Mini presentation:
Turnover/Output for Human Health Activities

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Human health activities - UK Market

• Represents 5% GDP(O)

• 77% services funded by UK Government

• Private healthcare services available at market prices

• Subcontracted services – delivered by private sector, paid for by Government
Human health activities - UK Market

Div 86: Human Health Activities

- Non-market
- Market
  - Private
  - Sub-contracted
# UK approach – Non-market services

<table>
<thead>
<tr>
<th>Current Price</th>
<th>Volume</th>
<th>Deflator</th>
</tr>
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<tbody>
<tr>
<td>Government spend</td>
<td>Cost-weighted activity index</td>
<td>Derived</td>
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\[
\frac{\text{Government spend}}{\text{Cost-weighted activity index}} = \text{Implied deflator}
\]

\[
\frac{\text{Government spend}}{\text{Implied deflator}} = \text{Output}
\]
UK approach – Market services

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<td>CPI (Health Services)</td>
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Workforce jobs \( \times \) CPI  =  Current price

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UK approach – Subcontracted services

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UK Approach

Three main problems:

- Classifications
- Data availability
- Subcontracted services
UK Problems – Classifications

- Market and non-market split is important in UK but not represented in classifications
- UK defines own breakdown below division – not aligned to current classifications
UK Problems – Data availability

• Lack of suitable data to allow calculation of output below division level

• No SPPI available for human health

• Improvement for market activity
  - current price derived from workforce jobs and CPI
  - new source of turnover data about to be introduced
  - used at divisional level only
UK Problems – Subcontracted services

• Currently treated as market activities as provided by private companies

• But…deflation with CPI not correct if services are paid for by Government

• Due to be treated as non-market activity when UK National Accounts next published
Questions?