

Financing Health and Social Protection in Latin America and the Caribbean: Organization, Financing and Sustainability of Social Health Insurance Systems in LAC

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Health for All: Can it be financed?
“Fiscal Space and the Financing of Universal Health Care
Systems in the Americas: Issues and Policies”
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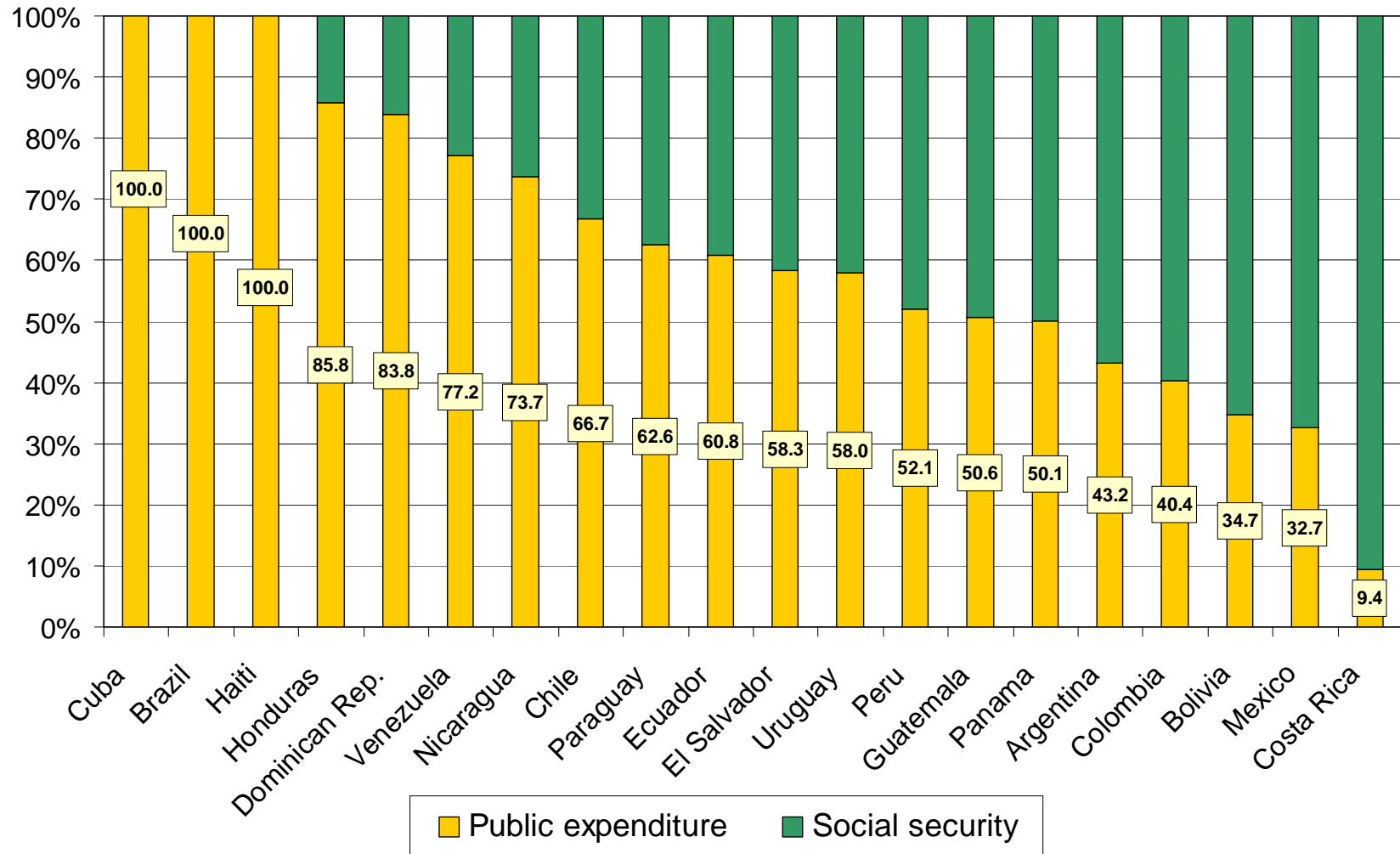
Outline

- **Health subsystems integration and financing sources**
- Perspectives of increase contributory financing
- Non contributive expenditure
- A necessary discussion on tax burden and public expenditure efficiency

Health sector is characterized by

- Segmentation between the public, social-security and private systems:
 - Different sources of financing
 - Inefficiency, duplications, waste of resource
 - Different social contracts and a differentiated perception of health rights, all of which goes against social cohesion: diverse basic packages, contributive and non contributive rights.
 - Weak public-private coordination in the provision leads to wrong use of the overall installed capacity
- Moving towards universalization requires more subsystem integration: different experiences in the region

Latin America: Total public health expenditure by source, 2004 (Percentages)

