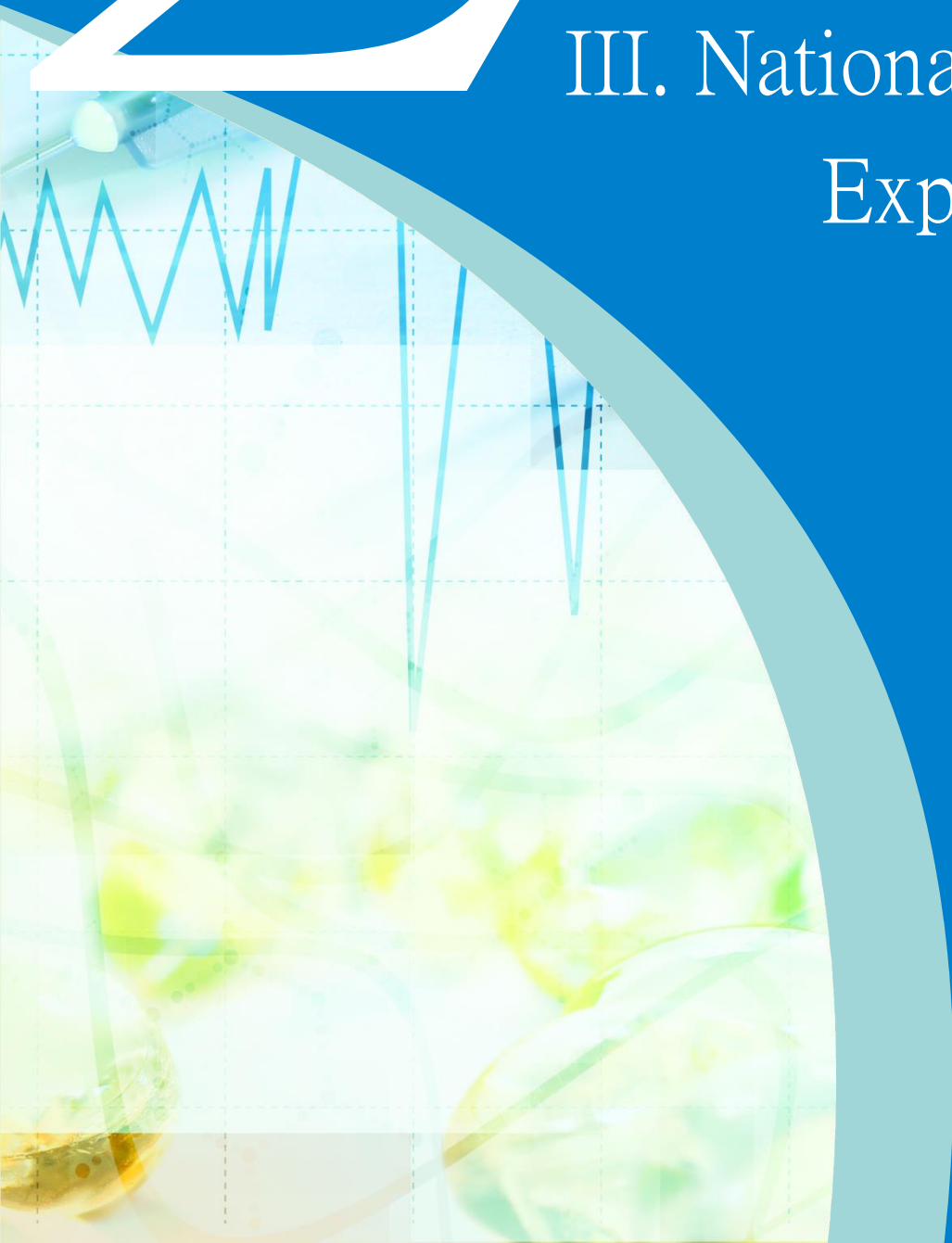
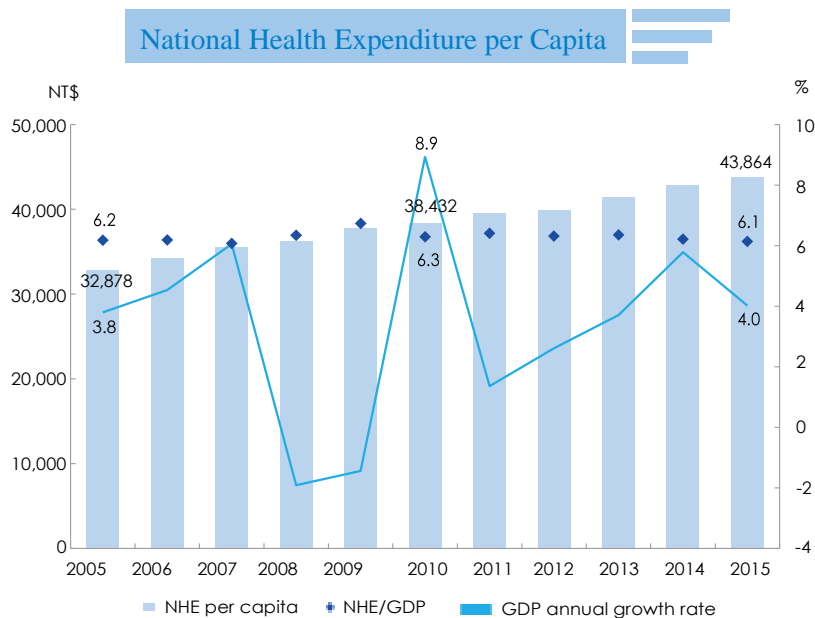


