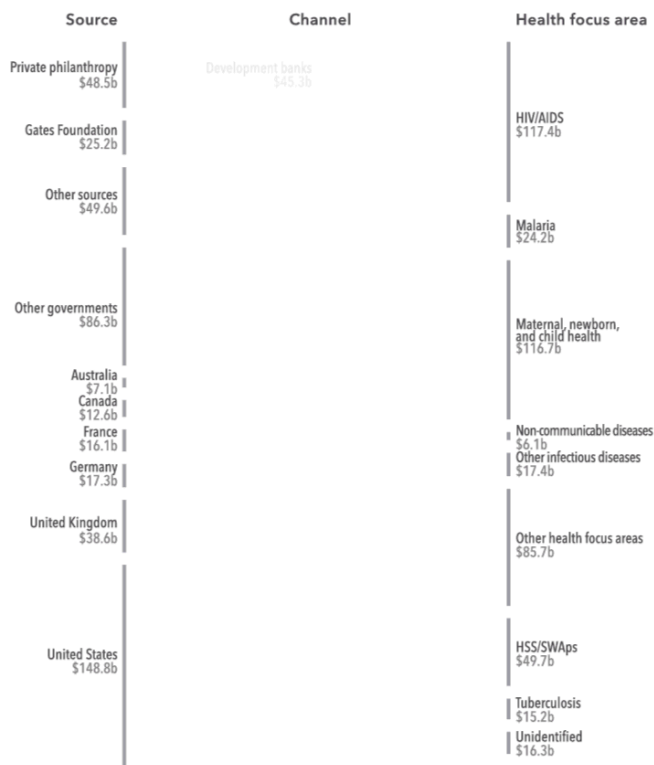


# Widely disparate spending on health forecast through 2040

19 April 2017

## Flows of development assistance for health

DAH from source to channel to health focus area | 2000-2016



IHME | UNIVERSITY OF WASHINGTON

Source: Financing Global Health Database 2016

Development assistance for health (DAH) from source to channel to health focus area, 2000-2016. Credit: IHME

Spending on health care by nations is expected to increase significantly over the next two decades, but the rates of increase and sources of spending will differ widely, according to a new analysis.

If current trends continue, overall expenditures will increase from US \$9.2 trillion in 2014 to US \$24.5 trillion in 2040, concludes a paper led by the Institute for Health Metrics and Evaluation (IHME)

at the University of Washington.

The sources of those funds include government [health spending](#), private spending - both out-of-pocket and prepaid health expenditures, such as insurance - and development assistance for health. Percentages of spending as compared to a nation's gross domestic product (GDP) per capita will likely fluctuate greatly.

For example, the United States and the United Arab Emirates, which are expected to have similar GDP levels in 2040, likely will spend significantly different amounts on health. The US is expected to spend 18.5% of its GDP on health by 2040, while the UAE is estimated to spend just 4.7%.

The study, "Future and potential spending on health, 2015-2040," is one of two papers published April 19 in *The Lancet*.

The other study examines health spending trends globally between 1995 and 2014. The work was conducted by a health financing collaborative network, a group of nearly 250 economists and researchers in more than 60 countries.

"Our study shows that health spending is likely to increase rapidly in high-income countries, while low-income countries, where it is needed the most, are expected to see relatively slow growth," said Dr. Joseph Dieleman, Assistant Professor at IHME and the primary author of the study.

The corresponding study led by Dr. Dieleman and IHME, "The evolution and patterns of global health financing, 1995-2014," explores changes in countries' health spending, as well as compares data across income levels in 184 low-, middle-, and high-income countries.

In addition, the paper notes that foreign assistance for health services was estimated to reach US \$37.6 billion in 2016, and follows a pattern of little

growth since 2010.

"Development assistance for health is no longer an expanding cushion for low-income countries' health budgets," said Dr. Christopher Murray, IHME's Director. "Following a decade of impressive worldwide expansion, that growth in funding has stagnated."

Dr. Murray notes that from 2000 to 2010, development spending on health grew 11.4% annually, but that since 2010, it has increased only 1.8% per year. Funding for HIV/AIDS, which for many years has been the largest health focus area, has begun to decline.

Foreign assistance boosts a country's health spending and may obscure the amount of the government's spending, according to the study. In other cases, development assistance may have replaced [government spending](#) that would have otherwise existed.

At the center of economic development and health financing is the concern regarding rising out-of-pocket costs for people in nations transitioning from low-income to middle-income status. As donor nations reduce their foreign assistance, country governments do not, in many cases, replace assistance with additional spending from their own treasuries.

As a result, residents of emerging economies are expected to make up the difference by covering more of their own [health care](#) costs, and in some cases, the poorest within those countries are left unable able to afford care.

"It is critically important to identify, understand, and manage this problem," Dr. Murray said. "More than 70% of the world's poor live in middle-income countries. As a result, we find evidence that middle-income countries finance more of their [health spending](#) from patients' out-of-pocket expenditures than any other income group."

#### **Nations whose governments financed 80% or more of total health spending in 2014**

Cuba - 95.5%

Brunei - 93.9%  
 Seychelles - 93.6%  
 Oman - 91.8%  
 Netherlands - 88.4%  
 Samoa - 87.2%  
 Kuwait - 85.9%  
 Qatar - 85.7%  
 Sweden - 85.1%  
 Czech Republic - 84.8%  
 Denmark - 84.8%  
 Luxembourg - 83.9%  
 Japan - 83.6%  
 Norway - 83.1%  
 United Kingdom - 83.1%  
 Iceland - 82.3%  
 New Zealand - 82.3%  
 Croatia - 81.9%  
 Congo (Brazzaville) - 80.7%

#### **Nations with 50% or higher out-of-pocket personal spending on health care - 2014**

Sudan - 76.6%  
 Yemen - 74.7%  
 Azerbaijan - 74.2%  
 Nigeria - 70.1%  
 Cameroon - 68.5%  
 India - 65.6%  
 Bangladesh - 65.6%  
 Cambodia - 65.4%  
 Venezuela - 64.3%  
 Georgia - 59.1%  
 Morocco - 58.4%  
 Egypt - 58.3%  
 Tajikistan - 57.9%  
 Singapore - 55.7%  
 Pakistan - 55.4%  
 Côte d'Ivoire - 54.6%  
 Philippines - 54.3%  
 Afghanistan - 54.1%  
 Indonesia - 53.5%  
 Armenia - 52.8%  
 Guatemala - 52.1%  
 Guinea-Bissau - 52.1%  
 Syria - 51.6%  
 Grenada - 51.2%  
 Iran - 50.8%  
 Sierra Leone - 50.1%

#### **Nations with 10% or lower out-of-pocket**

## personal spending on health care - 2014

Seychelles - 2.4%  
Kiribati - 2.8%  
Solomon Islands - 4%  
Cuba - 4.4%  
Botswana - 5.1%  
Netherlands - 5.3%  
Vanuatu - 5.4%  
Oman - 5.9%  
Samoa - 5.9%  
Brunei - 6%  
South Africa - 6.4%  
France - 6.5%  
Namibia - 6.9%  
Qatar - 6.9%  
Timor-Leste - 7.4%  
Federated States of Micronesia - 7.7%  
Liberia - 7.8%  
Mozambique - 8.5%  
Malawi - 9.3%  
United Kingdom - 9.7%  
Swaziland - 10%

Provided by Institute for Health Metrics and  
Evaluation

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