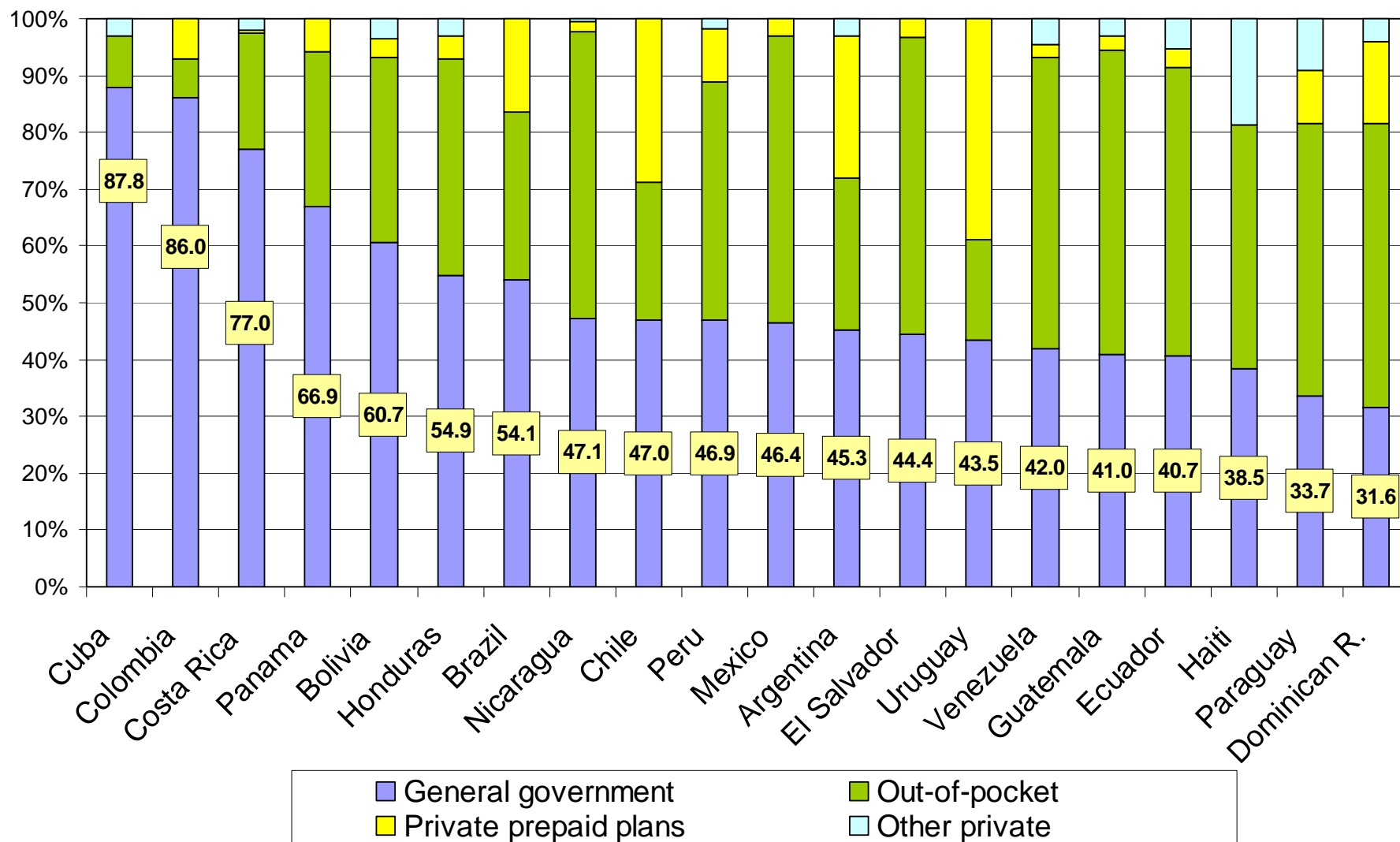


Source: Core Health Indicators, WHO, 2007

Different ways of integrating subsystems depends on history and fiscal stand

Type 1	<i>Public financing expenditure is basically non contributive: Brazil, Cuba and English Caribbean</i>
Type 2	<i>Different explicit ways of integrationon between public and social security: Costa Rica, Chile, Colombia, R. Dom.</i>
Type 3	<i>Systems with low articulation between public and social securitu: Argentina, Bolivia, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay</i>

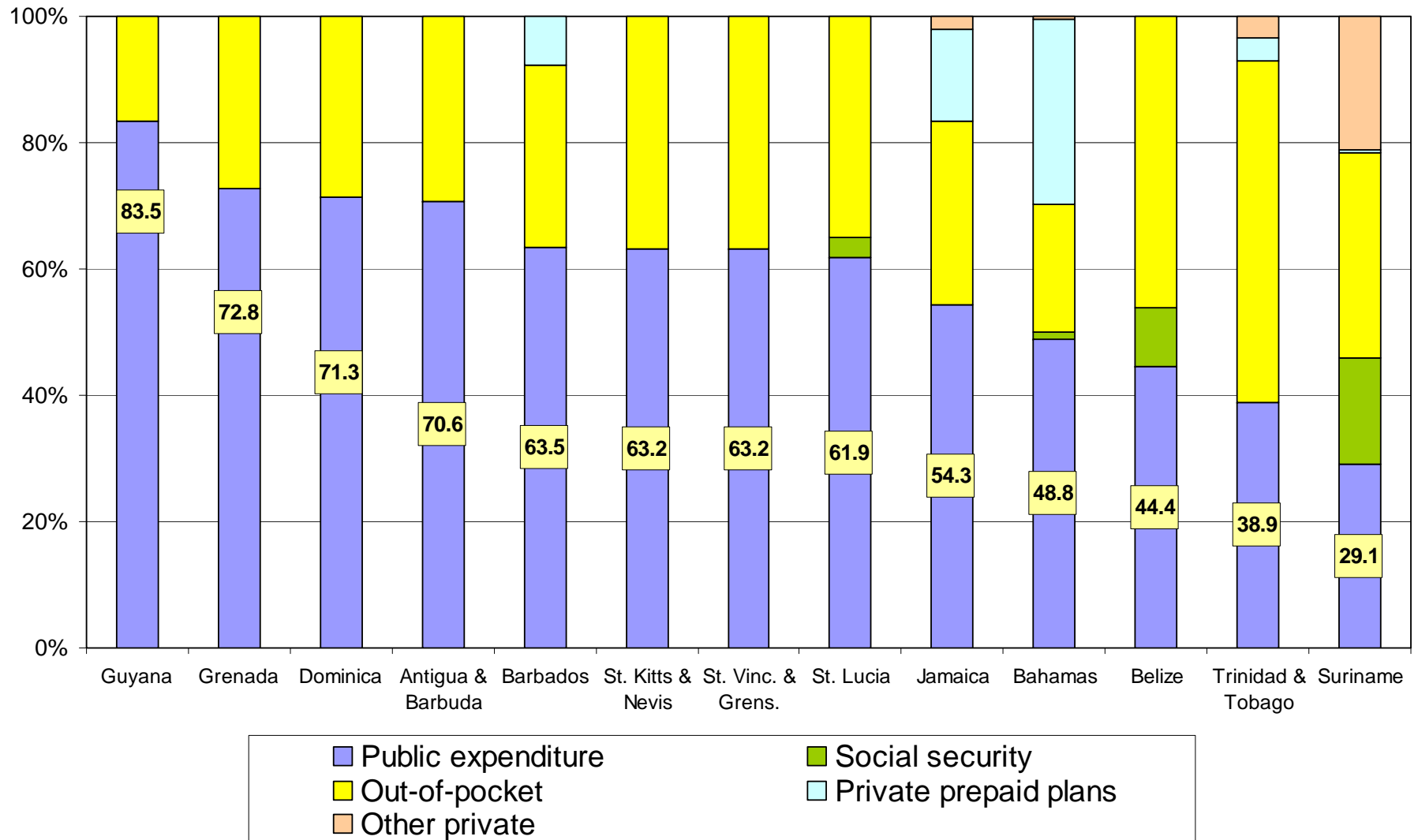
Latin America: Total health expenditure by source, 2004 (Percentages)



