

Statistical bulletin

# Healthcare expenditure, UK Health Accounts provisional estimates: 2022

Provisional high-level estimates of healthcare expenditure in 2022 by financing scheme.

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## Correction

**26 July 2023 14:00**

A correction has been made to Healthcare expenditure, UK Health Accounts provisional estimates: 2022. A production error impacted estimates of out-of-pocket expenditure and total healthcare expenditure between 1997 and 2012. The correction does not substantially change the trend in total current healthcare expenditure growth over this period. Figures 1 and 2 have been updated accordingly. No other estimates were affected. You can see the original content in the superseded version. We apologise for any inconvenience.

# Table of contents

1. [Main points](#)
2. [Total current healthcare expenditure](#)
3. [Government healthcare expenditure](#)
4. [Non-government healthcare expenditure](#)
5. [Revisions](#)
6. [Healthcare expenditure data](#)
7. [Measuring the data](#)
8. [Strengths and limitations](#)
9. [Related links](#)
10. [Cite this bulletin](#)

# 1 . Main points

- Our provisional estimates are that UK healthcare expenditure was around £283 billion in 2022, which is an increase in nominal terms of 0.7% from spending in 2021.
- Adjusting for the effects of inflation, total healthcare expenditure declined in real terms by 4.5% in 2022, the first annual real-terms decline in the series.
- This comes after unprecedented growth in healthcare spending over 2020 and 2021 following the coronavirus (COVID-19) pandemic, with healthcare spending 26.8% higher in nominal terms, or 13.5% higher in real terms, in 2022 compared with 2019.
- The share of gross domestic product (GDP) attributed to healthcare was around 11.3% in 2022, down from 12.4% in 2021.
- Government healthcare expenditure fell by 1.1% in nominal terms in 2022, or by 6.2% in real terms; this is likely to have been contributed to by the winding down of COVID-19-related activities, such as vaccinations and test and trace services.
- Non-government healthcare expenditure grew by around 9.5% in nominal terms, or 3.9% in real terms in 2022.

## 2 . Total current healthcare expenditure

### Healthcare expenditure in 2022

Our early estimates suggest that spending on healthcare in the UK in 2022 was approximately £283 billion, including both government and non-government spending. These early estimates are based on initial data and therefore subject to a greater degree of uncertainty than figures published in our [Healthcare expenditure, UK Health Accounts: 2021 bulletin](#).

As a result of the provisional nature of these estimates, and the data used to produce them, users should be aware that our 2022 figures may be subject to substantial revisions one year after release, when the complete set of data sources used to produce the full health accounts are published.

This bulletin presents high-level analysis of healthcare spending by financing schemes. The latest analysis of healthcare expenditure by healthcare function and provider is available in our [Healthcare expenditure, UK Health Accounts: 2021 bulletin](#).

## Healthcare expenditure growth in 2022

Total healthcare expenditure grew by 0.7% in nominal terms between 2021 and 2022, the smallest year-on-year percentage increase in the series. Government expenditure fell by 1.1%, reflecting the winding down of the UK and devolved governments' response to the coronavirus (COVID-19) pandemic. By contrast, non-government financing of healthcare grew by an estimated 9.5% in 2022.

