

Strengthening health systems and addressing inequality in LAC

Health, Nutrition and Population Global Practice

Latin America and the Caribbean Region

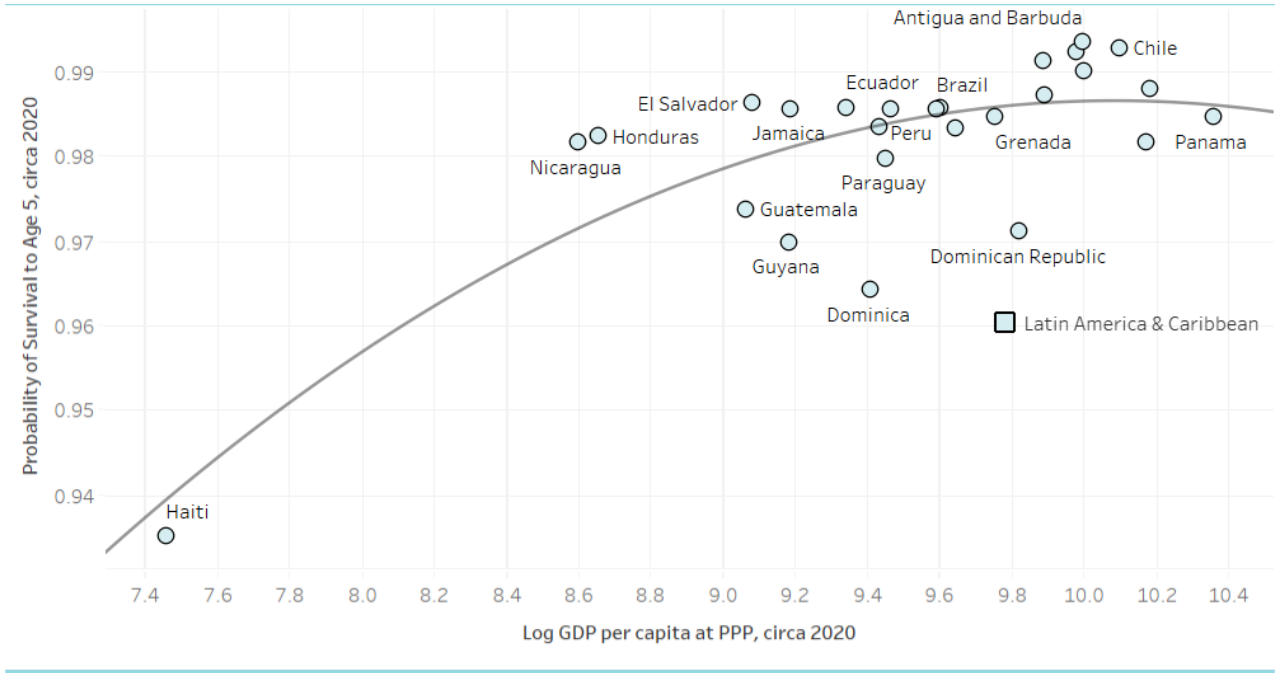
August 2022



LAC tops the world in inequalities in health and human capital outcomes, even before the pandemic...

Health outcomes highly correlated with GDP per capita across countries and with education and wealth levels within countries

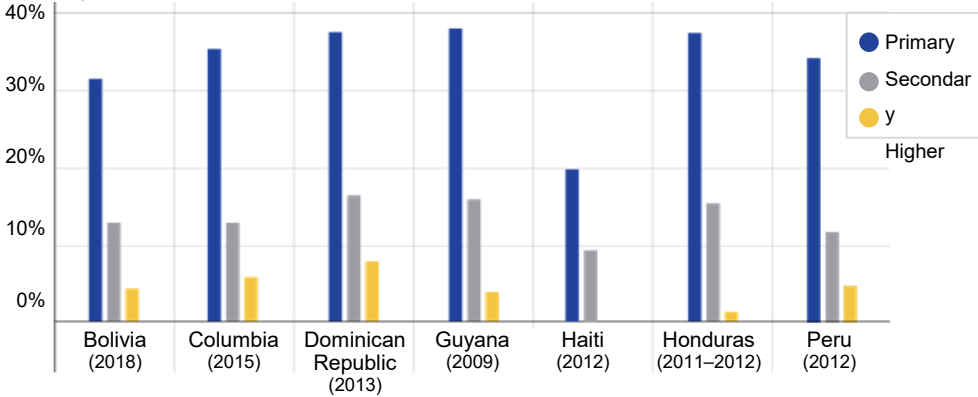
Child Survival (Boys & Girls)