Source: Core Health Indicators, WHO, 2007

Caribbean: Total health expenditure by source, 2004

(Percentages)



Source: Core Health Indicators, WHO, 2007

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Latin America and the Caribbean:

Social security coverage, total employed population

(Percentage paying contributions, ca. 2004)

	National ^a	Total-urban areas	Total-rural areas ^a
Argentina (2005)	...	44.2	...
Bolivia (2004)	14.5	19.2	4.6
Brazil (2005)	47.8	56.1	17.4
Chile (2003)	64.9	67.0	48.8
Costa Rica (2005)	65.3	67.7	60.5
Ecuador (2005)	...	32.2	...
El Salvador (2004)	32.9	38.4	14.5
Guatemala (2004)	17.8	28.0	8.5
Mexico (2005)	55.1	60.1	30.8
Nicaragua (2001)	18.3	25.1	7.6
Panama (2005)	53.8	57.7	29.3
Paraguay (2005)	13.5	20.6	5.0
Peru (2003)	13.0	20.1	2.6
Dominican R. (2005)	44.7	34.7	32.7
Uruguay (2005)	...	62.1	...
Venezuela (2005)	61.5	60.5	...
Simple average	38.7	43.4	21.9

Source: Economic Commission for Latin America and the Caribbean (ECLAC)

^a Figures from previous round of household surveys.

Latin America and the Caribbean:

Social security coverage, only urban wage-based

(Percentage paying contributions, ca. 2004)

	Total	Formal sector	Informal sector	With contract	Without contract
Argentina (2005)	62.5	74.4	23.0	71.6	12.5
Bolivia (2004)	28.3	45.8	4.5	65.8	8.9
Brazil (2005)	71.5	76.2	35.3	100.0	33.4
Chile (2003)	82.9	88.5	54.7	96.4	32.0
Costa Rica (2005)	80.4	90.4	40.4	...	...
Ecuador (2005)	46.4	60.8	14.8	76.8	16.0
El Salvador (2004)	58.9	78.2	6.8	92.4	47.1
Guatemala (2004)	48.7	66.0	7.6	79.6	27.1
Mexico (2005)	62.5	76.2	20.1	84.1	23.8
Nicaragua (2001)	41.0	58.4	6.4	...	...
Panama (2005)	76.3	86.3	25.9	87.7	14.9
Paraguay (2005)	32.3	52.1	4.1	65.9	4.5
Peru (2003)	35.2	38.5	2.4	...	...
Dominican R. (2005)	58.7	70.0	7.2	85.5	42.8
Uruguay (2005)	77.3	88.9	44.9	...	...
Venezuela (2005)	61.7	73.4	15.8	...	...
Simple average	57.8	70.3	19.6	82.3	23.9

Source: Economic Commission for Latin America and the Caribbean (ECLAC)

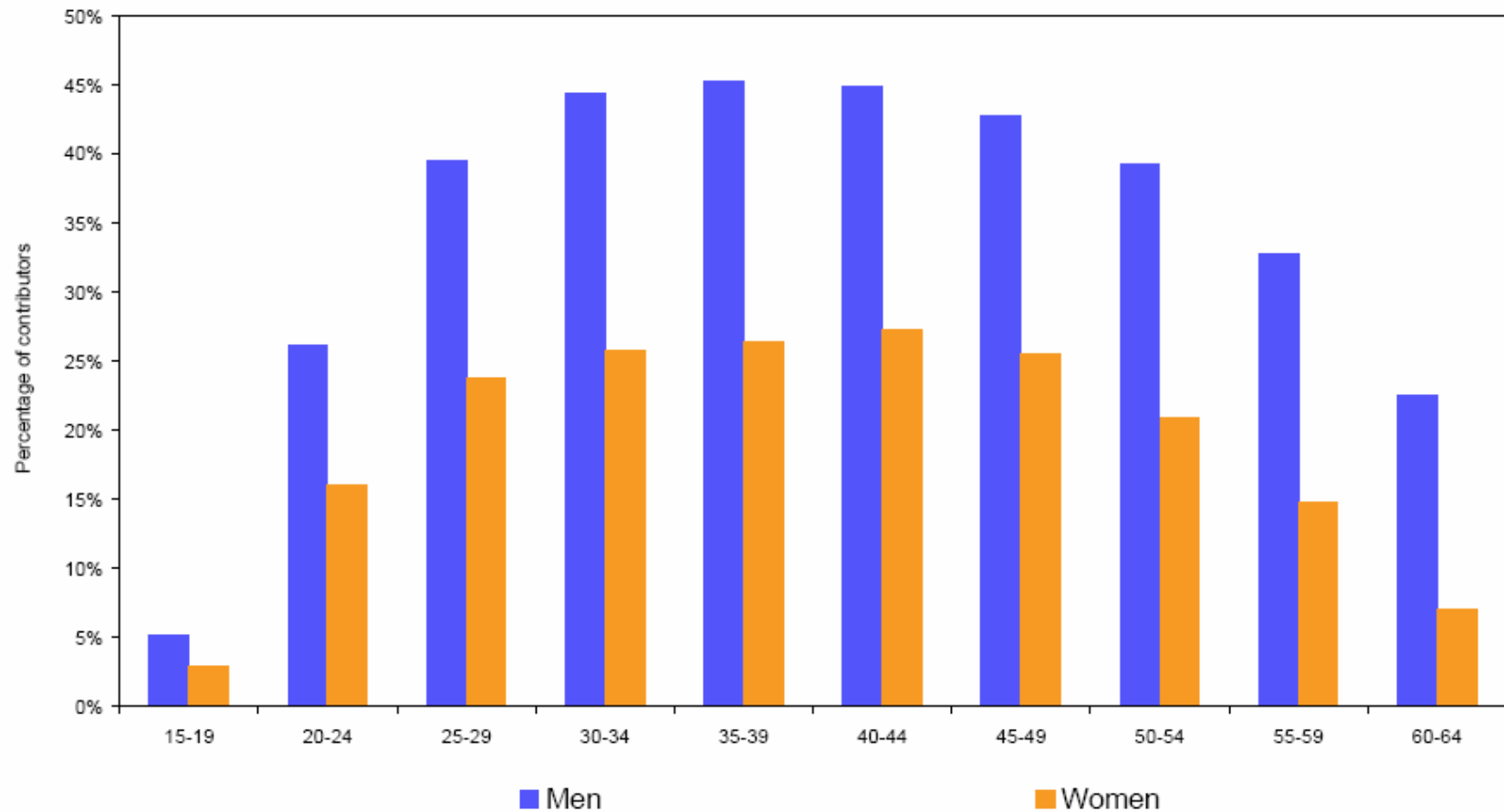
Latin America and the Caribbean: Employed persons' social security contributions, by household income quintile (ca. 2002)

