

Statistical bulletin

Healthcare expenditure, UK Health Accounts provisional estimates: 2021

Provisional high-level estimates of healthcare expenditure in 2021 by financing scheme.

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Correction

27 July 2023 10:00

A correction has been made to Healthcare expenditure, UK Health Accounts provisional estimates: 2021. 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 You can see the original content in the superseded version.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.

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1 . Main points

- Total current healthcare expenditure in 2021 is estimated at £277 billion, which is an increase in nominal terms of 7.4% on spending in 2020.
- Adjusting for the effects of inflation in the overall economy, total current healthcare expenditure in real terms grew by 7.1% in 2021, compared with 10.0% in 2020.
- The share of gross domestic product (GDP) attributed to healthcare was around 11.9% in 2021, which is similar to the share in 2020.
- Government healthcare expenditure is estimated to have increased by 7.5% (in nominal terms) in 2021; this is likely to have been driven in part by activities in response to the coronavirus (COVID-19) pandemic, such as testing and tracing services and the implementation of the vaccination programme.
- Non-government healthcare expenditure is estimated to have grown by around 7.0% in nominal terms over 2021, following a fall of 3.9% in 2020.

2 . Total current healthcare expenditure

Healthcare expenditure in 2021

Our early estimates suggest that spending on healthcare in the UK in 2021 was approximately £277 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 2020](#) bulletin.

As a result of the provisional nature of these estimates, and the data used to produce them, users should be aware that our 2021 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 [full health accounts for 2020](#). While our 2021 estimates include spending on health-related long-term care, we are unable to provide estimates for total long-term care expenditure.

Healthcare expenditure grew in 2021, but less rapidly than in 2020

Total healthcare expenditure grew by 7.4% in nominal terms between 2020 and 2021. Total healthcare spending in 2021 was around 24% (£54 billion) greater than the amount spent in 2019, before the coronavirus (COVID-19) pandemic.

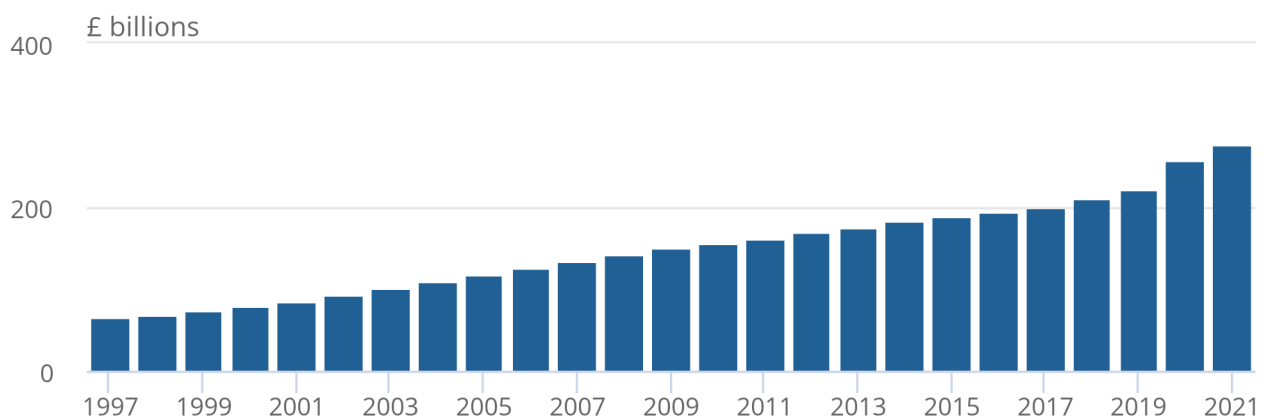
The increase in total current healthcare expenditure was primarily driven by government expenditure, reflecting the UK and devolved governments' response to the coronavirus pandemic. However, there was also growth in non-government financing schemes, as the provision of privately funded healthcare began to recover following a fall in non-government spending in 2020.

Figure 1: Nominal healthcare expenditure rose by 7.4% in 2021 and was £54 billion greater than spending in 2019, before the COVID-19 pandemic

Total current healthcare expenditure, nominal terms, UK, 1997 to 2021

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Total current healthcare expenditure, nominal terms, UK, 1997 to 2021



Source: Office for National Statistics – UK Health Accounts

Notes:

1. Figures are presented in nominal terms (current prices), unadjusted for inflation.

After adjusting for general inflation within the economy, real terms healthcare spending in 2021 increased by 7.1%, compared with growth of 10.0% in 2020.

Healthcare expenditure represented around 12% of GDP in 2021

Healthcare expenditure can also be measured as a share of gross domestic product (GDP), to show healthcare spending relative to the whole economy. Healthcare expenditure represented 11.9% of GDP in 2021, around the same share as in 2020 (12.0%). This reflected the fact that nominal growth in healthcare expenditure broadly matched the strong growth in the overall economy in 2021.

