The Private Health Consumption in Russia Within the Lifecycle. Is There an Evidence of Growth for Older Ages?

In the paper I present the results of the private health consumption in Russia within the lifecycle based on the National transfer accounts methodology for this country.

After the NTA balance construction for 2013 we see that the main features of the Russian NTA system can be briefly summarized as following:

- relatively low consumption at the older ages (especially in absolute but also in per capita figures) in comparison with the other developed countries, that makes them in some cases donors within the lifecycle

- strong redistribution towards younger age groups (especially at the preschool age) as a result of the recently carried out family policy, but in absolute figures this money are moderate in comparison even with the Eastern European countries

- low investments in healthcare (both private and public) except for the youngest age groups

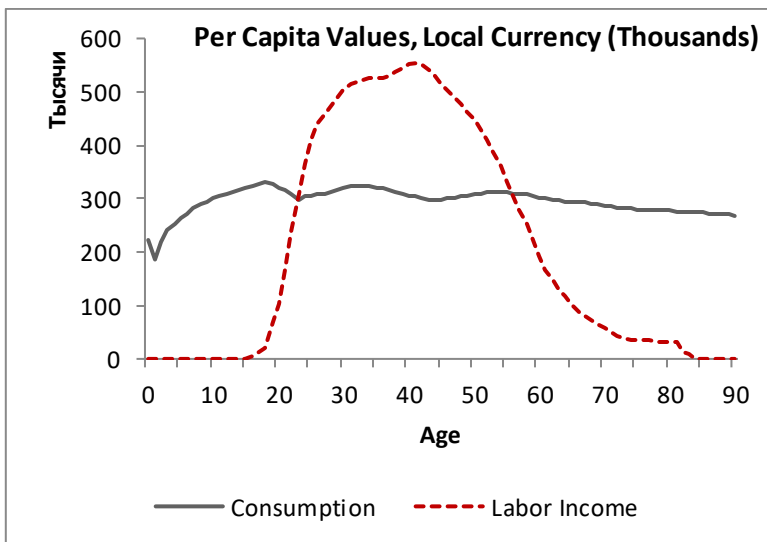- high public consumption making the total consumption profile smooth

However after the analysis of the dynamics we found that the underconsumption of the private healthcare services was changed in recent years (2016 and 2017), and the Russian profile moves closer to the developing countries. Additionally, the private health consumption was the only aggregated indicator demonstrating the significant changes within the contemporary Russian economic history (all the other profiles remain stable). Also it is worth to mention that the life expectancy in Russia was growing despite of the crisis and the lack of the additional public finance. So this growth could be partly explained by the private consumption.

In this article we investigate whether the result is not a statistical and explain the main drivers of it. We also look at the possible cohort effect for explanation (the aging of the less risky cohorts with healthier behavior patterns).

After the NTA balance construction for 2013 (see Graph 1) our research team found out that the main features of the Russian NTA system can be briefly summarized as following (see Graph 2 for the consumption):

-        relatively low consumption at the older ages (especially in absolute but also in per capita figures) in comparison with the other developed countries, that makes them in some cases donors within the lifecycle

-        strong redistribution towards younger age groups (especially at the preschool age) as a result of the recently carried out family policy, but in absolute figures this money are moderate in comparison even with the Eastern European countries

-        low investments in healthcare (both private and public) except for the youngest age groups