III. National Health Expenditure



1. Share of National Health Expenditure (NHE) in GDP

NHE accounted for 6.1%-6.7% of GDP



National Health Expenditure

Year	National Health Expenditure (NHE)			NHE per capita (NT\$)	GDP	
	Billion NT\$	Annual growth rate (%)	As % of GDP		Billion NT\$	Annual growth rate (%)
2005	747	5.1	6.2	32,878	12,092	3.8
2006	782	4.7	6.2	34,282	12,641	4.5
2007	815	4.1	6.1	35,545	13,407	6.1
2008	835	2.5	6.3	36,294	13,151	-1.9
2009	873	4.6	6.7	37,837	12,962	-1.4
2010	889	1.8	6.3	38,432	14,119	8.9
2011	917	3.1	6.4	39,539	14,312	1.4
2012	928	1.2	6.3	39,877	14,687	2.6
2013	968	4.3	6.4	41,460	15,231	3.7
2014	1,002	3.5	6.2	42,809	16,112	5.8
2015	1,029	2.7	6.1	43,864	16,759	4.0

Note: Revised based on the figure of national income.

In 2015, the NHE amounted to NT\$1,029 billion, represented an increase of 37.7% from 2005; it accounted for 6.1% of the year's gross domestic product (GDP), representing a decrease of 0.1% from 2005. The NHE per capita was NT\$43,864, which increased by 33.4% since 2005.

Over the past decade, NHE has grown at an annual rate of 1.2%-5.1%. NHE has accounted for 6.1%-6.7% of GDP.

2. Financial Resources of NHE

The majority of the NHE funds came from households.

Financial Resources of NHE

Unit: Billion NT\$, %

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total	744	784	803	822	844	910	953	955	1,042	1,083	1,083
NHE	747	782	815	835	873	889	917	928	968	1,002	1,029
NHI surplus/deficit	-4	2	-12	-13	-29	20	36	27	74	81	54
Financial resources											
Government sector	186	197	203	203	214	241	246	248	289	300	292
Health expenditure	60	62	65	59	66	72	68	68	70	74	77
Insurance subsidies of medical benefit	100	110	113	117	120	137	144	145	180	187	177
Group insurance premium	26	26	26	27	28	32	34	35	39	39	38
Enterprises and private non-profit institution	143	162	160	166	168	182	202	192	214	223	222
Group insurance premium	103	109	108	111	109	127	140	147	162	169	170
Health expenditure	40	53	52	55	59	55	62	45	52	54	52
Households	406	418	434	448	455	481	498	507	532	552	560
Health expenditure	271	278	291	300	307	315	322	327	336	348	353
Insurance premium	135	139	143	148	149	166	177	180	196	204	207
Private administrative fee of health insurance	8	7	6	5	6	5	7	8	7	8	9
Proportion (%)											
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Government sector	25.1	25.2	25.3	24.7	25.4	26.4	25.8	26.0	27.7	27.7	27.0
Enterprises and private non-profit institution	19.2	20.6	19.9	20.2	19.9	20.1	21.2	20.2	20.5	20.6	20.5
Households	54.6	53.3	54.0	54.5	54.0	52.9	52.3	53.1	51.1	51.0	51.7
Private administrative fee of health insurance	1.1	1.0	0.7	0.6	0.7	0.6	0.7	0.8	0.7	0.7	0.8