	Q1	Q2	Q3	Q4	Q5	Q5/Q1
Argentina (2002, urban)	15.2	38.3	57.7	66.4	76.1	5.0
Bolivia (2002)	3.2	6.3	10.3	16.2	30.3	9.5
Brazil (2001)	20.1	36.1	47.2	55.6	63.5	3.2
Chile (2003)	50.3	60.0	64.5	68.1	71.4	1.4
Costa Rica (2002)	49.6	58.2	63.7	66.2	75.1	1.5
Ecuador (2002, urbana)	11.1	18.8	25.1	33.7	54.5	4.9
El Salvador (2001)	11.5	16.8	29.5	36.1	52.9	4.6
Guatemala (2002)	4.7	15.0	17.1	23.3	24.0	5.1
Mexico (2002)	28.9	46.9	51.8	64.2	73.4	2.5
Nicaragua (2001)	6.4	12.0	13.5	23.5	26.9	4.2
Panama (2002)	22.3	42.7	54.8	61.0	67.0	3.0
Paraguay (2000)	3.1	5.7	11.2	17.2	22.7	7.3
Peru (2001)	2.0	5.7	10.1	15.7	24.9	12.5
Dominican Rep. (2002)	34.9	40.7	37.5	47.6	51.6	1.5
Uruguay (2002, urbana)	25.6	48.1	62.7	75.9	85.3	3.3
Venezuela (2002)	36.9	51.9	59.7	68.1	78.9	2.1

Source: Economic Commission for Latin America and the Caribbean (ECLAC)

Latin America and the Caribbean: Social security contributors

(Percentage of the working-age population, by age and sex)

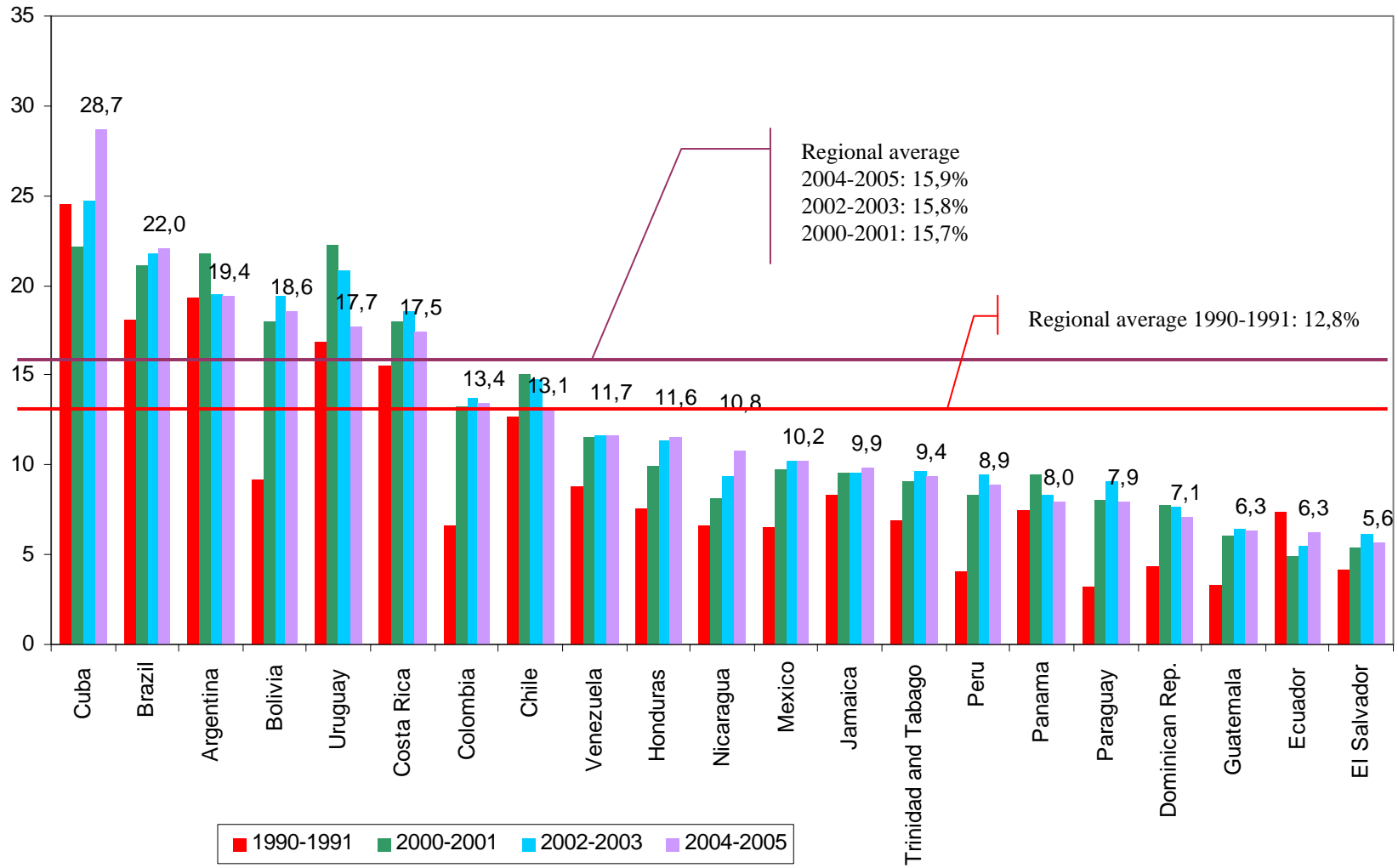


Source: Economic Commission for Latin America and the Caribbean (ECLAC)