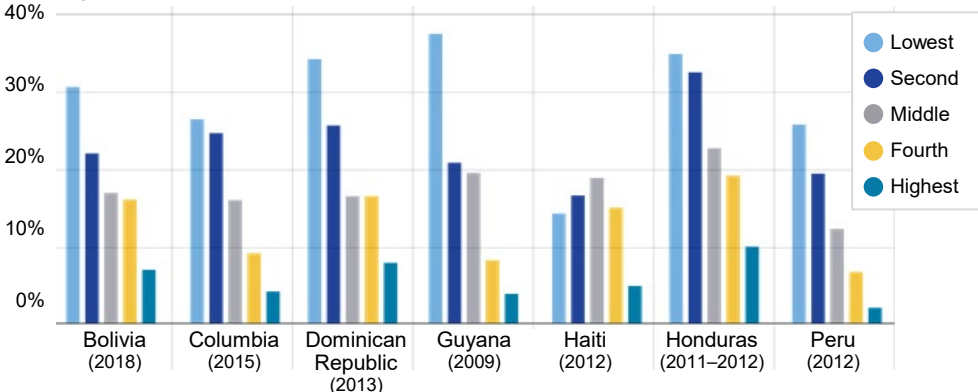
Source: World Bank, Human Capital Project, 2020

