



OESTERREICHISCHE NATIONALBANK

EUROSYSTEM

Health insurance and the wealth distribution: Health and Long-Term Care Insurance Wealth in Austria

Maria Hofmarcher · Robert Holzmann · Reinhard Koman

Note prepared for the Workshop

”The Measurement of Augmented Wealth: Concepts, Methods and Results”

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Research Section

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Introduction

We want to compute health and long-term care insurance wealth for Austria.

This is something new, because nobody else has done something like that before, neither in Austria nor anywhere else, at least as far as we know.

Therefore this is, for the same reason, quite a challenging task.

But, again for the same reason, we hope that we do also something innovative.

And we are excited to present now first and preliminary results
and hope for positive and inspiring feedback!

Concepts involved

Wealth

Augmented Wealth

Social Security or Social Insurance Wealth

Pension Insurance Wealth

Health and Long-Term Care Insurance Wealth

- Gross vs. Net Health and Long-Term Care Insurance Health
- Health Insurance Wealth in the stricter sense vs. Long-Term Care Insurance Wealth
- Public vs. Private Insurance Wealth

Schemes and samples to be covered

At the macro-data level:

The scheme of the employees

The scheme of the self-employed in trade and industry

The scheme of the farmers

The scheme of the civil servants

At the micro-data level:

The sample of the Household Finance and Consumption Survey

Database on the benefit side: The System of Health Accounts

A “satellite account” to the System of National Accounts

which provides data about health and long-term care expenditure

based on a classification according to different

- services (curative care, rehabilitative care, long-term care ...)
- providers (hospitals, ambulatory care ...)
- financing (government, compulsory or voluntary insurance, out-of-pocket payments ...)

