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Public health expenditure rose by 15.5 % in 2021

COVID-19 testing caused a significant rise in health expenditure

Vienna, 2023-02-08 – In 2021, total current health expenditure in Austria amounted to €49.13 billion or 12.1 % of gross domestic product, according to Statistics Austria. Compared to 2020, nominal expenditure increased substantially by €5.74 bn. The public sector accounted for €38.49 billion of current health expenditure, €5.16 billion or 15.5 % more than in 2020.

“In the second Corona year, public health expenditures again rose sharply compared with 2020. The increase was mainly driven by pandemic-related additional expenditures, such as for COVID-19 testing and vaccination, but expenditures on protective equipment and other pandemic-related expenses also drove up health expenditures. In total, nearly 5 billion euros in public funds were used to combat the pandemic in 2021 – three times more than in 2020,” says Statistics Austria Director General Tobias Thomas.

Public health expenditure in 2021 for COVID-19 pandemic increased sharply

The central government, the state governments, the local governments and the social health insurance funds accounted for €38.49 billion of current health expenditure in 2021, respectively a share of 78.3 %. This corresponds to an increase of 15.5 % compared to 2020 (see table 1). Between 2004 and 2020, the average nominal increase in public current health expenditure was significantly lower at 4.2 %.

The main reason for this extraordinary rise was additional pandemic-related expenditure, above all for the procurement, implementation and provision of COVID-19 testing as well as for contact tracing with about €3.14 billion. Furthermore, €0.74 billion were spent on the procurement and administration of COVID-19 vaccines, including logistics and distribution expenses. Moreover, additional expenditure was undertaken for protective equipment, financial support to health facilities, the Health Advice Hotline 1450, information campaigns and various other pandemic-related spending.

The public expenditure mentioned above are included in the current health expenditure according to the System of Health Accounts as a subset, especially in the spending category prevention, but also in the categories inpatient and outpatient care, pharmaceutical products, home-based health care and patient transport and emergency rescue. Thus, public current health expenditure on prevention has almost quadrupled compared to the year 2020.

Current expenditure on health of private households, voluntary health insurances, non-profit institutions and enterprises amounted to €10.64 billion or a share of 21.7 % of current health expenditure. The declining effect of health expenditure by households and private insurance companies in 2020 (-4.0 %) could no longer be observed in 2021. From 2020 to 2021, it increased by 6.5 % (see table 1).

The relatively higher public shares in current health expenditure in 2020 (76.8%) and 2021 (78.3%) show that the additional health expenditure caused by the pandemic was mainly publicly financed, while it did not lead to a significant increase in expenditure among private financiers.

Austria among the top of the OECD ranking

In a comparison of the 20 OECD countries for which data is already available for 2021 Austria ranked fourth with a share of 12.1 % of GDP. However, the data of some important OECD countries such as Switzerland, Japan or Spain are still missing at the moment. By far the highest current expenditure on health in this ranking was in the USA with a GDP share of 17.8 %, followed by Germany (12.8 %) and France (12.4 %). The

preliminary OECD average of current health expenditure was 10.4 % of GDP, that of the 13 EU Member States in the OECD, for which data is available so far, was 9.9 % of GDP.

Around €14.08 billion of public expenditure spent on State Health Funds hospitals

In 2021, public current expenditure for State Health Funds hospitals including outpatient departments amounted to €14.08 billion. The largest share of expenditure was borne by social health insurance schemes adding up to 42.0 % (€5.91 billion), followed by state governments with a share of 32.6 % (€4.59 billion), central government with a share of 15.4 % (€2.16 billion) and local governments with a share of 10.1 % (€1.42 billion). The largest amount of public current expenditure was spent on State Health Funds hospitals in Vienna (€4.04 billion), the lowest in Burgenland (€313 billion). This mainly reflects the different number of inhabitants in the federal states and the number of patients, respectively (see table 2).

For more information on health expenditure, please refer to our [website](#).