Adolescents (15–19 years) Who had Begun Childbearing

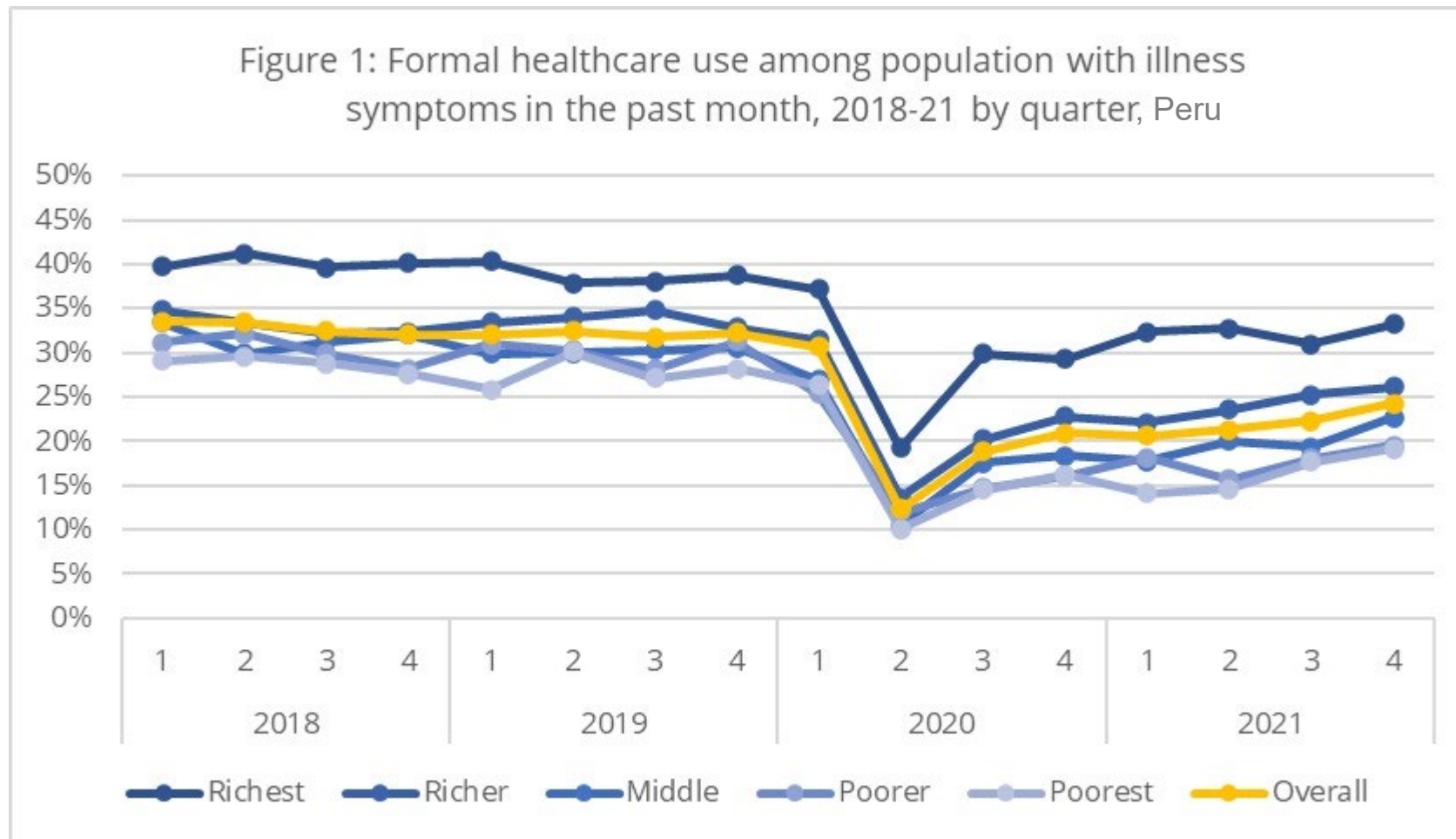
By education



By wealth



... and COVID-19 has drastically disrupted access to services and outcomes amongst all populations



Source: Preliminary World Bank Analysis based on Encuesta Nacional de Hogares. Peru Instituto Nacional de Estadística e Informática

Figure 6.5. Change in health expenditure by government scheme and compulsory insurance scheme as a share of GDP, 2010-17