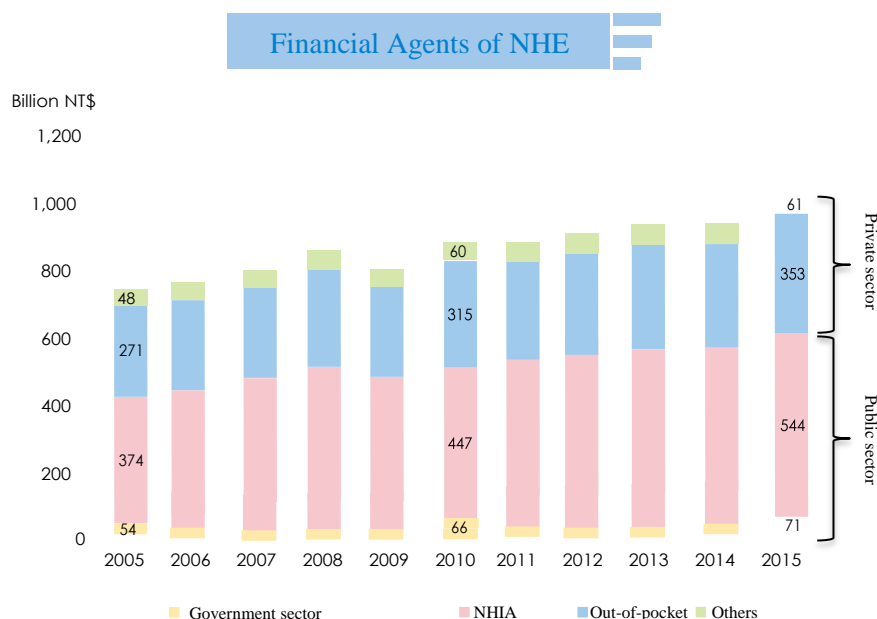
Note: Revised based on the figure of national income.

The NHE amounted to NT\$1,083 billion when calculated according to financial resources. This represented a growth rate of 45.6% since 2005 and this amount is higher than the actual expenditure for the same year, leading to a surplus of NT\$54 billion. The main resources came from households, contributing NT\$560 billion, and this represented a growth of 37.9% since 2005; the government sector contributed NT\$292 billion, with a growth rate of 56.6%; and enterprises and private non-profit institution contributed NT\$222 billion, represented a growth rate of 55.6%.

According to financial resources structure, households accounted for 51.7% in 2015, a decrease of 2.9% since 2005; the government sector accounted for 27.0%, an increase of 1.9% since 2005; and enterprises and private non-profit institution accounted for 20.5%, an increase of 1.3% since 2005.

3. Financial Agents of NHE

The National Health Insurance Administration and households are the main agents of NHE.



NHE Structure by Financial Resources

Unit: %

Year	Total	Public sector	Government sector	National Health Insurance Administration			Private sector	Out-of-pocket	Others
				Medical benefit	Administrative fee				
2005	100.0	57.3	7.3	50.0	49.2	0.8	42.7	36.3	6.5
2006	100.0	56.7	7.1	49.6	48.8	0.8	43.3	35.5	7.8
2007	100.0	57.2	7.2	50.0	49.2	0.8	42.8	35.7	7.1
2008	100.0	56.9	6.3	50.6	49.8	0.7	43.1	35.9	7.2
2009	100.0	57.4	6.9	50.5	49.8	0.7	42.6	35.1	7.5
2010	100.0	57.8	7.5	50.3	49.7	0.6	42.2	35.4	6.8
2011	100.0	57.4	6.8	50.6	50.0	0.6	42.6	35.1	7.5
2012	100.0	59.1	6.7	52.4	51.8	0.6	40.9	35.2	5.7
2013	100.0	59.1	6.7	52.4	51.9	0.6	40.9	34.7	6.1
2014	100.0	59.1	6.8	52.3	51.7	0.6	40.9	34.8	6.2
2015	100.0	59.7	6.9	52.8	52.3	0.5	40.3	34.3	5.9

Note: Revised based on the figure of national income.