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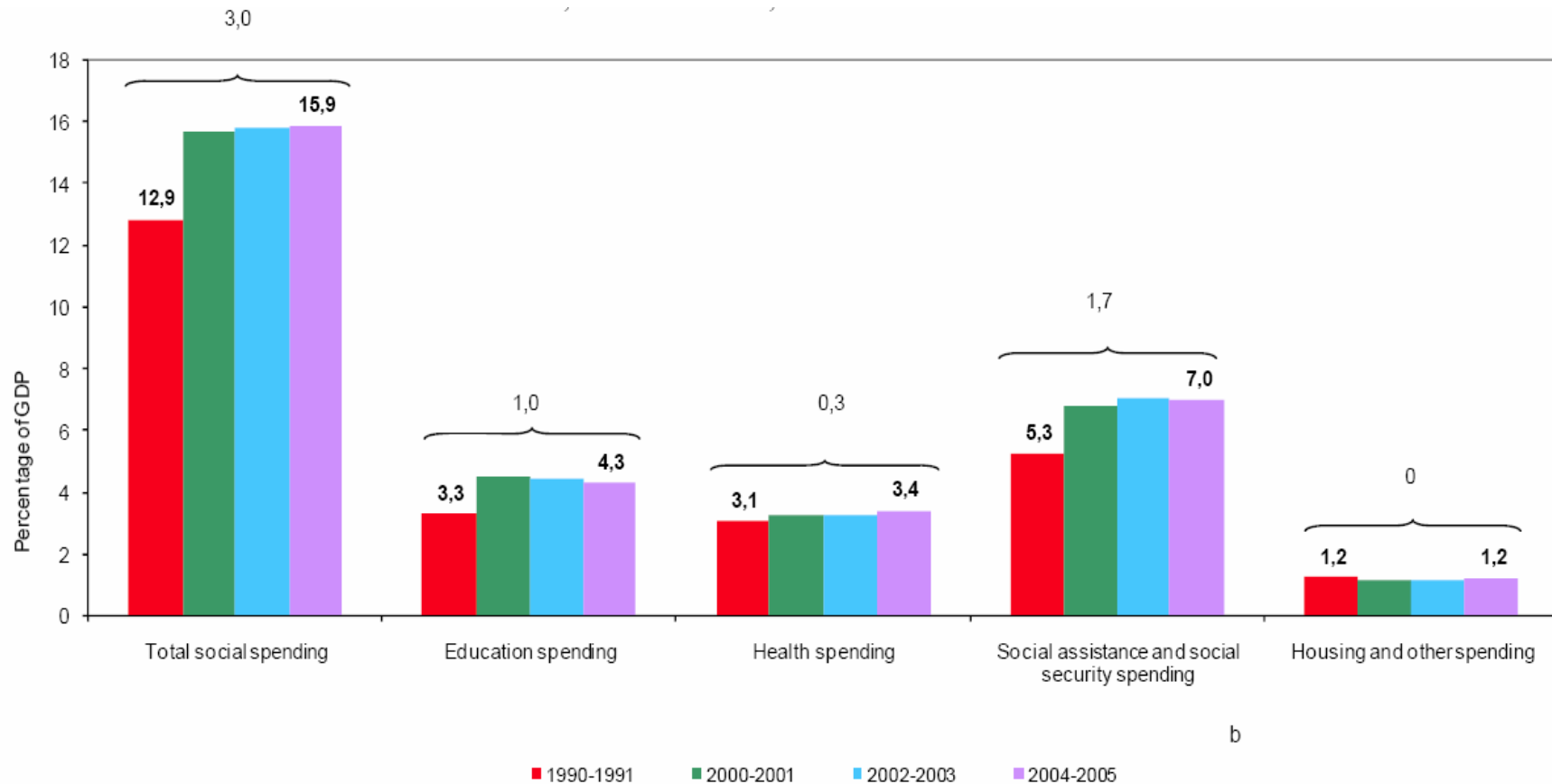
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LAC (21 countries): Public social spending, as a percentage of GDP, 1990-1991 to 2004-2005



Source: ECLAC, on the basis of information from the Commission's social expenditure database.

Latin America and the Caribbean (21 countries): Public social expenditure as a percentage of GDP, by sectors, 1990-1991 to 2004-2005^a