The share of GDP attributable to healthcare is still much greater than before the coronavirus pandemic. Between 2009 and 2019, healthcare expenditure accounted for around 10% of the overall economy.

Figure 2: Healthcare spending as a share of GDP remained at around 12% in 2021, because of GDP and healthcare spending growing by similar rates

Share of GDP attributed to total current healthcare expenditure and growth contributions, UK, 1997 to 2021

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 in 2021 was higher than in any other year

Our initial estimates suggest that government healthcare spending in 2021 was in the region of £229 billion, accounting for over four-fifths (83%) of total healthcare expenditure. This was higher than spending in any other year, including 2020. In 2021, healthcare spending represented around 45% of overall government spending on goods and services in the UK (General Government final consumption expenditure). This figure, using the definitions of the System of Health Accounts 2011, includes many long-term care services typically considered as social care in the UK.

Year-on-year growth in this measure of government healthcare expenditure in 2021 was 7.5%, relative to 20.7% in 2020. Adjusting for general inflation within the economy, relative growth in healthcare spending was reduced to 7.2% in 2021 and 14.9% in 2020.

Growth in government healthcare activity

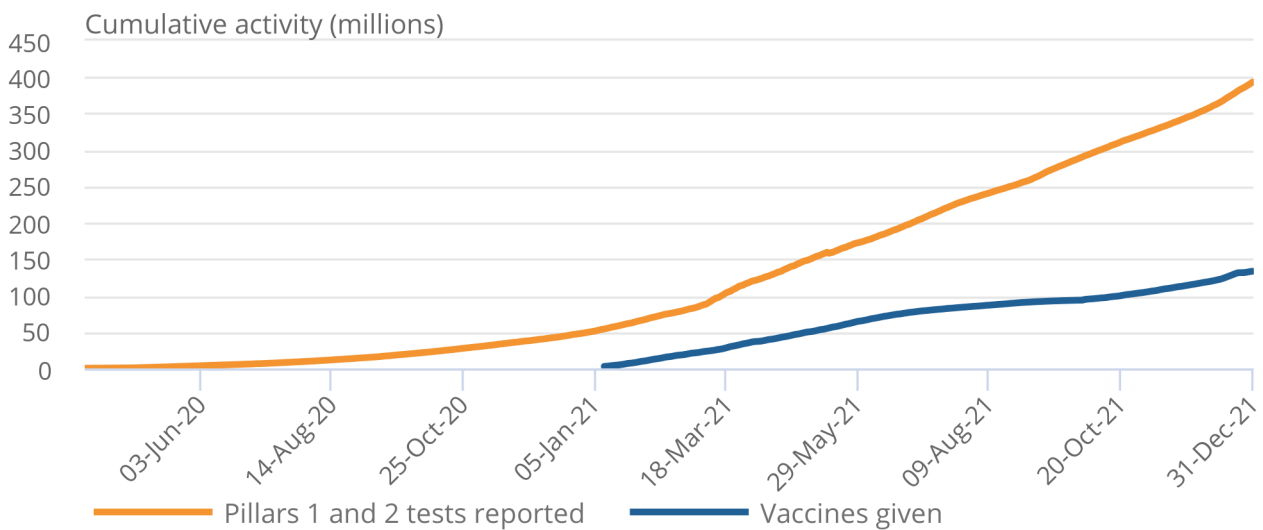
Nominal healthcare expenditure growth reflects a combination of changes in the costs of providing services and the quantity of services provided. It should be noted that while our real terms estimates of healthcare spending are adjusted for changes in costs within the overall economy, they do not necessarily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

There was particularly substantial growth between 2020 and 2021 in the activity of new services created in response to the coronavirus (COVID-19) pandemic. There were more than seven times as many registered coronavirus tests recorded under Pillars One and Two of the government testing strategy in 2021 than in 2020, reflecting an increase in the volume of laboratory-processed tests performed and the delivery of lateral flow devices through the mass testing scheme. There was an even greater growth in the number of coronavirus vaccinations delivered from 2020, when vaccinations were provided in December only, to 2021. Published data show around 2.7 million vaccines were administered up to 10 January 2021, compared with 133.3 million by the end of 2021.

Figure 3: A far greater number of COVID-19 tests were conducted and vaccines administered in 2021 than in 2020

Cumulative number of registered COVID-19 test results and vaccinations delivered up to 31 December 2021, UK

Figure 3: A far greater number of COVID-19 tests were conducted and vaccines administered in 2021 than in 2020. Testing activity ramped up following the establishment of the mass testing programme in late 2020, which enabled individuals to self-test using lateral flow devices.