and which also provides a classification of these expenditure according to

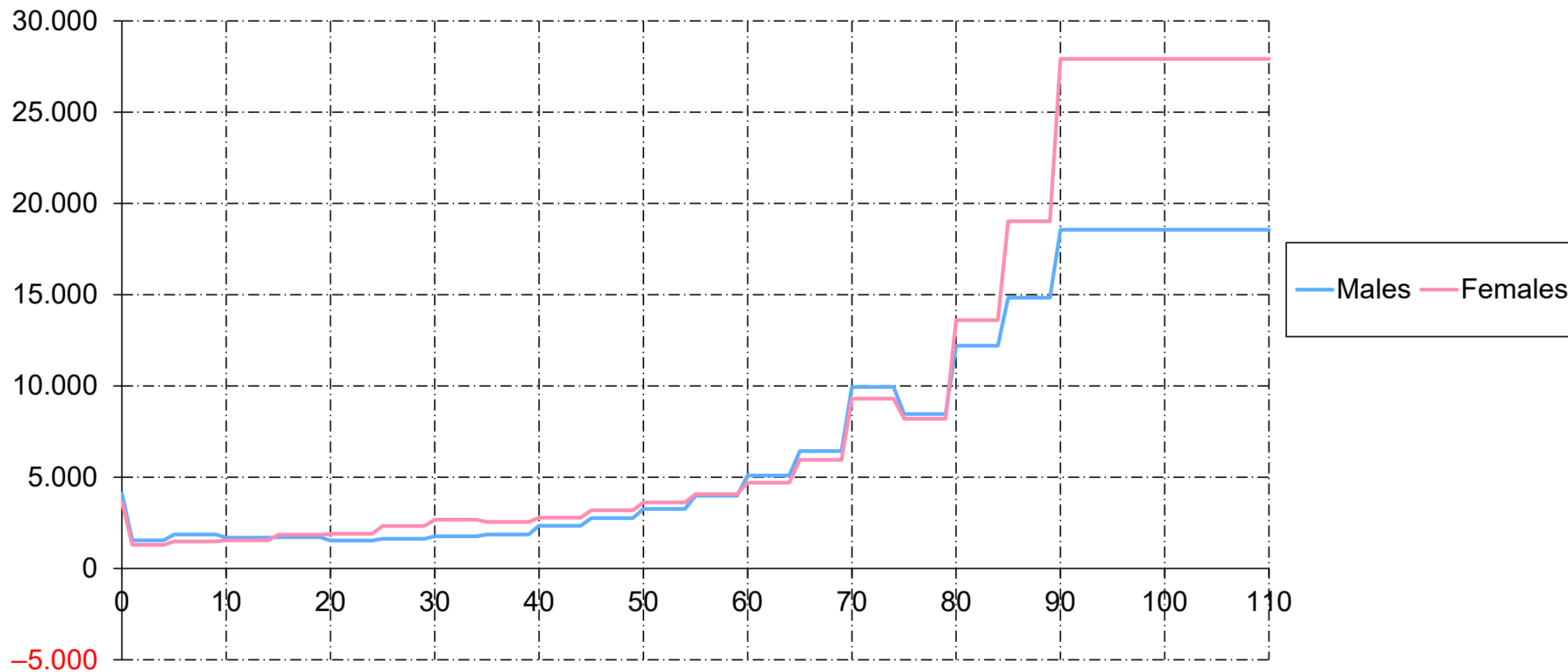
- age and gender

First and preliminary results

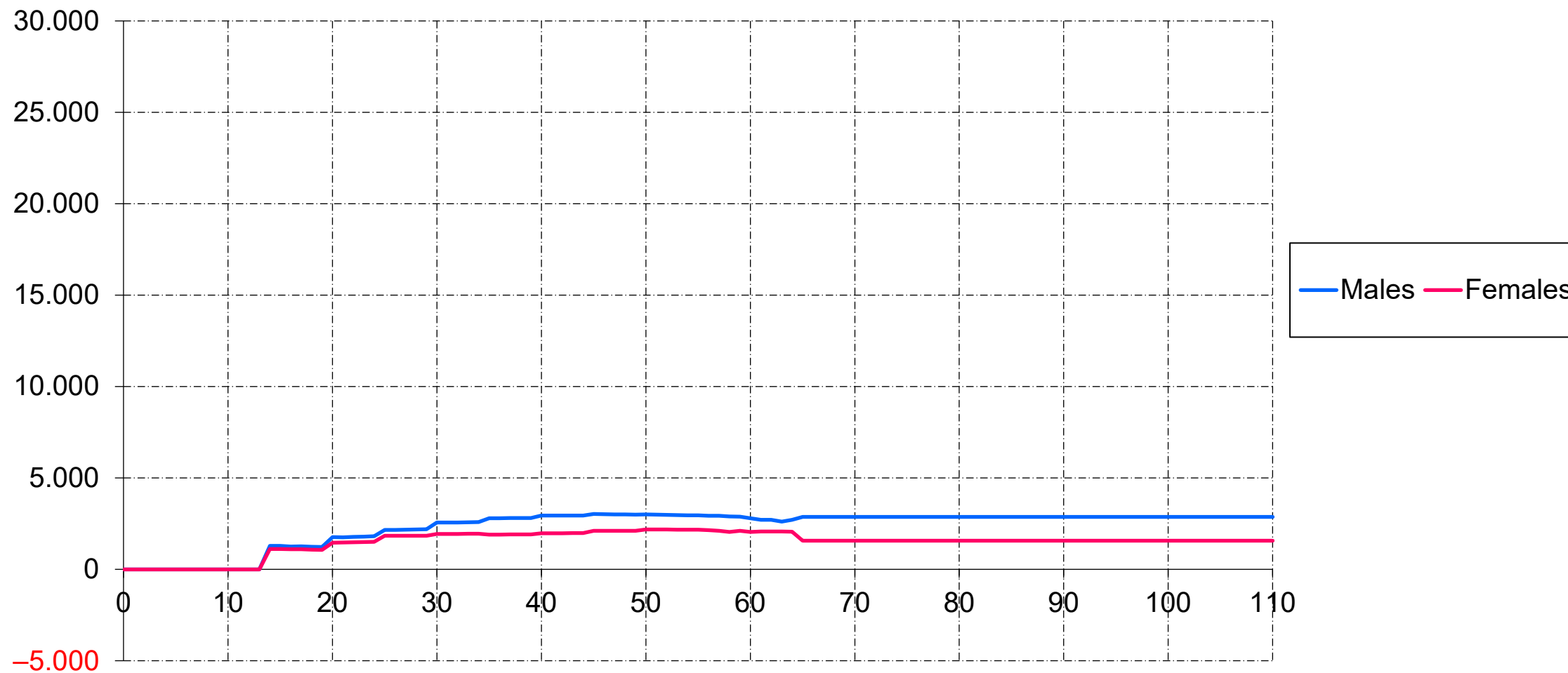
- Gross and net health and long-term care insurance wealth, at the macro-data level, as of January 1st, 2017 for the private sector employees' health insurance scheme, at discount rates of 1.3, 3 and 5 percent (as also used in Knell and Koman (2022)).
- This preliminary step is limited to the number of insured persons still active on January 1st, 2017 (which are assumed to retire at 65 or immediately, if they are already 65 on January 1st, 2017).
People already receiving pensions on January 1st, 2017 are not yet taken into account.
- This, however, has impact on averages across age and gender, because active employees and pensioners have different age-gender distribution, contributions and benefits.

