

OECD Health Data 2005

How Does Korea Compare

Health spending and financing

Total health spending accounted for 5.6% of GDP in **Korea** in 2003. Health spending as a share of GDP in **Korea** is the lowest among OECD countries, three percentage points lower than the OECD average of 8.6%. The United States (which spent 15% of its GDP on health in 2003) is, by far, the country that spends the most on health as a share of its economy. Switzerland and Germany followed with 11% of their GDP spent on health.

Health spending tends to rise with income. In general, OECD countries with higher GDP per capita tend to spend more on health. It is not surprising therefore that **Korea** also ranks below the OECD average in terms of total health spending per capita, with spending of slightly over 1 000 USD (calculated based on purchasing power parity), compared with an OECD average of 2307 USD in 2003. Health spending per capita in **Korea** remains therefore much lower than in the United States (which spent 5635 USD per capita in 2003) and in Norway and Switzerland (which spent about 3800 USD).

Real health expenditure per capita has nonetheless increased rapidly in **Korea** since the second half of the 1980s when national health insurance was established. During the 1990s, the rate of growth in health spending has been two-times greater than the average across OECD countries. This trend continued between 1998-2003, when **Korea** experienced an average real growth of health spending of 10.2% per year, more than two-times greater than the OECD average of 4.5%. The increase in total health spending in **Korea** has been driven mainly by a rapid rise in public spending on health.

The rise in pharmaceutical spending has been one of the factors behind the rise in total health spending in many OECD countries in recent years. In 2003, spending on pharmaceuticals accounted for 28.8% of total health spending in **Korea**, the second highest share in the OECD area (after Slovakia) and well above the OECD average of 17.7%. In per capita terms, however, pharmaceuticals spending (adjusted by purchasing power parity) in **Korea** remains much lower than the OECD average and about half the spending in the United States.

Although the share of public spending on health in **Korea** steadily increased during the past decade, rising from 37% of total health spending in 1990 to 49.4% in 2003, it remains well below the OECD average of 72%. Among OECD countries, the share of government spending on health is the lowest in the United States (44%), followed by Mexico (46%) and **Korea** (49.4%). It was relatively high (over 80%) in several Nordic countries (Denmark, Norway and Sweden), the United Kingdom and Japan.

The relatively high private share of health funding in **Korea** is linked to substantial out-of-pocket payments, which account for 41.9% of total health spending. This is in sharp contrast with the situation in the United States, where the bulk of private spending is paid by private health insurance arrangements, leaving only 14.1% of total health spending paid directly by consumers.

Resources in the health sector (human, physical, technological)

The number of doctors per 1 000 population in **Korea** was 1.6 in 2003, the third lowest among OECD countries after Mexico and Turkey and well below the OECD average of 2.9. However, the number of doctors has increased rapidly over the past two decades. **Korea** registered in fact the highest growth rate in the number of doctors among all OECD countries, with the number of doctors per capita doubling between 1990 and 2003. This rise is expected to continue in the years ahead as a result of newly established medical schools and higher number of medical students.

As for doctors, the number of nurses per capita in **Korea** remains much lower than in most other OECD countries (1.7 in 2003, compared to an OECD average of 8.2). But the number of nurses per capita increased significantly in **Korea** in the past decade, up from 1.1 in 1994.

The number of acute care beds in hospitals in **Korea** in 2003 was 5.9 per 1 000 population, higher than the OECD average of 4.1. While the number of acute care hospital beds is being reduced in most other developed countries, they have been growing rapidly during the past decade in **Korea**. This fast growth can be linked in part with the lack of capacity planning for hospital beds in a private, for-profit dominated health delivery system, and in part with the non-differentiation between chronic and acute care beds.

The average length of stays for acute care in hospitals in **Korea** is the second highest among OECD countries, after Japan. It was 13.5 days in 2003, well above the OECD average. This relatively high average length of stays in hospitals can be explained in part by the lack of beds for long-term care; hence acute care beds may also be used for chronically ill patients. The growing number of hospital beds might also have given Korean hospitals incentives to keep patients longer.

During the past decade, there has been a rapid growth in the availability of diagnostic technologies such as computed tomography (CT) scanners and magnetic resonance imaging (MRI) in most OECD countries. **Korea** was no exception. The number of CT scanners per million population increased rapidly in **Korea**, from 12.2 in 1990 to 31.9 in 2003. Similarly, the number of MRIs per million population also increased at a fast pace, from 1.4 in 1990 to 9 in 2003. Japan is, by far, the country which reports the highest number of CT and MRI scanners per capita, with 93 CT scanners and 35 MRI per million population.

Health status and risk factors

Most OECD countries have enjoyed large gains in life expectancy over the past forty years, thanks to improvements in living conditions, public health interventions and progress in medical care. Among OECD countries, **Korea** registered the greatest gains in life expectancy between 1960 and 2002, with an overall increase in longevity of more than 24 years, rapidly narrowing the gap with the average across OECD countries. In 1960, life expectancy in **Korea** was 16 years below the OECD average. By 2002, it stood at 76.9 years, less than one year below the OECD average.

The proportion of daily smokers among adults has shown a marked decline over recent decades across most OECD countries. In **Korea**, there remains however a huge gender gap in smoking rates between men and women: 61.8% of men reported to smoke every day in 2001, the *highest* rate across all OECD countries, compared with only 5.4% in 2001 of women, which is the *lowest* rate.

Obesity rates have increased in recent decades in all OECD countries, although there remain notable differences across countries. The obesity rate in **Korea** and Japan remains the lowest among OECD countries, with 3.2% only of the adult population defined as obese in 2001. The countries with the highest adult obesity rates include the United States (30.6% in 2002), the United Kingdom (23% en 2003) and Australia (21.7% en 1999).¹

¹ It should be noted however that the data for the United States, the United Kingdom and Australia are more accurate than those from other countries since they are based on *actual measures* of people's height and weight, while estimates for other countries are based on *self-reported* data, which generally under-estimate the real prevalence of obesity.

More information on *OECD Health Data 2005* is available at www.oecd.org/health/healthdata.

For more information on OECD's work on Korea, please visit www.oecd.org/korea.