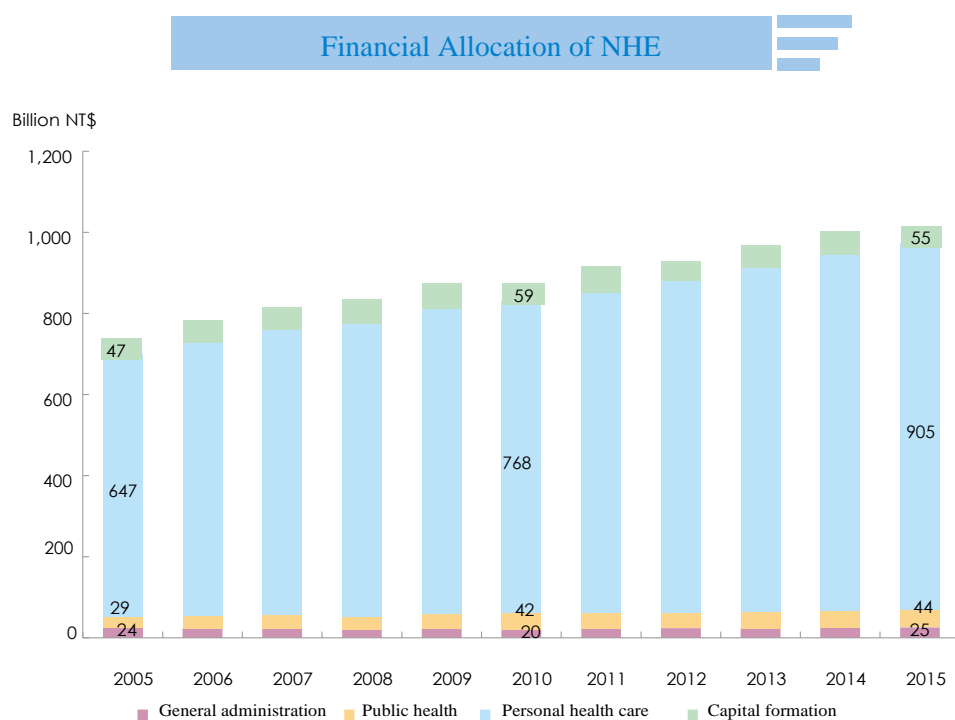
In 2015, a total of NT\$615 billion in NHE were expended in the public sector, whereas NT\$414 billion was attributed to the private sector, which represented growth rates of 43.7% and 29.7% since 2005, respectively. The ratio of financial agents of the public and private sectors was 6:4.

In the public sector, the majority of the NHE were used for NHI medical benefit, totaling NT\$538 billion (52.3%), which represented an increase of 46.5% since 2005.

In the private sector, the majority of the NHE agents were financed by out-of-pocket payment, totaling NT\$353 billion (34.3%), which represented an increase of 30.3% since 2005.

4. Financial Allocation of NHE

Personal health care expenditure accounted for 88% of NHE.