We therefore present also averages based on the age-gender distribution of the whole population, when we average across age and gender.

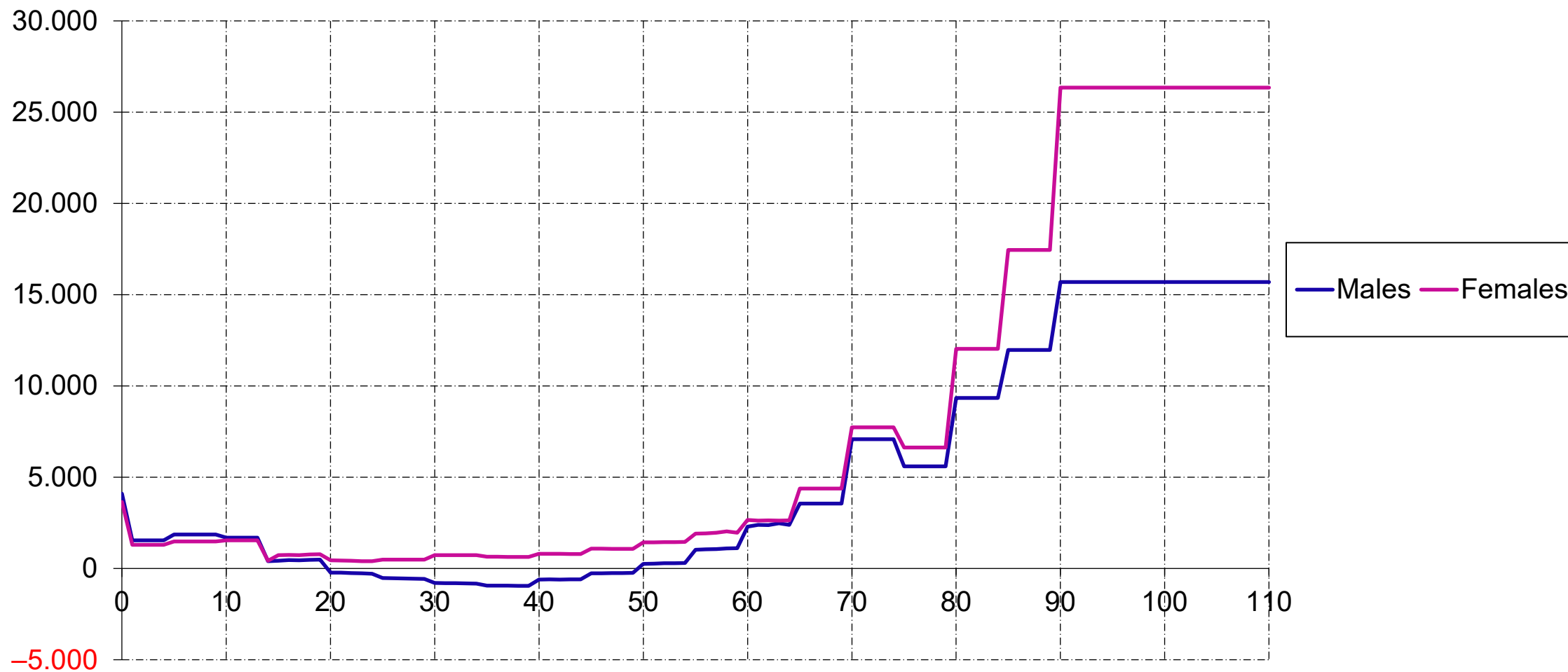
Gross Benefits (in Euros)