-        high public consumption making the total consumption profile smooth
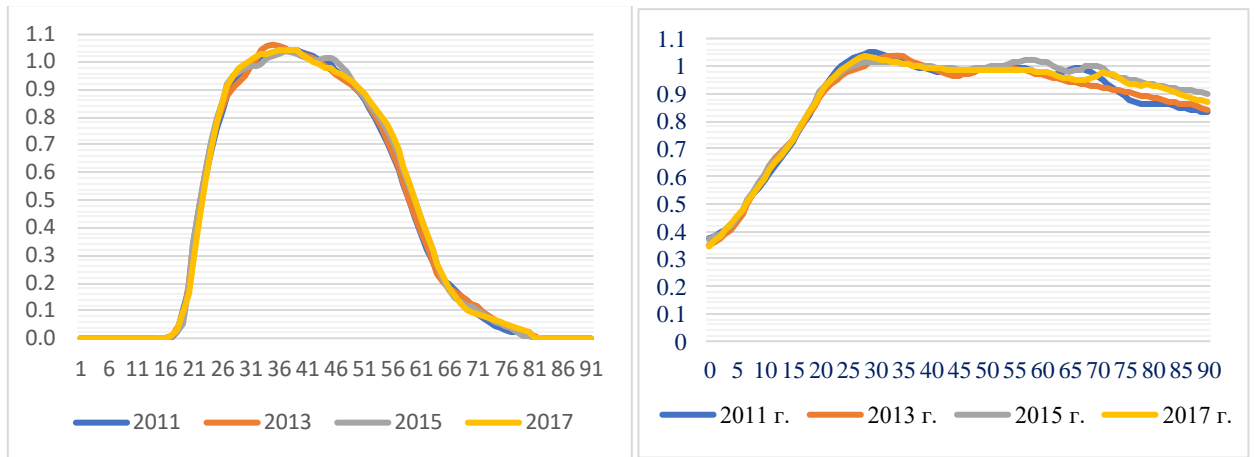
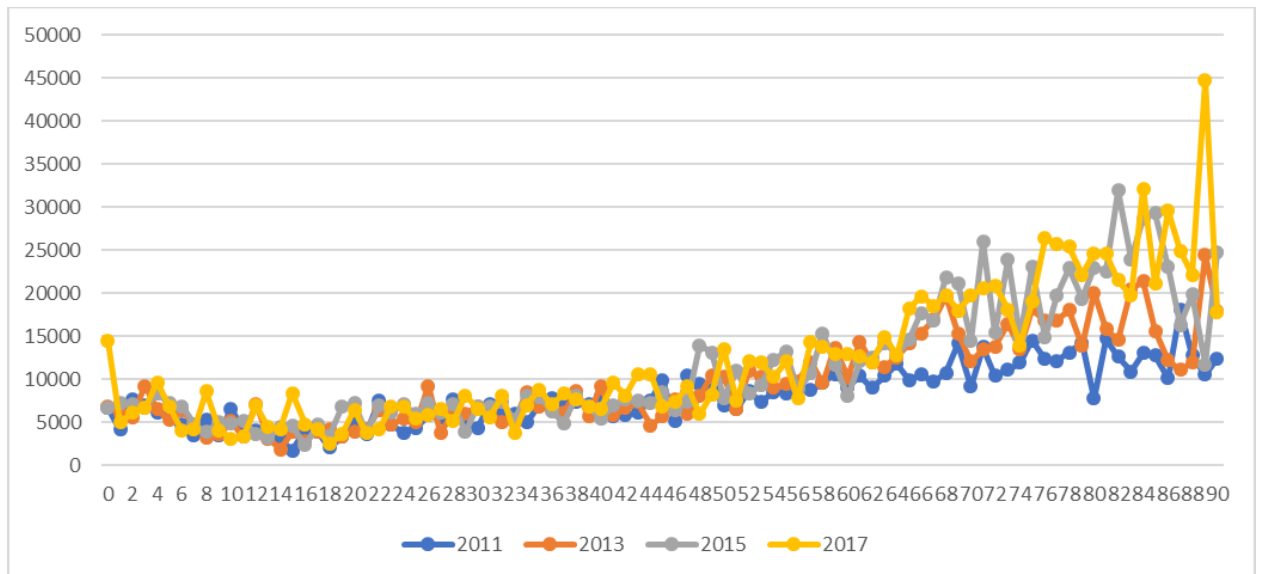**Graph 1.**