NHE Structure by Financial Agents

Unit: %

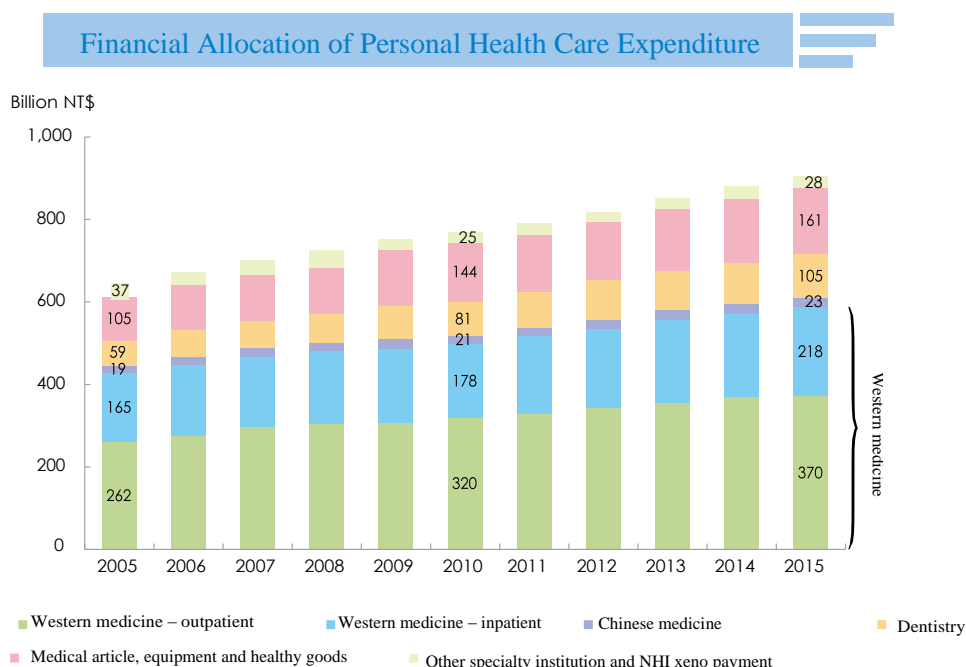
Year	Total	General administration	Public health	Personal health care	Capital formation
2005	100.0	3.2	3.9	86.6	6.3
2006	100.0	3.0	4.0	85.8	7.2
2007	100.0	2.7	4.5	86.0	6.8
2008	100.0	2.5	3.6	86.8	7.0
2009	100.0	2.6	4.2	86.1	7.1
2010	100.0	2.3	4.7	86.4	6.6
2011	100.0	2.5	4.2	86.2	7.2
2012	100.0	2.6	4.0	88.2	5.2
2013	100.0	2.4	4.1	87.9	5.7
2014	100.0	2.4	4.1	87.9	5.6
2015	100.0	2.4	4.3	87.9	5.3

Note: Revised based on the figure of national income.

In 2015, expenditure ultimately used for personal health care amounted to NT\$905 billion, which represented a growth of 39.8% since 2005 and accounting for 87.9% of NHE for the year. 6.7% was allotted to public health and general administration and 5.3% was allotted to capital formation, represented growth rates of 31.3% and 15.9% since 2005, respectively.

5. Financial Allocation of Personal Health Care Expenditure

66% of the personal health care expenditure were used in western medical services over the years.



Personal Health Care Expenditure Structure by Financial Allocation

Unit: %

Year	Total	Western medicine	Outpatient	Inpatient	Chinese medicine	Dentistry	Medical article, equipment and healthy goods	Other specialty institution and NHI xeno payment
2005	100.0	66.0	40.4	25.5	3.0	9.2	16.2	5.7
2006	100.0	66.7	40.9	25.9	2.9	9.4	16.2	4.7
2007	100.0	66.7	42.5	24.2	3.0	9.5	15.9	4.9
2008	100.0	66.3	41.9	24.4	3.0	9.5	15.5	5.8
2009	100.0	64.9	41.0	23.9	2.9	11.0	17.8	3.4
2010	100.0	64.8	41.6	23.2	2.7	10.6	18.7	3.2
2011	100.0	65.6	41.5	24.0	2.6	10.8	17.4	3.6
2012	100.0	65.4	42.1	23.3	2.6	11.7	17.4	2.8
2013	100.0	65.5	41.7	23.8	2.7	11.4	17.4	3.0
2014	100.0	65.0	42.0	23.1	2.6	11.4	17.5	3.5
2015	100.0	65.1	40.9	24.1	2.5	11.6	17.7	3.1