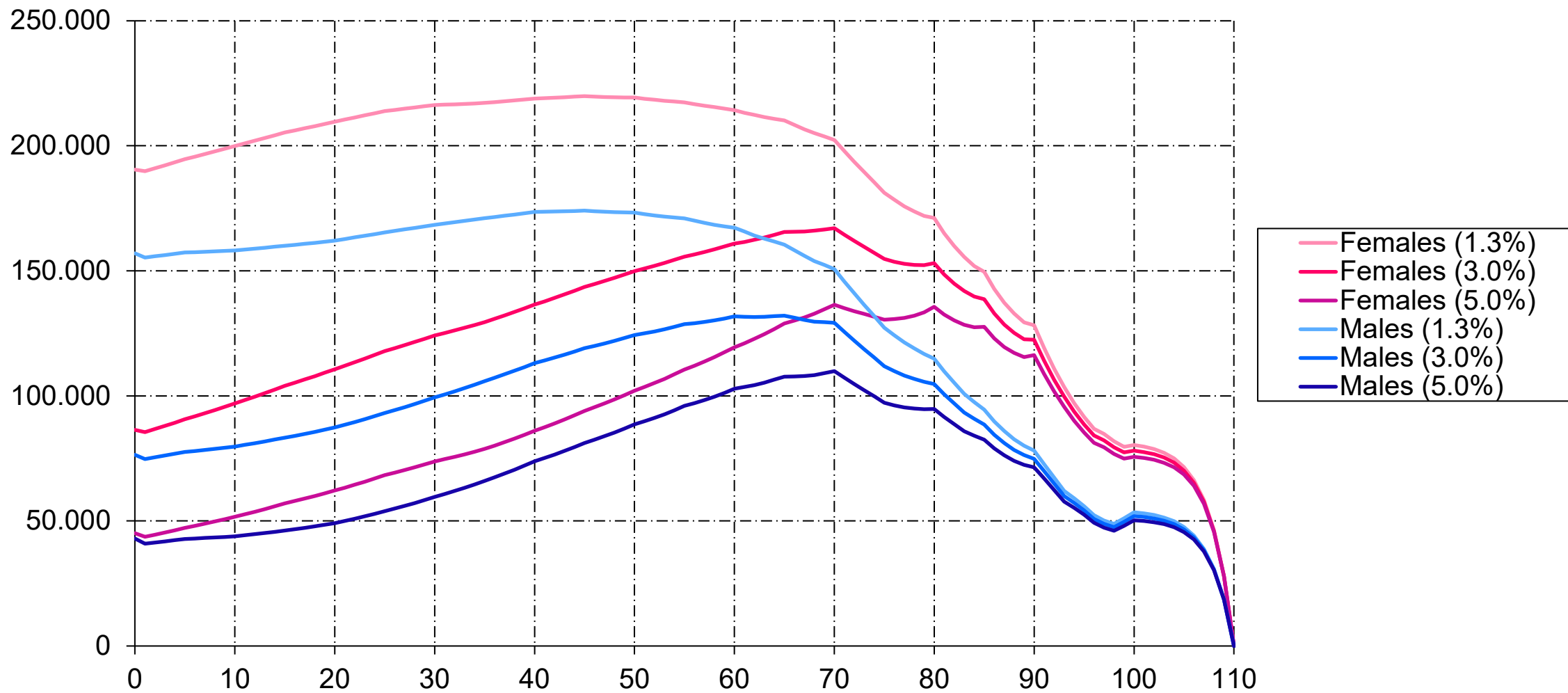
Contributions (in Euros)



