

CONTENTS

1. Introduction	9
2. Health system financing instruments	11
3. Current EU practice.....	17
4. Health generational accounts.....	25
5. Conclusion.....	41
6. References	42
7. Appendix 1 – Demographic changes	46
8. Appendix 2 – Revenues and expenditures by generation	49
9. Appendix 3 – Country profiles.....	57

LIST OF TABLES

Table 1: Indirect vs. direct taxes (in % of GDP, 2007)	13
Table 2: Old-age dependency ratio (in %, p.p.)	15
Table 3: Composition of health care expenditure (in % of TEH, 2006)	19
Table 4: Correlation of public with components of private expenditure.....	19
Table 5: Summary of financing arrangements.....	24
Table 6: Economic dependency ratios (in %, p.p., 2008–2060)	28
Table 7: Non-accelerating wage rate of unemployment (in %, 2000–2060).....	29
Table 8: Labour productivity growth projection (in %, 2008–2060).....	30
Table 9: Life expectancy at birth (in years, 2008–2060)	31
Table 10: Age-related taxes used in the model (in % of total tax revenues, 2006)	32
Table 11: Structure of government financing of acute and long-term care (in %, 2007)	34
Table 12: Difference between public health care sector expenditure and revenues (in % GDP, 2008–2060)	35
Table 13: Assumptions for Eurostat’s EuroPop 2008 demographic projection	48
Table 14: Public health care sector revenues and expenditure, (in % of GDP, 2007–2060)	49

LIST OF FIGURES

Figure 1: Health care expenditure (in % of GDP)	18
Figure 2: Public health care expenditure (in % of TEH).....	18
Figure 3: Sources of public expenditure (in % of TEH, 2006).....	20
Figure 4: Sources of private expenditure (in % of TEH, 2006)	21
Figure 5: Out-of-pocket payments vs. taxes (in % of TEH, 2006).....	21
Figure 6: Public health care sector revenues and expenditures by generation (in % of GDP).....	37
Figure 7: Population pyramids – ‘trees and coffins’ of life	46