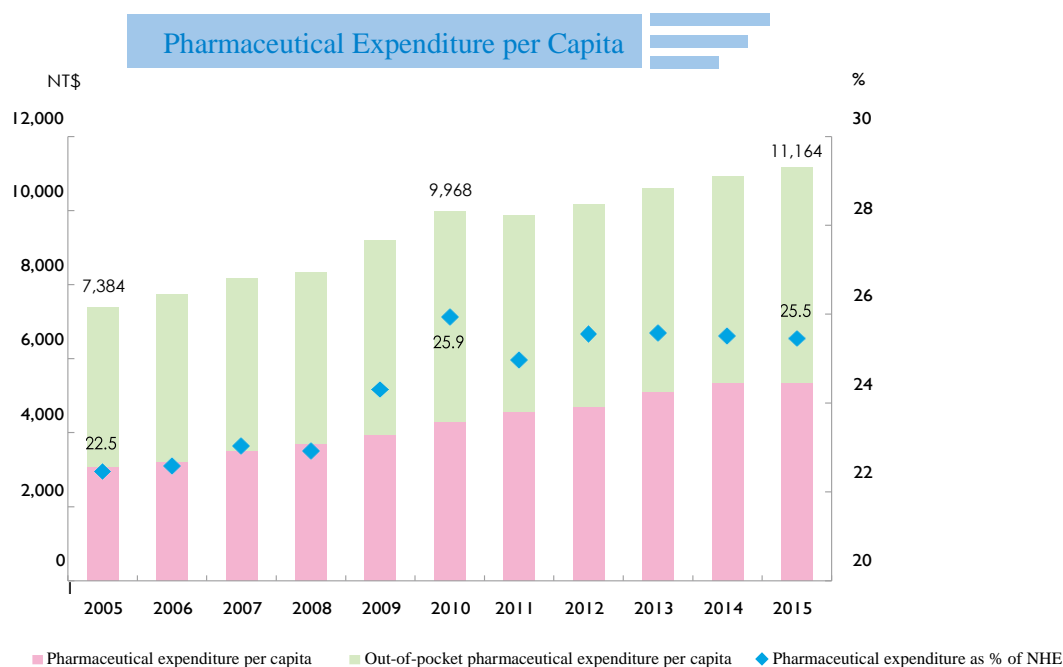
Note: Revised based on the figure of national income.

In 2015, the majority of personal health care expenditure were allocated to Western medicine, amounted to NT\$589 billion (65.1%), followed by medical article, equipment and healthy goods (17.7%), dentistry (11.6%), and Chinese medicine (2.5%). The amounts were, respectively, 37.9%, 53.2%, 76.3%, and 18.7% more than in 2005. In addition, other specialty institution and NHI xeno payment amounted to NT\$28 billion (3.1%).

Among personal health care expenditure in western medicine, outpatient services accounted for 62.9%, and inpatient services accounted for 37.1%, representing an increases of 41.6% and 32.1%, respectively, compared to 2005.

6. Pharmaceutical Expenditure under NHE

Over the past 10 years, pharmaceutical expenditure have accounted for 23% ~ 26% of NHE.



Pharmaceutical Expenditure

Year	Pharmaceutical expenditure (Billion NT\$)					Pharmaceutical expenditure per capita (NT\$)					Pharmaceutical expenditure as % of NHE	Pharmaceutical expenditure as % of GDP
	NHI	Out-of-pocket			NHI	Out-of-pocket						
		Cost-payment	Self-purchase	Cost-payment		Self-purchase						
2005	168	70	98	23	75	7,384	3,071	4,313	1,033	3,280	22.5	1.4
2006	177	73	104	25	78	7,740	3,203	4,537	1,106	3,431	22.6	1.4
2007	188	80	107	27	80	8,182	3,510	4,672	1,196	3,476	23.0	1.4
2008	191	85	106	27	79	8,321	3,696	4,626	1,192	3,433	22.9	1.5
2009	212	91	121	25	97	9,196	3,945	5,251	1,066	4,184	24.3	1.6
2010	231	99	131	27	104	9,968	4,295	5,673	1,185	4,488	25.9	1.6
2011	229	106	123	27	95	9,870	4,573	5,297	1,184	4,113	25.0	1.6
2012	237	110	127	27	101	10,185	4,710	5,475	1,153	4,322	25.5	1.6
2013	247	119	128	27	101	10,601	5,100	5,501	1,154	4,347	25.6	1.6
2014	256	125	130	27	103	10,920	5,352	5,568	1,146	4,422	25.5	1.6
2015	262	126	136	26	111	11,164	5,355	5,808	1,095	4,714	25.5	1.6

Note: Revised based on the figure of national income.

In 2015, pharmaceutical expenditure amounted to NT\$262 billion, which increased by 56.1% since 2005. Pharmaceutical expenditure accounted for 25.5% of NHE and 1.6% GDP in 2015.

In 2015, pharmaceutical expenditure per capita were NT\$11,164. Health insurance paid for NT\$5,355 of this and out-of-pocket payment amounted to NT\$5,808. Expenditure financed by health insurance and out-of-pocket grew by 74.4% and 34.7% since 2005, respectively. Over the years, pharmaceutical expenditure have gradually trended upward, with out-of-pocket payment consistently being higher than health insurance payment. The growth in out-of-pocket pharmaceutical expenditure occurs primarily in self-purchased pharmaceutical.