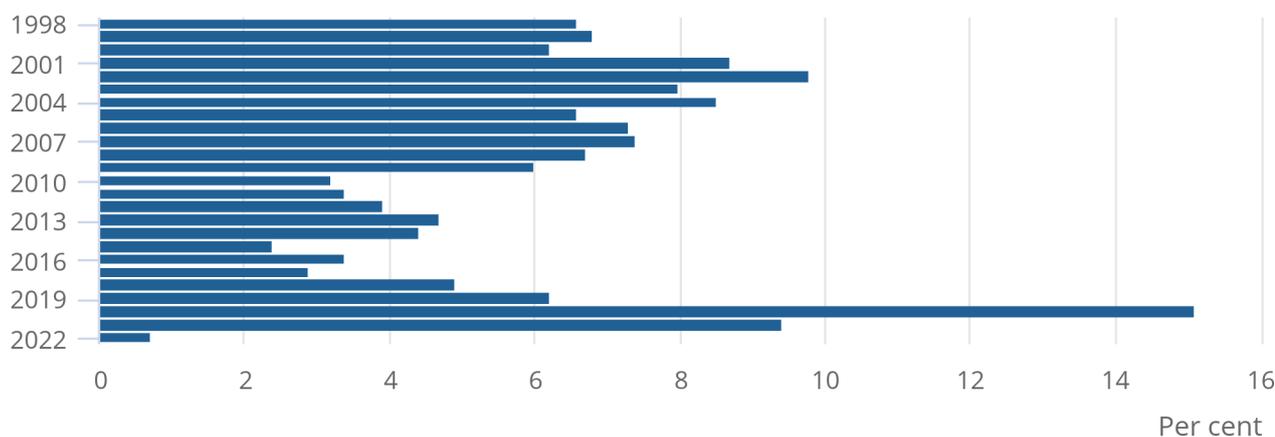
Total healthcare spending in 2022 was around 26.8% (£60 billion) greater in nominal terms and 13.5% greater (£32 billion) in real terms than the amount spent in 2019, compared with pre-coronavirus pandemic levels.

### Figure 1: Nominal healthcare expenditure grew by only 0.7% in 2022

Annual growth rates in total current healthcare expenditure, UK, nominal terms, 1998 to 2022

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Annual growth rates in total current healthcare expenditure, UK, nominal terms, 1998 to 2022



Source: Office for National Statistics

After adjusting for general inflation within the economy, real terms healthcare spending in 2022 fell by 4.5% on the level in 2021. This is the first instance in the Health Accounts series, which began in 1997, where a real-terms decline has been observed in total healthcare expenditure.

## Healthcare expenditure as a share of GDP

Healthcare expenditure represented 11.3% of gross domestic product (GDP) in 2022, lower than the share of 12.4% in 2021. This reduction was caused by nominal growth in healthcare expenditure being outpaced by growth in the overall economy in 2022.

The share of GDP attributable to healthcare remains higher than the levels observed before the coronavirus pandemic, with healthcare expenditure representing around 10% of the overall economy between 2009 and 2019.

### Figure 2: Healthcare spending as a share of GDP fell to around 11.3% in 2022, as GDP grew at a faster pace than healthcare spending

Share of GDP attributed to total current healthcare expenditure and growth contributions, UK, 1997 to 2022

**Notes:**

1. Nominal GDP growth contribution is inverted relative to the direction of GDP growth. For instance, a fall in GDP will be shown as a positive contribution of GDP growth to the change in healthcare expenditure as a percentage of GDP.

**Download the data**

[.xlsx](#)

## **3 . Government healthcare expenditure**

### **Government healthcare expenditure**

Our initial estimates suggest that government healthcare spending in 2022 was in the region of £230 billion, accounting for over four-fifths (81.5%) of total healthcare expenditure. This was a fall in nominal terms of 1.1%, or 6.2% in real terms, compared with spending in 2021. This marks the first nominal fall in government health spending in our series, however, health spending had grown by 31.9% between 2019 and 2021 because of the impact of the coronavirus (COVID-19) pandemic.

## Growth in government healthcare activity

Nominal healthcare expenditure reflects the combination of changes in the costs of providing services and the quantity of services provided. It should be noted that while our real terms estimates of healthcare spending are adjusted for changes in costs within the overall economy, they do not necessarily reflect the changes in the costs of health-specific goods and services.