Source: UK Coronavirus Dashboard – GOV.UK

Notes:

1. The number of tests represents only registered tests; the [true number of tests conducted is likely to be much greater](#).
2. The vaccines programme began on 8 December 2020, but cumulative activity was first reported from 10 January 2021.

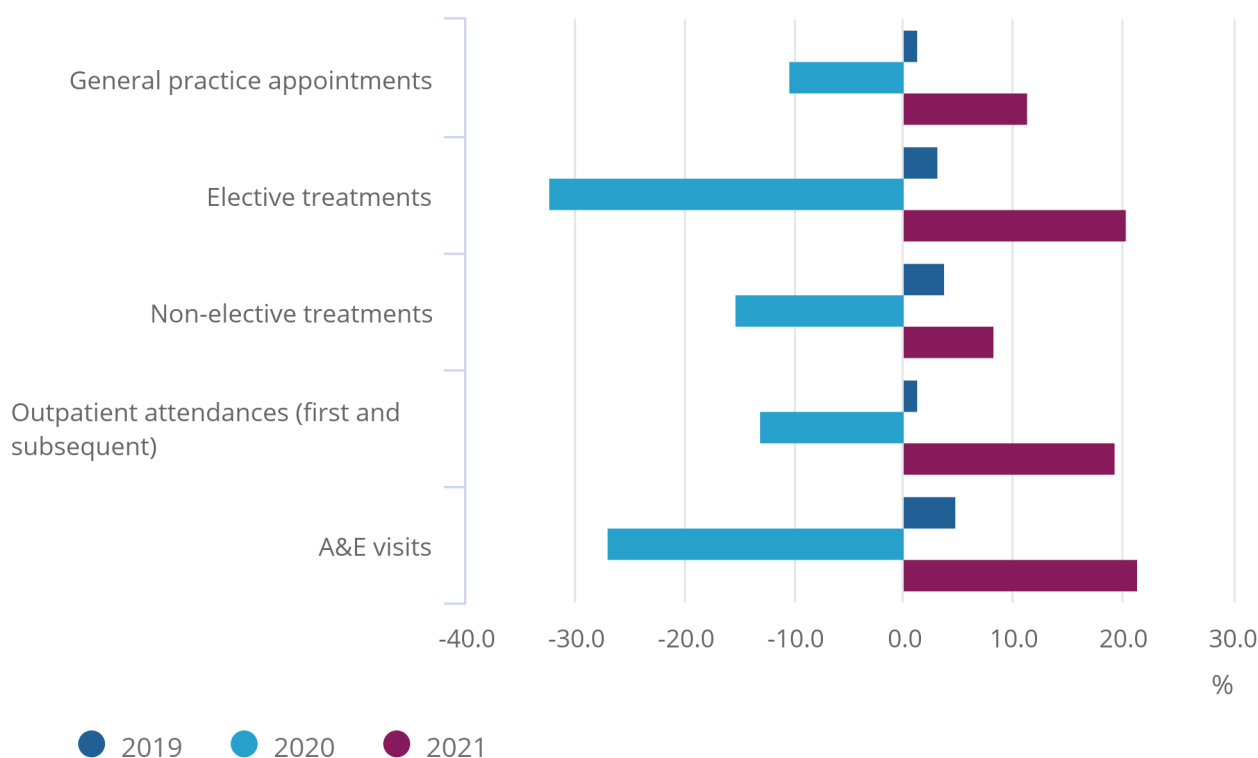
As well as the growth in new services created in response to the coronavirus pandemic, activity levels across a range of existing healthcare services increased between 2020 and 2021. Most notably there was strong growth in the number of elective treatments and A&E attendances over 2021, following substantial falls in 2020.

Figure 4: Activity levels in England increased for a range of healthcare services during 2021

Growth in activity for selected healthcare services in England, 2019 to 2021

Figure 4: Activity levels in England increased for a range of healthcare services during 2021

Growth in activity for selected healthcare services in England, 2019 to 2021



Source: Appointments in General Practice – NHS Digital; A&E Attendances and Emergency Admissions – NHS England; Office for National Statistics (ONS) estimates based on the Hospital Episode Statistics (HES) monthly activity report, NHS Digital's monthly activity return (MAR), and NHS England's monthly (MAR) and quarterly (QAR) returns

Notes:

1. Growth in elective, non-elective and outpatient activity is estimated for 2020 by combining two separate sources because of the discontinuation of previous data sources in 2020.
2. "Outpatient attendances" includes initial and follow-up visits.

