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Discussion Panel 1

How can financing be obtained to
improve hospital safety?




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Points for discussion

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- 1. Socioeconomic impact of disasters on health.**
 - 2. Cost-benefit analysis**
 - 3. Financing strategies and sources available to the health sector**



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1. Socioeconomic impact

- What affects the economy affects the health sector—and vice versa.
- The economic valuation of the impact estimates a dollar value to the damage.
- The health sector is competing with others for funding



- Two thirds of the 18,000 hospitals in Latin America and the Caribbean are at high risk
- An estimated 45 million people could not receive hospital medical care over the years
- The direct economic losses from the destruction of infrastructure and equipment have probably exceeded US\$ 4 thousand million over the past 25 years.



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Economic valuation

- **Direct damage**
 - Cost of replacement and upgrade
- **Indirect losses**
 - Loss of income
 - Cost of illness and death
 - Loss of opportunities



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Economic Valuation

- ECLAC methodology endorsed by WB and WHO
- Importance of the role of the Ministries of Health in the economic valuation process to ensure proper attention to the health sector



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2. Cost benefit analysis

The benefits are not merely in financial terms


The operations of some facilities are more critical than that of others: In an emergency, hospitals are more essential than schools for instance

Not all health facilities need the same level of protection



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- The cost-benefit ratio of a safe design of new installations is high both in financial and social terms
 - Cost-benefit of retrofitting existing facilities should be analyzed case by case based on the Safety Scoring and its function.

3. Financing strategies and sources available

- Risk transfer (insurances and funds)
- National development resources
- International loans and grants



- How to insure that
 - facilities funded by profit or non-profit private groups are safe
 - Bilateral projects include risk reduction considerations



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National development resources

- Every country is investing into building or renovating health infrastructure
- Risk reduction must be a key factor in determining which facility will be built or retrofitted.
- **How to achieve this?**



External sources

- National risk reduction should be and is funded overwhelmingly by national resources
- External sources available:
 - Their scope
 - Their limitations



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Conclusions



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