



# **Pan American Health Organization**



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# Discussion Panel 1

How can financing be obtained to improve hospital safety?



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# Points for discussion

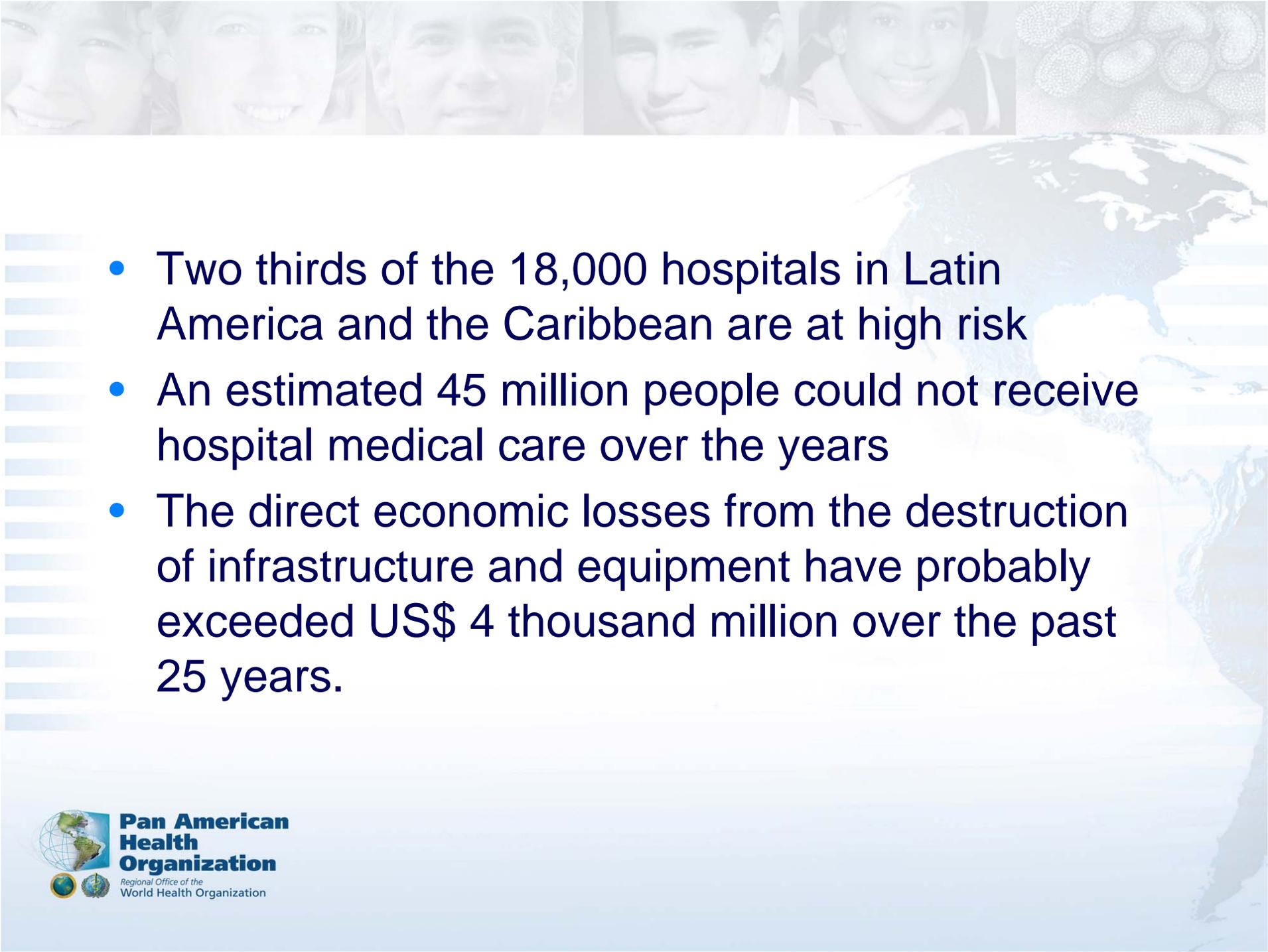
- 1. Socioeconomic impact of disasters on health.**
- 2. Cost-benefit analysis**
- 3. Financing strategies and sources available to the health sector**



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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

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- 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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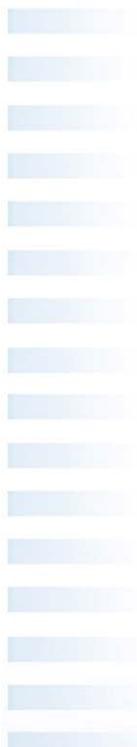
# Economic valuation

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



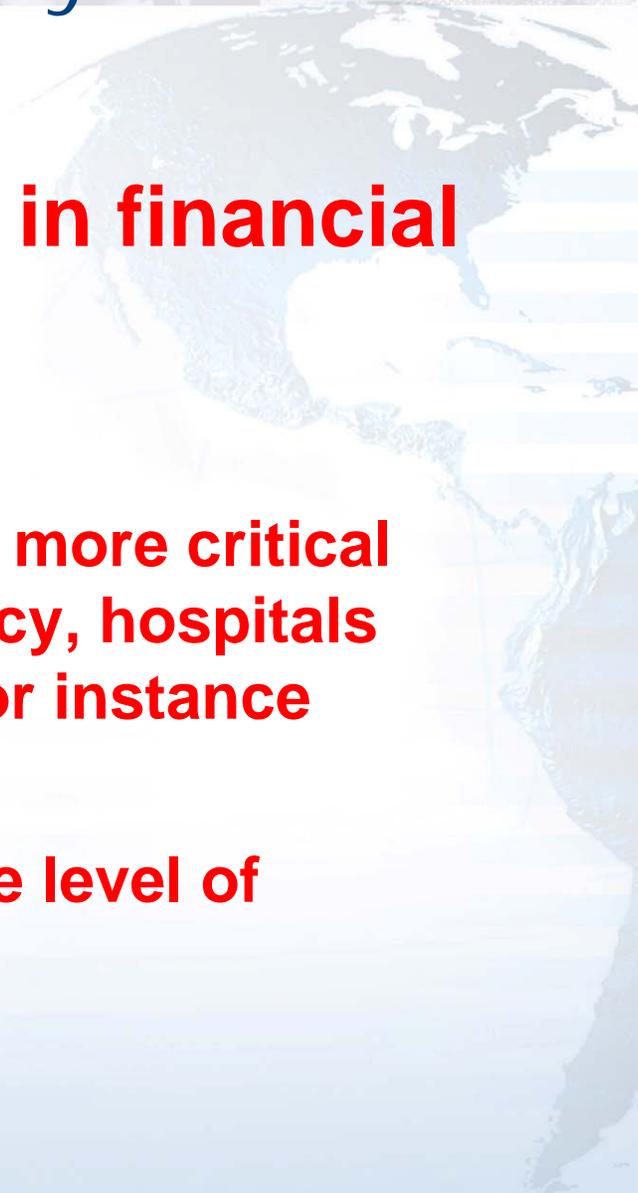


# Economic Valuation

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- 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



## 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**



- 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



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

# 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



# Conclusions



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