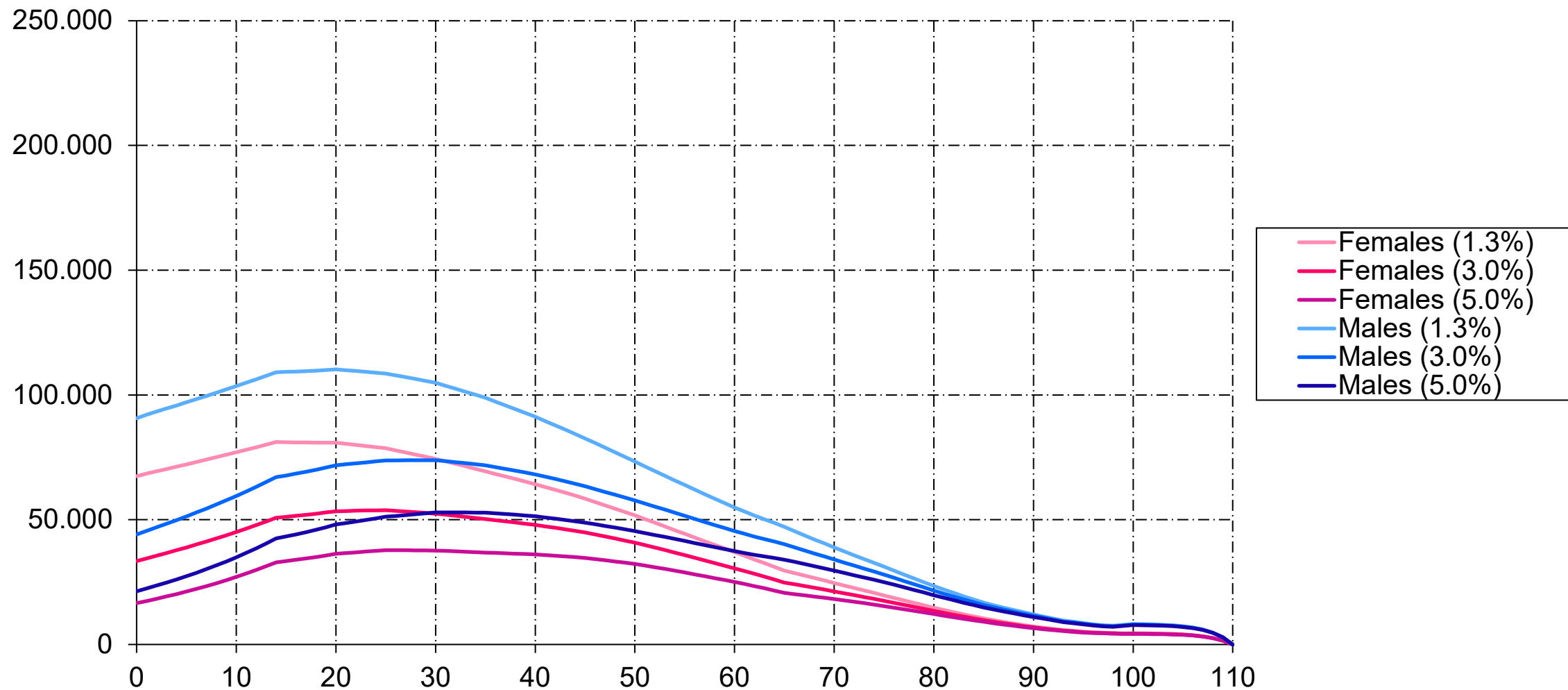
Net Benefits (in Euros)



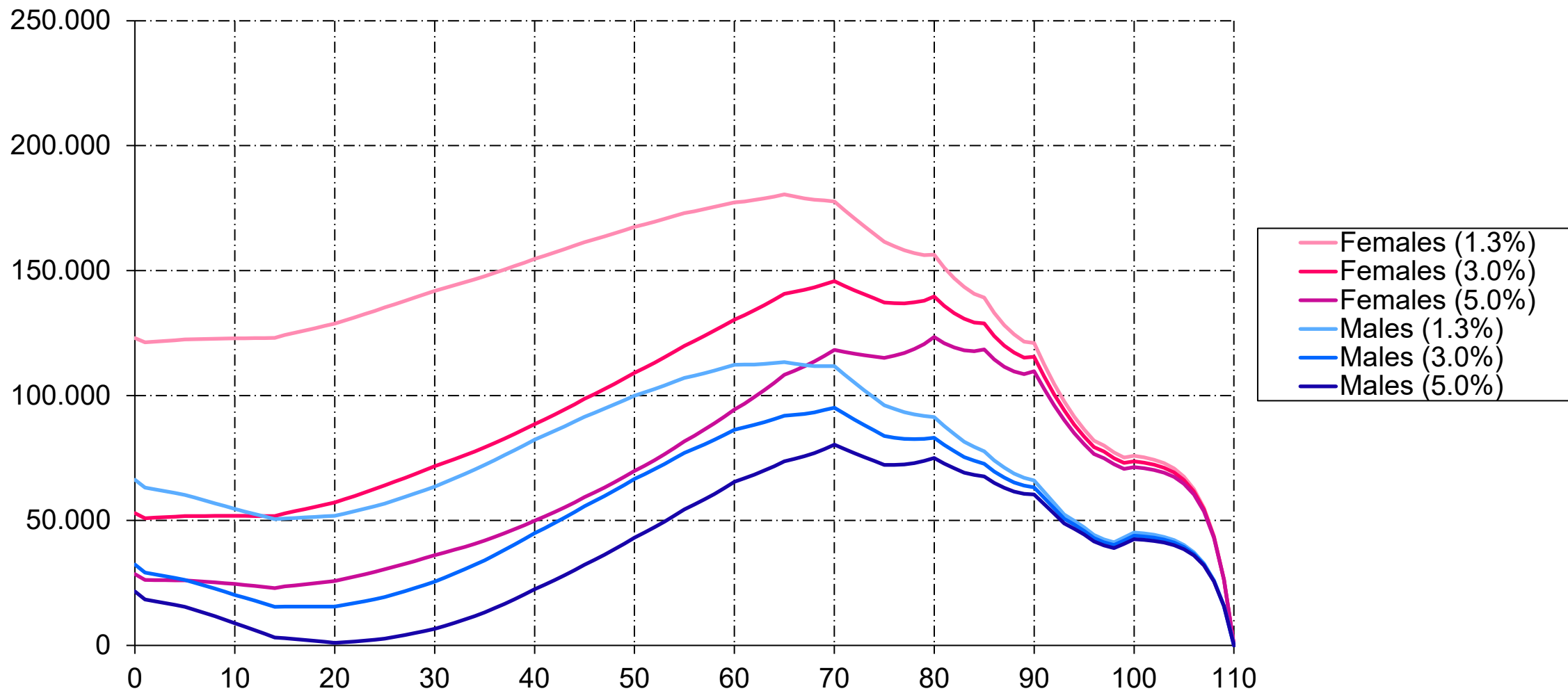
Gross Health and Long-Term Care Insurance Wealth (in Euros)