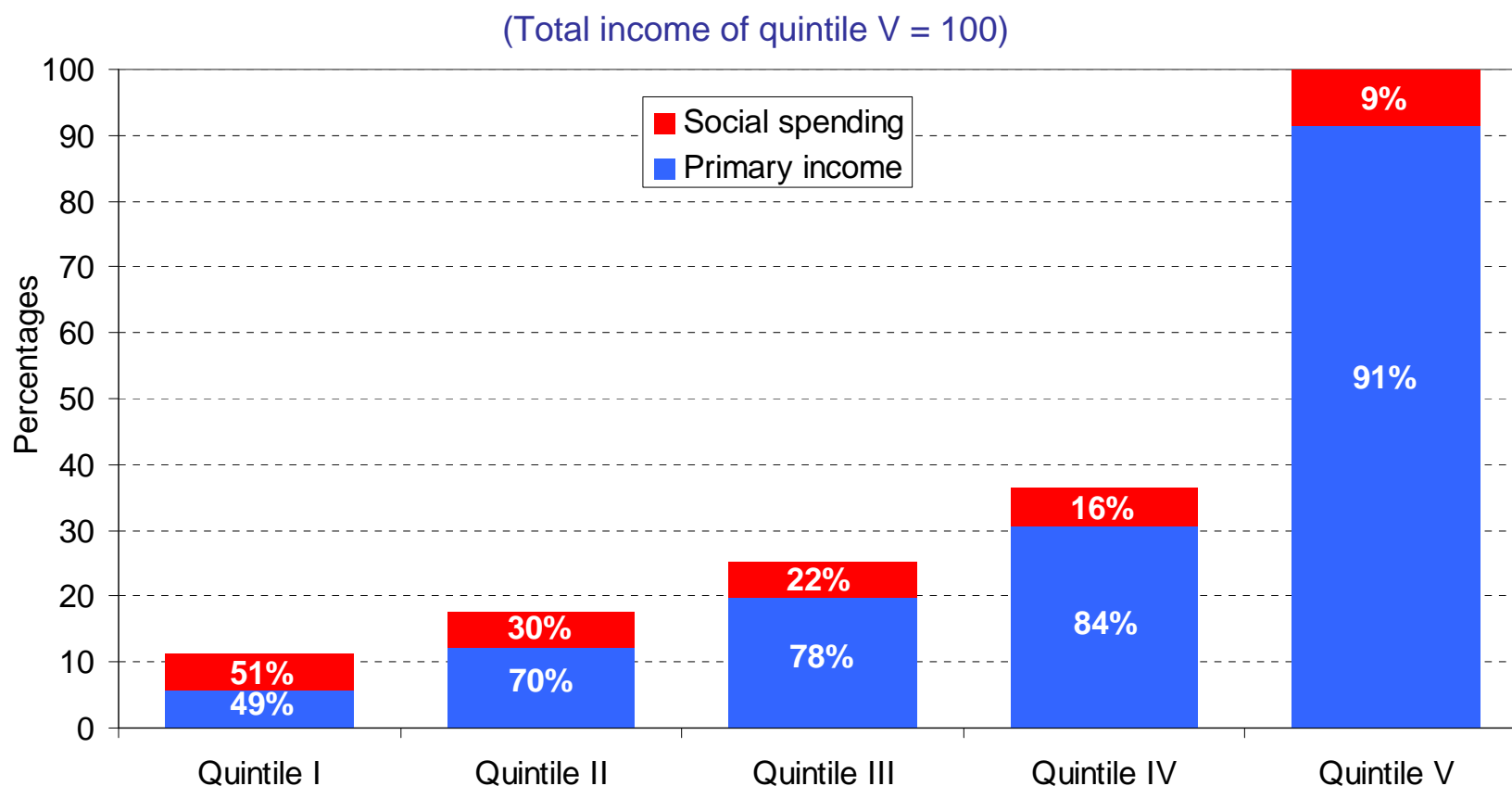


Source: ECLAC, on the basis of information from the Commission's social expenditure database.

^a Weighted average of countries, not including Nicaragua.

^b The information available is such that the two headings cannot be separated. According to national studies, social security represents around 78% of the resources under this double heading.

Latin America (18 countries): Redistributive impact of public social spending on income, by primary income quintiles, 1997-2004^a (Percentages)

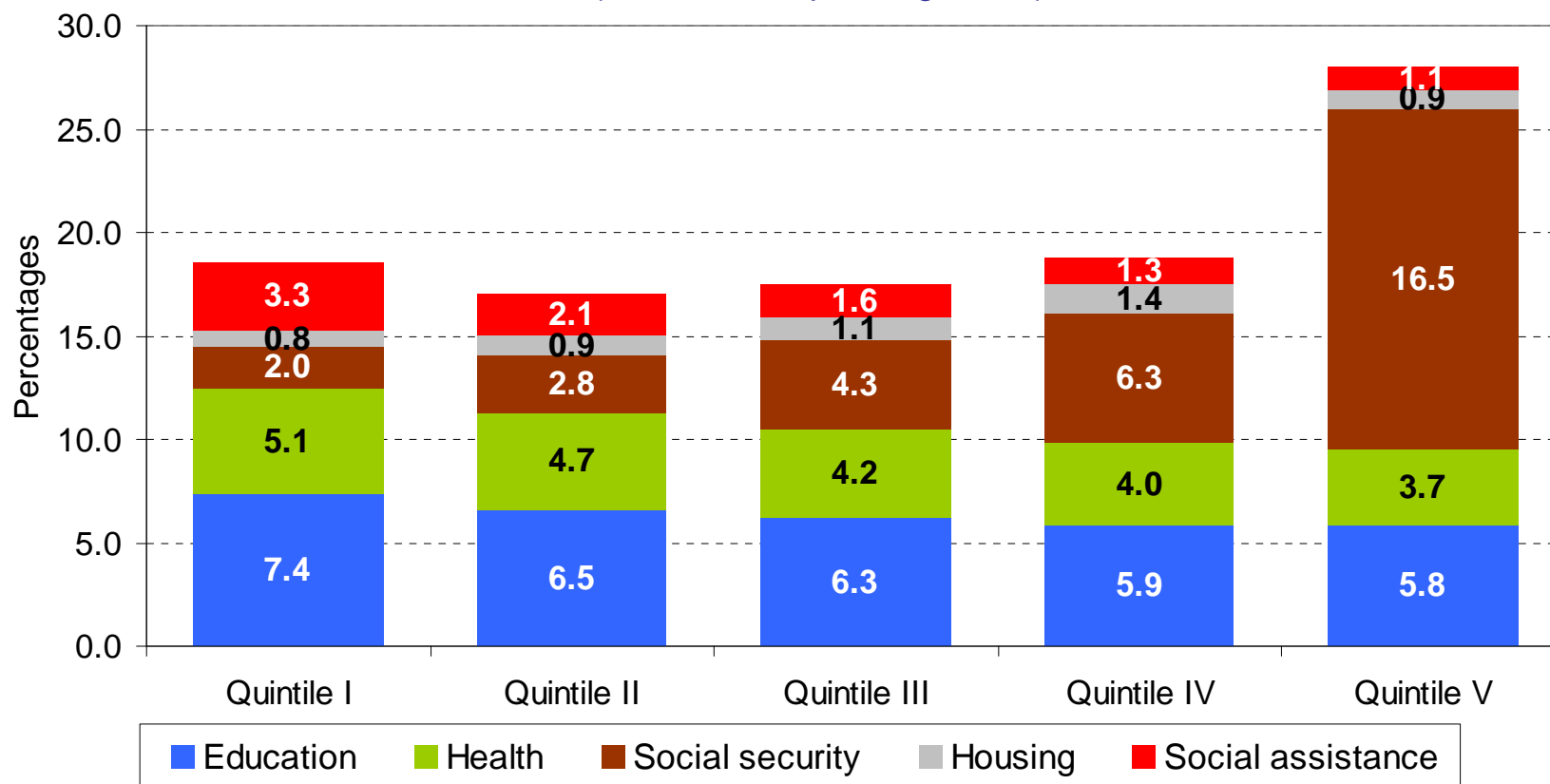


Source: ECLAC, on the basis of national studies.