Table 1: Current health expenditure in Austria according to the System of Health Accounts, 2005–2021, in million euros

Public and private expenditure on health ¹	2005	2010	2015	2016	2017	2018	2019	2020	2021
Current expenditure on health	24 460	30 244	35 692	37 021	38 355	39 871	41 651	43 383	49 128
Public expenditure	18 094	22 576	26 433	27 381	28 390	29 772	31 266	33 329	38 488
Private expenditure	6 366	7 668	9 259	9 640	9 965	10 100	10 385	10 054	10 640
Public expenditure, % of current expenditure on health	74.0	74.6	74.1	74.0	74.0	74.7	75.1	76.8	78.3
Private expenditure, % of current expenditure on health	26.0	25.4	25.9	26.0	26.0	25.3	24.9	23.2	21.7
Current expenditure on health, % of GDP	9.6	10.2	10.4	10.4	10.4	10.3	10.5	11.4	12.1
Gross domestic product (GDP)	254 075	295 897	344 269	357 608	369 362	385 274	397 170	381 042	406 149
Current expenditure on long term care	3 169	4 426	5 302	5 537	5 700	5 881	6 070	6 375	6 433
Public expenditure on long term care	2 547	3 459	3 966	4 019	4 071	4 355	4 524	4 860	4 807
Private expenditure on long term care	623	966	1 336	1 518	1 629	1 526	1 546	1 515	1 627

S: STATISTICS AUSTRIA, National Accounts, company reports, own calculations/estimations. – According to SHA 2011 (OECD/Eurostat/WHO). – Rounding differences were not settled.

1) Health expenditure according to the System of Health Accounts includes expenditure on long-term nursing care.

Table 2: Public current expenditure on health for State Health Funds hospitals, 2021, in million euros

State	Central Government	State Government	Local Government	Social health insurance	General Government, total	% change to prev. year, General Government total
Burgenland	57	89	13	154	313	0.3 %
Carinthia	135	214	109	431	889	4.2 %
Lower Austria	406	645	440	800	2 291	5.5 %
Upper Austria	352	496	423	1 004	2 275	0.5 %

State	Central Government	State Government	Local Government	Social health insurance	General Government, total	% change to prev. year, General Government total
Salzburg	137	333	81	367	918	7.5 %
Styria	215	632	26	874	1 747	6.1 %
Tyrol	182	215	181	466	1 044	0.3 %
Vorarlberg	77	156	96	232	562	3.5 %
Vienna	601	1 807	53	1 580	4 041	5.4 %
Austria	2 162	4 585	1 423	5 909	14 079	4.2 %

S: STATISTICS AUSTRIA, own calculations/estimations, company reports.– Rounding differences were not settled.

For detailed results and further information, please refer to [website](#).

Information on methodology, definitions: Health expenditure is compiled according to the “System of Health Accounts (SHA)” on behalf of the Federal Ministry for Social Affairs, Health, Care and Consumer Protection since 2005. This internationally comparable system of health accounts was developed by the OECD and published for the first time in 2000 in the form of the manual "A System of Health Accounts". A revision of the manual was carried out within the framework of a joint project by OECD, Eurostat and WHO (A System of Health Accounts, 2011 Edition).

Based on an EU-regulation (Commission regulation (EU) 2021/1901) it is mandatory for EU member states to provide current health expenditure data (meaning not including gross capital formation in health care provider industries) structured according to the three SHA-dimensions financing schemes (HF), health care providers (HP) and health care services and goods (HC). Statistics Austria publishes annual updates of health expenditure data and submits the results to OECD, Eurostat and WHO for their databases and publications. Current health expenditure according to the System of Health Accounts includes expenditure on **long-term nursing care**. Long-term care according to SHA is composed of medical or nursing care as well as providing help with activities of daily living (support with food intake, washing, dressing, etc.). In contrast, assistant services such as performing household and assisted living are outside the boundary of the current health care expenditure account.

State Health Funds hospitals are acute care hospitals of public and private ownership, which are (partially) financed by the nine State Health Funds. These hospitals are responsible for 85.7 % (2021) of all hospital stays of patients and thus represent the most important category of hospitals in Austria.

If you have any questions on this topic, please contact:

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