

## **Abstract for “Comparing Hospital Prices and Volumes across Countries – A New Approach”**

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Health services are among the most comparison-resistant services in international comparisons such as the Eurostat-OECD Purchasing Power Parities (PPP) program and the ICP. Traditionally, PPPs for health services are estimated on the basis of input methods, e.g. by comparing salaries of doctors and nurses. This mainly reflects the difficulties inherent in measuring the output of services produced by non-market producers. Since 2007, OECD and Eurostat have undertaken work, with their Member States, to develop explicit output-based measures of prices and volumes of hospital services directed at comparisons across countries. The approach is based on collecting quasi-prices for a basket of comparable and representative medical and surgical hospital services. Eurostat and OECD used the new approach for the first time in their PPP calculations that entered the 2011 ICP benchmark round. The paper describes the output-based approach, the way it was developed and tested to assess its feasibility, and the results based on the latest data collection.