4 . Non-government healthcare expenditure

Growth in non-government healthcare expenditure varied by financing scheme

Expenditure on healthcare financed through non-government schemes was approximately £47 billion in 2021, an increase of roughly 7.0% in nominal terms on 2020. Of the two non-government schemes that represent consumer spending, out-of-pocket healthcare expenditure increased by around 5.3% and voluntary health insurance schemes by 10.4%, both rebounding after falls in spending in 2020.

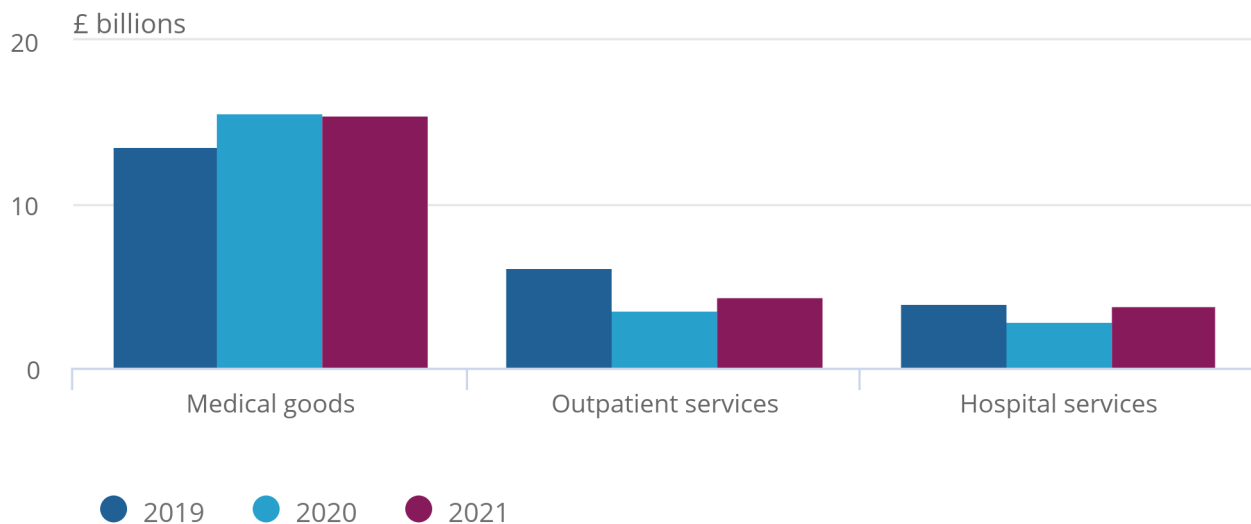
Based on trends observed in early estimates of household final consumption expenditure, household spending on outpatient and hospital services, which include self-funded and insurance-funded treatments, grew by 24.5% and 31.3% respectively in 2021. This strong growth was offset slightly by little observable growth in spending on medical goods between 2020 and 2021.

Figure 5: Household spending on healthcare services grew in 2021, but spending on medical goods did not

Household final consumption expenditure by healthcare components, nominal terms, UK, 2019 to 2021

Figure 5: Household spending on healthcare services grew in 2021, but spending on medical goods did not

Household final consumption expenditure by healthcare components, nominal terms, UK, 2019 to 2021



Source: Office for National Statistics – Consumer trends

Notes:

1. Household consumption is measured using a different set of guidelines to the UK health accounts and not representative of all the services measured in our out-of-pocket expenditure and health insurance schemes estimates.
2. As a result of rounding, growth rates may not equate exactly to those presented in the bulletin.

5 . Revisions

Estimates previously published in our [Healthcare expenditure, UK Health Accounts provisional estimates: 2020](#) bulletin have now been revised to incorporate newly available, more complete data and are available in our [Healthcare expenditure, UK Health Accounts: 2020](#) bulletin. That bulletin also includes [analysis of revisions](#) from the provisional estimates published in 2021 to the revised estimates published this year.

6 . Healthcare expenditure data

[UK Health Accounts](#)

Dataset | Released 9 May 2022 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.

7 . Measuring the data

Data for 2021 presented in this bulletin are consistent with the System of Health Accounts 2011 framework used to produce UK health accounts between 1997 and 2020. For more information about the sources and methods used to produce our 2021 estimates of healthcare expenditure, please see our [UK Health Accounts: methodological guidance for t-1 estimates of healthcare expenditure](#) article.

8 . Strengths and limitations

Timeliness

We have produced early estimates of healthcare expenditure in 2021 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 2020.

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 2021 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: 2020](#)

Bulletin | Released 9 May 2022

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 | Updated periodically

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.

[OECD health expenditure and financing](#)

Dataset | Updated as new data become available

International dataset containing healthcare expenditure data for all Organisation for Economic Co-operation and Development (OECD) member states and affiliates; for the most part produced to the definitions of the System of Health Accounts 2011 (SHA 2011).