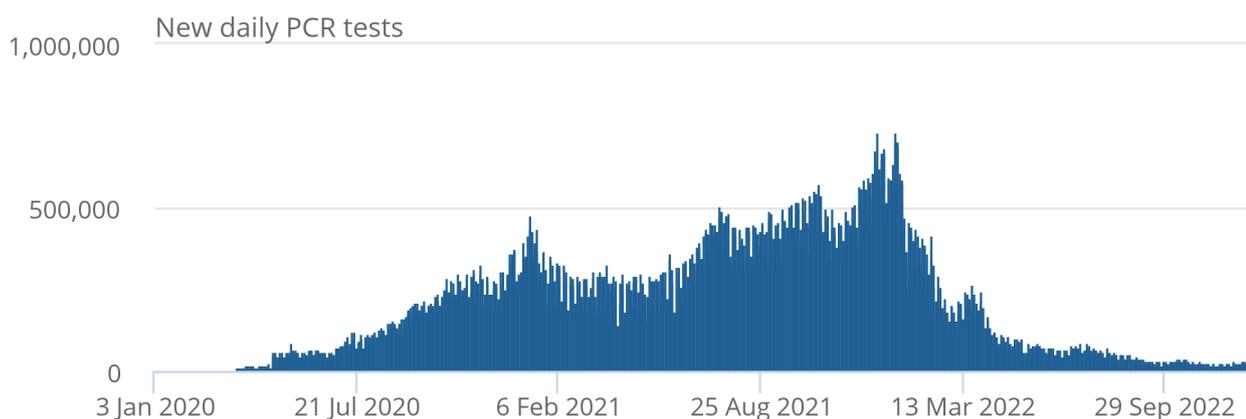
The decline in government healthcare spending in 2022 can be attributed to the scaling down of services created in response to the coronavirus (COVID-19) pandemic, as part of the [government's guidance on Living with COVID-19 strategy](#). The number of polymerase chain reaction (PCR) tests performed in 2022 was under one-third of those performed in 2021. Free universal symptomatic and asymptomatic testing for the general public and contact tracing services, ended in all four UK nations during 2022. In 2021, most of the UK population aged 12 years and over received at least one COVID-19 vaccination. There were far fewer vaccines administered in 2022, these were mainly administered through booster programmes for high-risk population groups.

### Figure 3: Daily PCR tests in England declined substantially in 2022

Daily PCR tests conducted, England, January 2020 to December 2022

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Daily PCR tests conducted, England, January 2020 to December 2022



Source: UK Coronavirus Dashboard from GOV.UK

## 4 . Non-government healthcare expenditure

Expenditure on healthcare financed through non-government schemes is estimated at approximately £52 billion in 2022, an increase of roughly 9.5% in nominal terms on 2021. Of the two non-government schemes that represent consumer spending, out-of-pocket healthcare expenditure increased by 10.4%, while voluntary health insurance schemes grew by 4.3%.

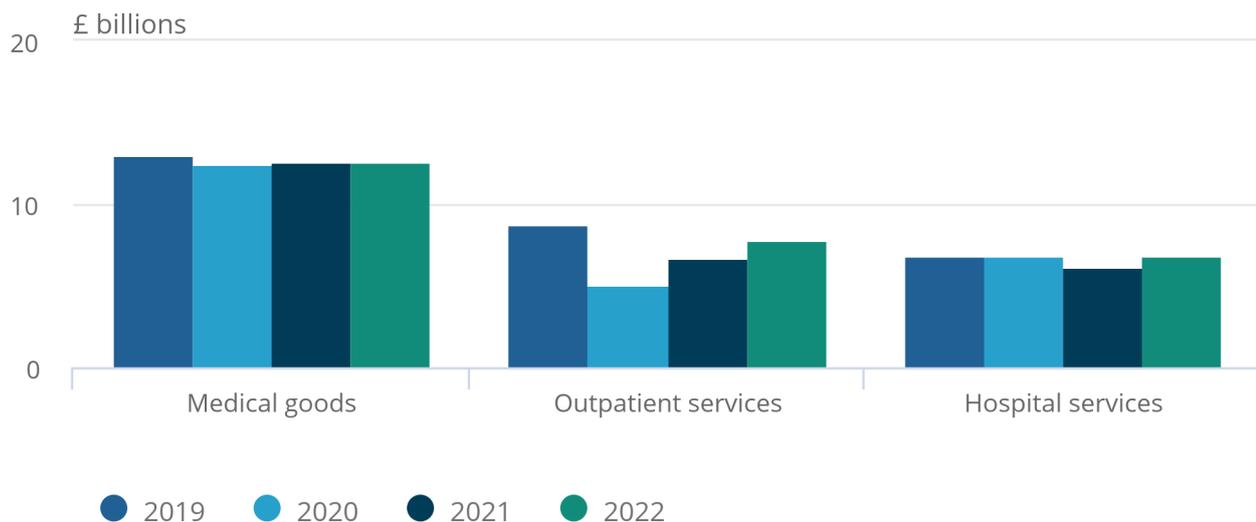
Based on trends observed in early estimates of household final consumption, detailed in our [Consumer trends, UK: October to December 2022 bulletin](#), which include out-of-pocket and insurance-funded treatments, household healthcare expenditure was primarily contributed to by an increase in spending on outpatient and hospital services.