Present Value of Contributions (in Euros)



Net Health and Long-Term Care Insurance Wealth (in Euros)



Average Flows

Age groups	Gross benefits			Contributions (in Euros)			Net benefits		
	M	F	M+F	M	F	M+F	M	F	M+F
– weighting with active employees' weights –									
0–110	2,435	2,886	2,648	2,597	1,931	2,283	–162	955	364
0–15	1,711	1,844	1,756	1,280	1,113	1,224	431	731	532
16–110	2,438	2,888	2,650	2,602	1,933	2,286	–165	956	364
– weighting with population weights –									
0–110	3,585	4,472	4,036	2,234	1,584	1,904	1,350	2,889	2,132
0–15	1,862	1,618	1,744	163	141	152	1,699	1,477	1,592
16–110	3,915	4,963	4,452	2,632	1,832	2,222	1,284	3,131	2,231

M = males, F = females.

Average Insurance Wealth

Social insurance wealth (in Euros)

M	F	M+F	M+F
16+	16+	16+	0–17

Pension insurance

Pension insurance wealth	138,122	169,003	155,913	–
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Health and long-term care insurance

– weighting with active employees' weights –

Gross insurance wealth	110,448	135,655	122,339	24,924
Present value of contributions	65,024	46,374	56,226	0
Net insurance wealth	45,424	89,282	66,113	24,924

– weighting with population weights –

Gross insurance wealth	112,098	140,971	126,898	24,924
Present value of contributions	56,691	37,892	47,055	0
Net insurance wealth	55,407	103,079	79,844	24,924

M = males, F = females.

Average Household Insurance Wealth and Household Structure

Household insurance wealth according to household structure (in Euros)

Children	Grownups (contributor = 1, non-contributor = 0)					
	1	0	1+1	1+0	0+0	
0	35,632	98,580	72,762	126,160	197,997	(20)
1 (0)	66,109	130,149	108,417	162,257	235,997	(25)
2 (0,5)	91,541	154,837	140,509	192,932	266,774	(30)
3 (0,5,10)	111,886	172,968	168,720	218,957	290,736	(35)
3 (5,10,15)	102,279	160,365	169,060	216,989	285,180	(40)
2 (10,15)	94,537	148,648	171,576	216,497	279,904	(45)
1 (15)	92,880	142,197	180,872	221,682	279,393	(50)
0	98,420	142,141	196,938	232,741	284,345	(55)

Age in brackets. Grownups are of the same age and children are conceived at age 25, 30 and 35, respectively.

The HFCS and Knell and Koman (2022) report an average of 250,000 Euros for private net household wealth and pension insurance wealth at the household level.

Outlook

This is still work in progress. There is a number of tasks on the To-Do-List, including

- first of all, taking account of retired employees in the calculation of health and long-term care insurance wealth for employees,
- applying the “blueprint” described here to the other schemes,
- applying this “blueprint” to the sample of the Household Finance and Consumption Survey,
- calculation of private versus public insurance wealth,
- calculation of health insurance wealth in the stricter sense versus long-term care insurance wealth,
- taking account of different risk classes,
- taking account of future trends in health costs (so far we have worked with age- and gender-specific per-capita health costs as of year 2016, only adjusted with the consumer price index),
- taking account of future trends in life expectancy (so far we have only used period mortality rates of year 2017).

Danke für Ihre Aufmerksamkeit

Thank you for your attention

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