^a Weighted average according to the significance of each spending item in each country's primary income.

Latin America (18 countries): Composition of spending, by primary income distribution quintiles, 1997-2004^a (Percentages)

(Total social spending = 100)



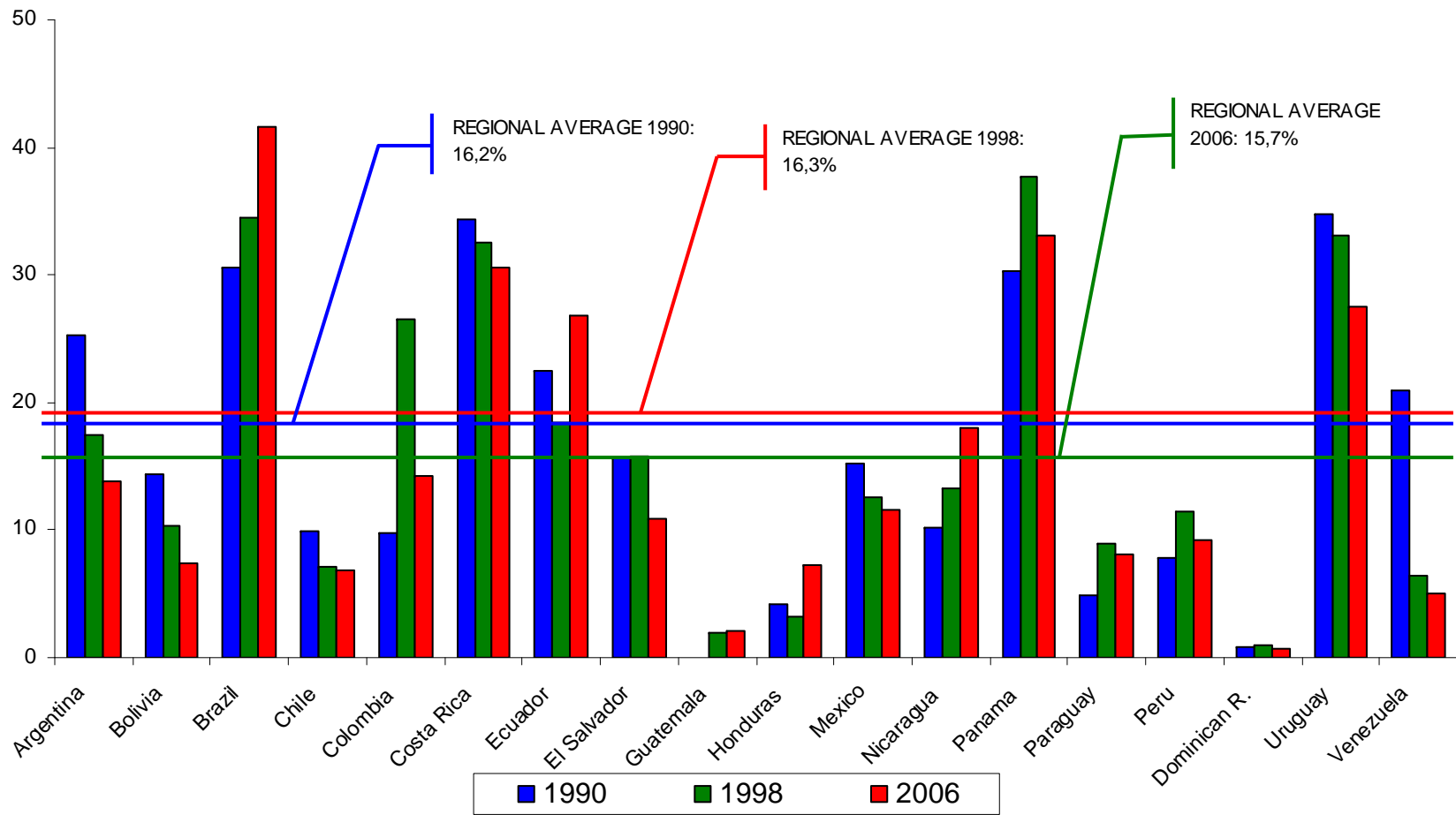
Source: ECLAC, on the basis of national studies.