Graph 2.
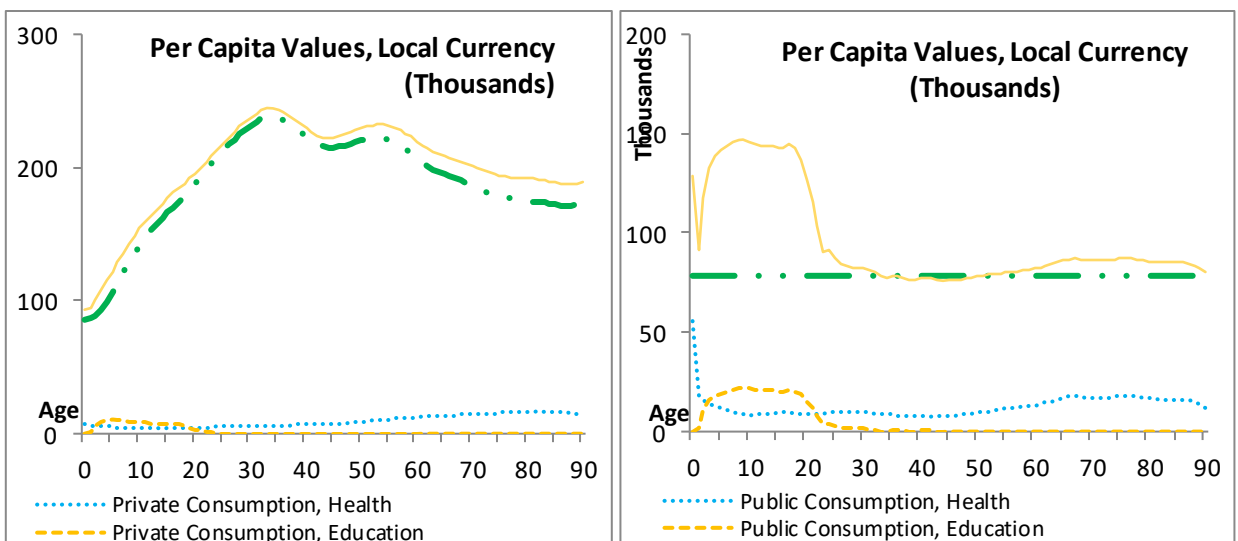
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The dynamics of the life cycle deficit components remains almost unchanged

Graph 3. Labour income (left) and Private consumption other than health and education (right)
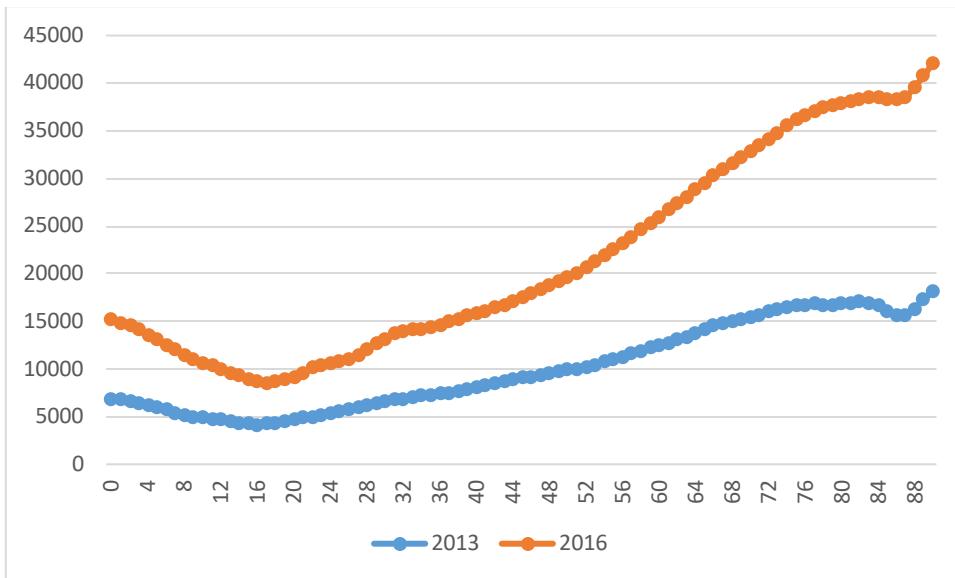

However, after the analysis of the dynamics we found that the underconsumption of the private healthcare services was changed in recent years (2016 and 2017), and the Russian profile moves closer to the developing countries. Additionally, the private health consumption was the only aggregated indicator demonstrating the significant changes within the contemporary Russian economic history (all the other profiles remain stable). This changes cannot be explained by the inflation only. Also it is worth to mention that the life expectancy in Russia was growing despite of the crisis and the lack of the additional public finance. So this growth could be partly explained by the private consumption.

Graph 4. Health consumption (before smoothing)

Graph 5. Health consumption (after smoothing)

In this article we investigate whether the result is not a statistical and explain the main drivers of it. We also look at the possible cohort effect for explanation (the aging of the less risky cohorts with healthier behavior patterns).

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