### Figure 4: Growth in household spending on healthcare was predominantly driven by spending on outpatient services

Household final consumption expenditure by healthcare components, nominal terms, UK, 2019 to 2022

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Household final consumption expenditure by healthcare components, nominal terms, UK, 2019 to 2022



Source: Consumer Trends from the Office for National Statistics

## 5 . Revisions

Estimates previously published in our [Healthcare expenditure, UK Health Accounts provisional estimates: 2021 bulletin](#) have now been revised to incorporate newly available, more complete data. These data and the revisions to last year's provisional estimates are available in our [Healthcare expenditure, UK Health Accounts: 2021 bulletin](#).

## 6 . Healthcare expenditure data

### [UK Health Accounts reference tables](#)

Dataset | Released 17 May 2023

UK health expenditure. Final data for financing schemes, functions, providers, long-term care expenditure, revenues of financing and capital expenditure. Provisional data for financing schemes only.

### [OECD health accounts dataset](#)

Dataset | Updated as new data become available

Data on health expenditure and financing for Organisation for Economic Co-operation and Development (OECD) member states.

## 7 . Measuring the data

Data for 2022 presented in this bulletin are consistent with the System of Health Accounts 2011 framework used to produce UK health accounts between 1997 and 2021. For more information about the sources and methods used to produce our 2022 estimates of healthcare expenditure, please see [UK Health Accounts: methodological guidance for t-1 estimates of healthcare expenditure](#).

While our 2022 estimates include spending on health-related long-term care, we are unable to provide estimates for total long-term care expenditure.

## 8 . Strengths and limitations

### Timeliness

We have produced early estimates of healthcare expenditure in 2022 to present more timely data on the healthcare sector in the UK that are consistent with our main series of health accounts, which runs from 1997 to 2021.

### Data availability

The data presented in this report are based on growth presented in quarterly national accounts data. These early estimates are subject to data revisions, reflecting the inherent trade-off between timeliness and accuracy of different data sources. Quarterly national accounts data are subject to revision, as explained in the [National Accounts revision policy](#).

### Impact of coronavirus (COVID-19)

Estimates of expenditure in 2022 are subject to more uncertainty than usual as a result of the challenges faced by data providers in collecting data over this year.

## 9 . Related links

[Healthcare expenditure, UK Health Accounts: 2021](#)

Bulletin | 17 May 2023

Healthcare expenditure statistics for 1997 to 2020, produced to the international definitions of the System of Health Accounts 2011.

[UK Health Accounts: methodological guidance](#)

Methodology | Revised 17 May 2023

This guidance note explains the methodology used to calculate healthcare expenditure for government and non-government financing schemes of health accounts.

[A System of Health Accounts 2011 \(revised edition\)](#)

Framework | Released 16 March 2017

A systematic description of the financial flows related to the consumption of healthcare goods and services.

## 10 . Cite this bulletin

Office for National Statistics (ONS) released 17 May 2023, ONS website, statistical bulletin, [Healthcare expenditure, UK Health Accounts provisional estimates: 2022](#)