

The New Data on Pharmaceutical and Health Care Expenditure in Greece

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The new data on pharmaceutical and health care expenditure in Greece appear to be more “reasonable” and closer to the real picture of the health care market. These data are the result of the second National Accounts revision of December 2007, which was undertaken by the National Statistical Service of Greece (ESYE).

The new estimates have been calculated by incorporating some methodological issues discussed in cooperation with the academic and research community of the Greek health economics sector –after the publication of the initially revised data—, especially regarding private health care expenditure and pharmaceutical expenditure. It must further be noted that the procedure of re-estimating health care expenditure is very complicated. Nevertheless, systematic work being carried out by (ESYE) in recent years has lead to a more precise description of the health care market.

According to the ESYE data, total health care expenditure was 7.8% of GDP in 2000 and reached 9.1% in 2006, while the first revision estimates (September 2006), showed a share of 9.3% in 2000 and 10.1% in 2005. Therefore, the first strong conclusion that arises from the new data is that **health expenditure does not exceed 10% of GDP**, as regularly quoted in public dialogue.

Another impressive and favorable finding is that public coverage of the health care cost is almost 15 percentage units higher than the estimate of the first

revision. It should also be underlined that the final revision has produced data that are in accordance with data from other studies conducted by ESYE, such as the Household Budget Surveys.

However, it should not be disregarded that **private health care expenditure in Greece is still higher than the European average**, which is about 25% of total health expenditure.

Health Care Expenditure in Greece before and after the Revisions

	2000	2001*	2002*	2003*	2004*	2005*	2006*
Revision of December 2007							
Total Health Care Expenditure	10,589	12,256	12,996	14,626	15,294	17,803	19,508
Health Care Expenditure as % of GDP	7.8%	8.4%	8.2%	8.5%	8.3%	9.0%	9.1%
Public Health Care Expenditure	6,444	7,814	8,254	9,182	9,449	11,178	12,018
Public as % of Total Health Care Expenditure	60.9%	63.8%	63.5%	62.8%	61.8%	62.8%	61.6%
Revision of September 2006							
Total Health Care Expenditure	14,572	16,519	17,601	19,714	20,504	22,991	
Health Care Expenditure as % of GDP	9.3%	9.8%	9.7%	10.0%	9.6%	10.1%	
Public Health Care Expenditure	6,444	7,832	8,274	9,146	9,143	9,851	
Public as % of Total Health Care Expenditure	44.2%	47.4%	47.0%	46.4%	44.6%	42.8%	
Prior to the Revision							
Total Health Care Expenditure	11,780	13,429	14,345	15,776	16,399		
Health Care Expenditure as % of GDP	9.7%	10.2%	10.1%	10.2%	9.8%		
Public Health Care Expenditure	6,353	7,614	7,942	8,641	8,833		
Public as % of Total Health Care Expenditure	53.9%	56.7%	55.4%	54.8%	53.9%		

Source: General Secretariat of National Statistical Service of Greece (ESYE).

* provisional data

Regarding **pharmaceutical expenditure**—a category which includes, as is widely known, pharmaceuticals dispensed only to outpatients— the revision shows that **in 2006, pharmaceutical expenditure in Greece was €3.4 billion, representing 17.6% of Health Expenditure and 1.6% of GDP.**

In addition, during the period 2000-2006, pharmaceutical expenditure increased at a mean annual rate of 10.5%, which is almost the same as the rate of change of total health care expenditure (the mean annual growth rate for health over the same period was 10.7%).

It is also important to note that, although the health care data show a relatively high private expenditure (about 40%), **in the pharmaceutical sector, as indicated by the new data, the system of social insurance performs efficiently, covering about 80% of people's needs in medication (average public pharmaceutical expenditure for the period 2000-2006).**

Pharmaceutical Expenditure in Greece

	2000	2001*	2002*	2003*	2004*	2005*	2006*
Total Pharmaceutical Expenditure	1,884	1,996	2,183	2,607	3,017	3,300	3,438
Pharm Exp as % of Health Care	17.8%	16.3%	16.8%	17.8%	19.7%	18.5%	17.6%
Pharm Exp as % of GDP	1.4%	1.4%	1.4%	1.5%	1.6%	1.7%	1.6%
Public Pharmaceutical Expenditure	1,278	1,502	1,793	2,132	2,476	2,875	3,193
Public as % of Total Pharm Exp	67.8%	75.3%	82.1%	81.8%	82.1%	87.1%	92.9%
Private Pharmaceutical Expenditure	606	494	390	475	541	425	245
Private as % of Total Pharm Exp	32.2%	24.7%	17.9%	18.2%	17.9%	12.9%	7.1%

Source: General Secretariat of National Statistical Service of Greece (ESYE).

* provisional data

We can conclude, therefore, that, **total pharmaceutical expenditure is lower than 1/5 of health care expenditure over time, and that it increases at the same rate as that in the health care sector. Additionally, it is clear that in Greece pharmaceuticals are considered to be public goods and covered by social insurance.**

The availability of reliable statistical data is of high importance for the field of health economics, since it enables researchers to conduct scientific analyses over time, as well as make international comparisons of the health care and pharmaceutical sectors. At the same time, restoring the accurate picture of the pharmaceutical and health care markets is extremely important for all stakeholders, as it contributes to rational decision making in both the private sector (for strategic planning), and in the public sector (for pharmaceutical and health policy making).

In order to achieve the availability of reliable statistical data, and given the complexity of this market, the estimation procedure carried out by the official sources should be assisted by the academic and research field of health economics. The organized and systematic implementation of a uniform method to collect and process data is indeed an investment in health care policy, as it provides the documentation on which decision making is and should be based.