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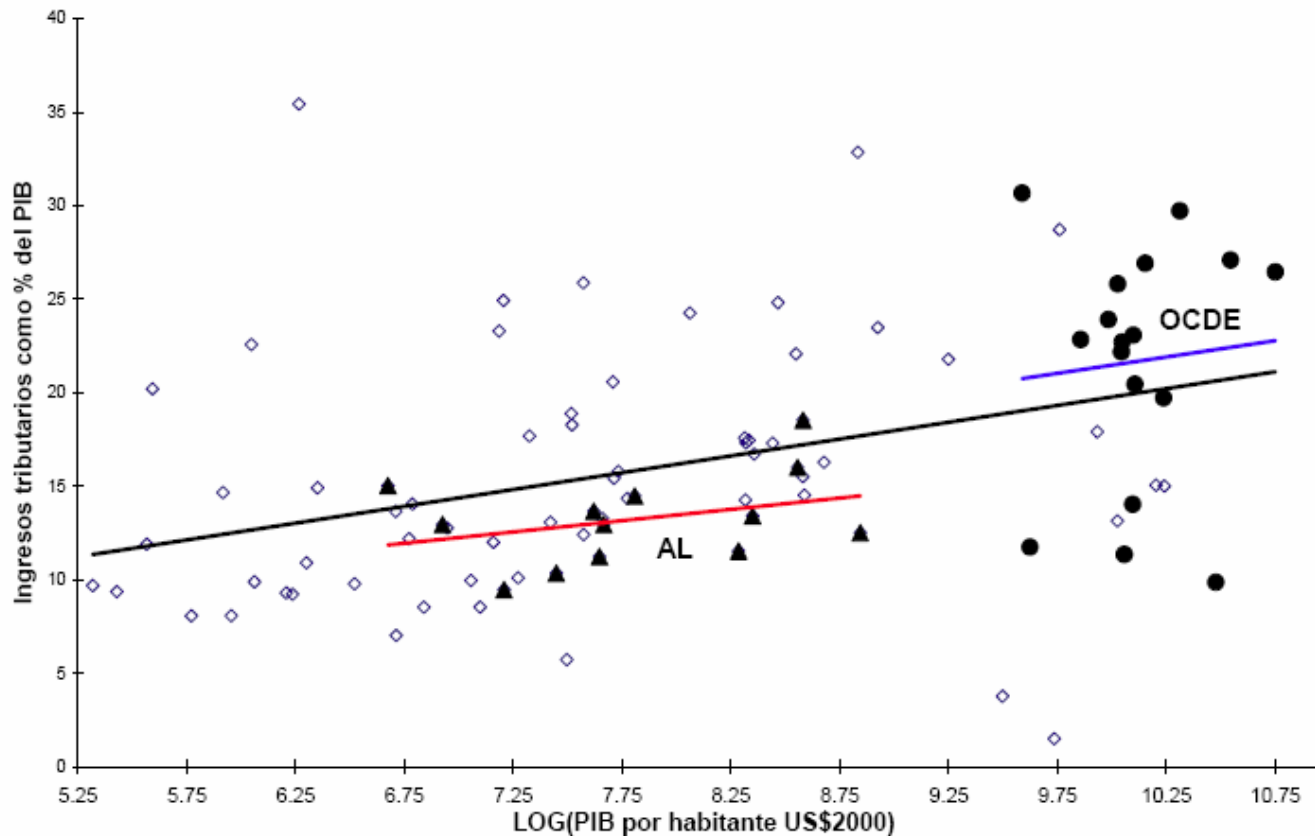
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Social security as a share of tax revenues, 1990 and 2006 (Percentages)



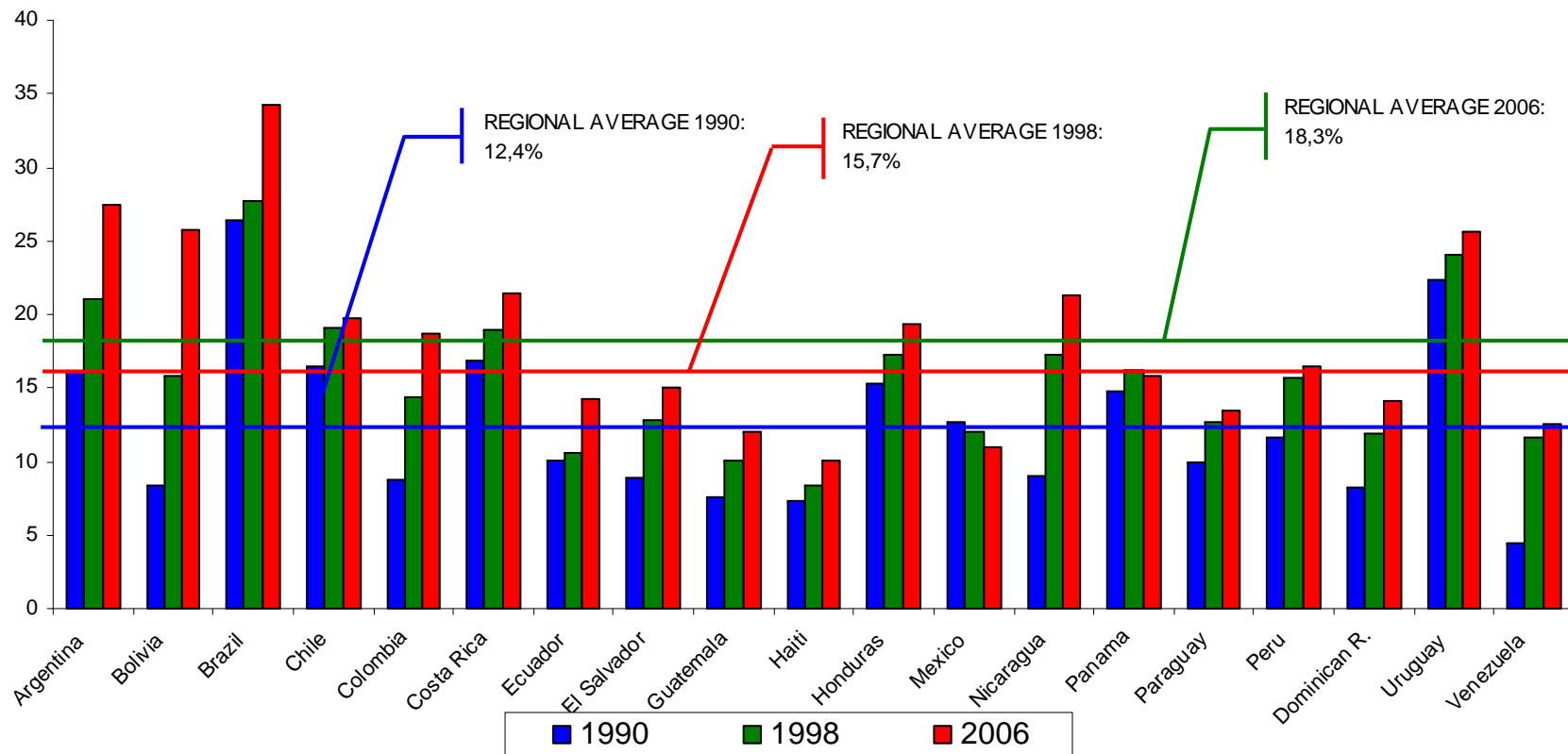
Source: Economic Commission for Latin America and the Caribbean (ECLAC)

Per capita GDP and tax revenues as a share of GDP, 2003 (2000 dollars)



Source: Economic Commission for Latin America and the Caribbean (ECLAC)

Latin America and the Caribbean: The tax burden, 1990-2006 (Percentages of GDP)



Source: Economic Commission for Latin America and the Caribbean (ECLAC)

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