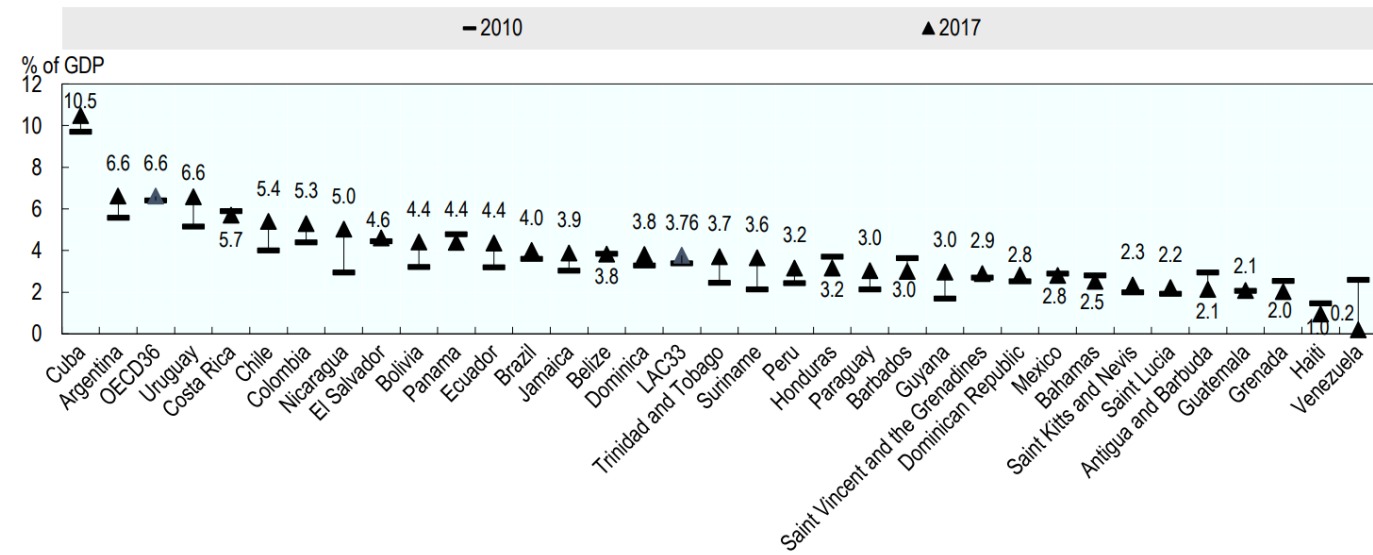
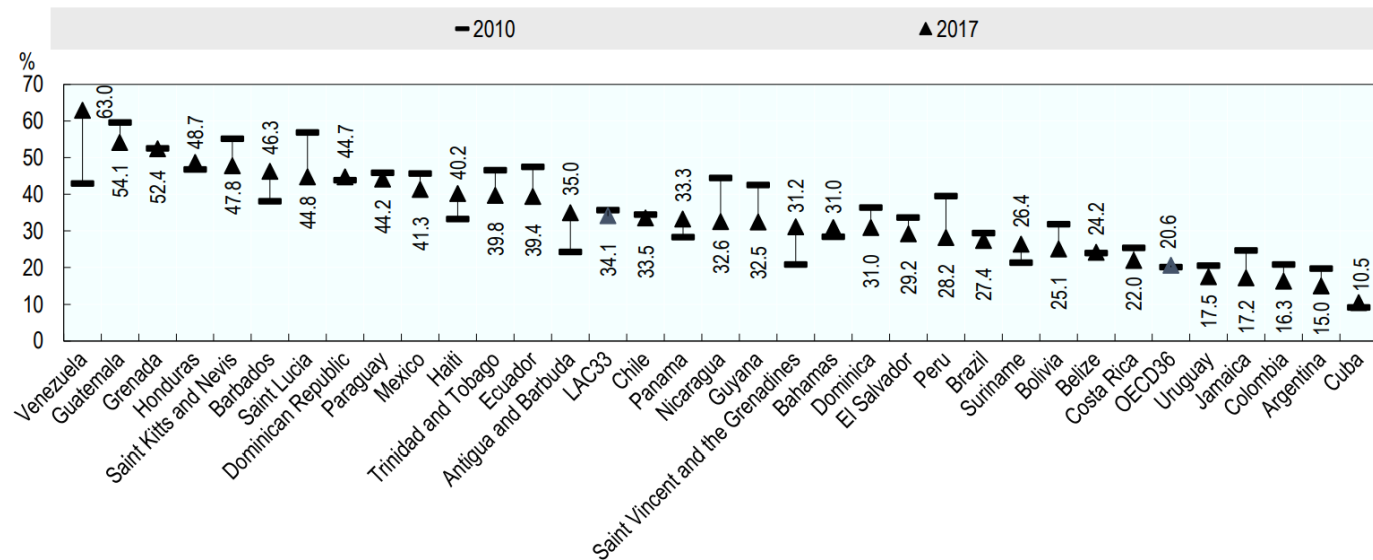
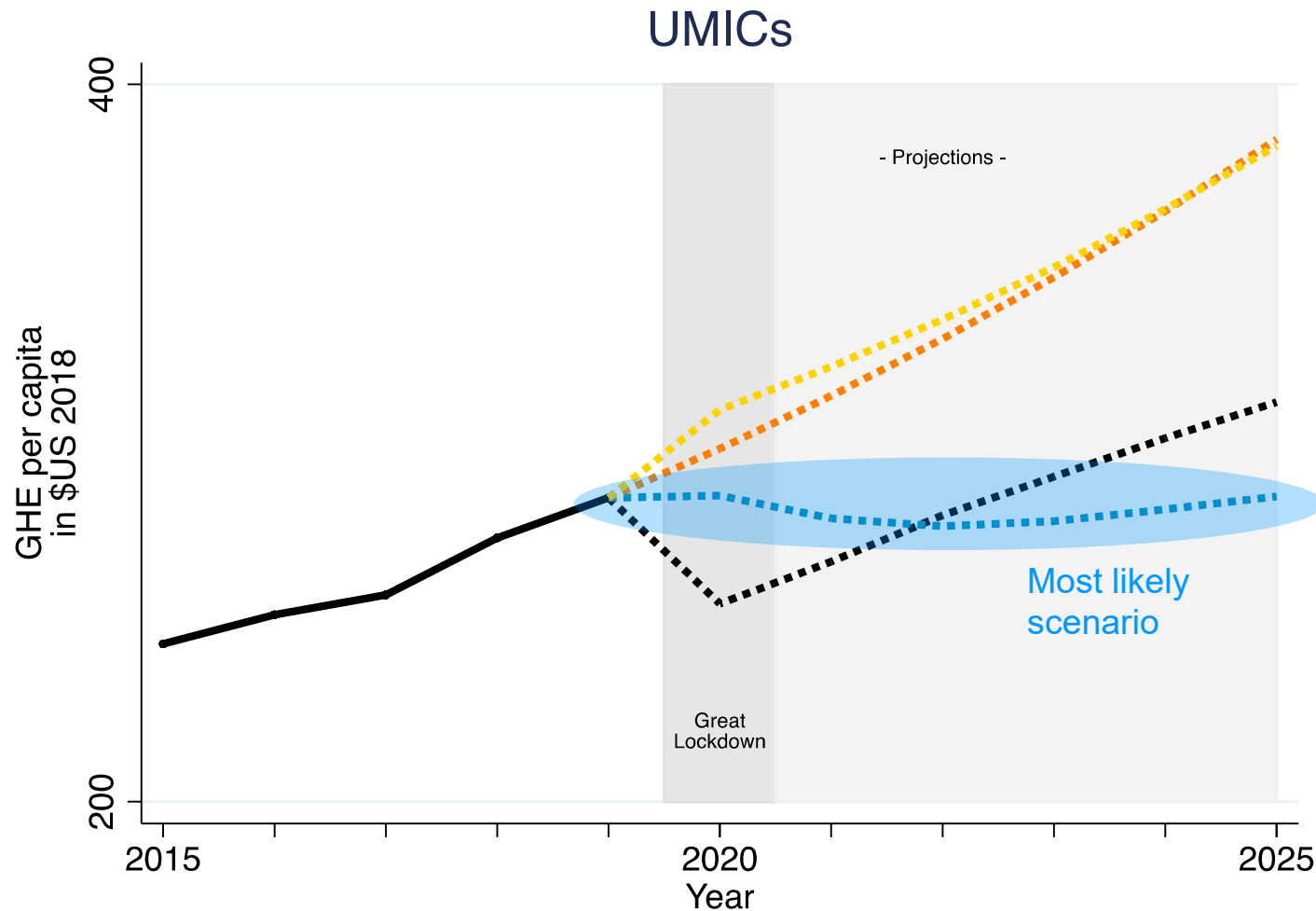


Figure 6.8. Change in out-of-pocket spending as a share of current expenditure on health, 2010-17



Before the pandemic, the level and composition health expenditures vary across countries with important equity implications

Prospects for health spending post -COVID are dire



1

Government decisions about per-capita health spending follow the same, procyclical approach observed in the past (**unlikely in view of the evidence from 2020**).

2

Governments choose to hold the pre-pandemic share of health in government spending constant (**most likely**)

3

Governments protect the pre-pandemic trends in the growth of per capita government health spending (**optimistic**)

4

Governments increase spending at the pre-pandemic growth rate, compensating also for lower OOP (**very optimistic**)

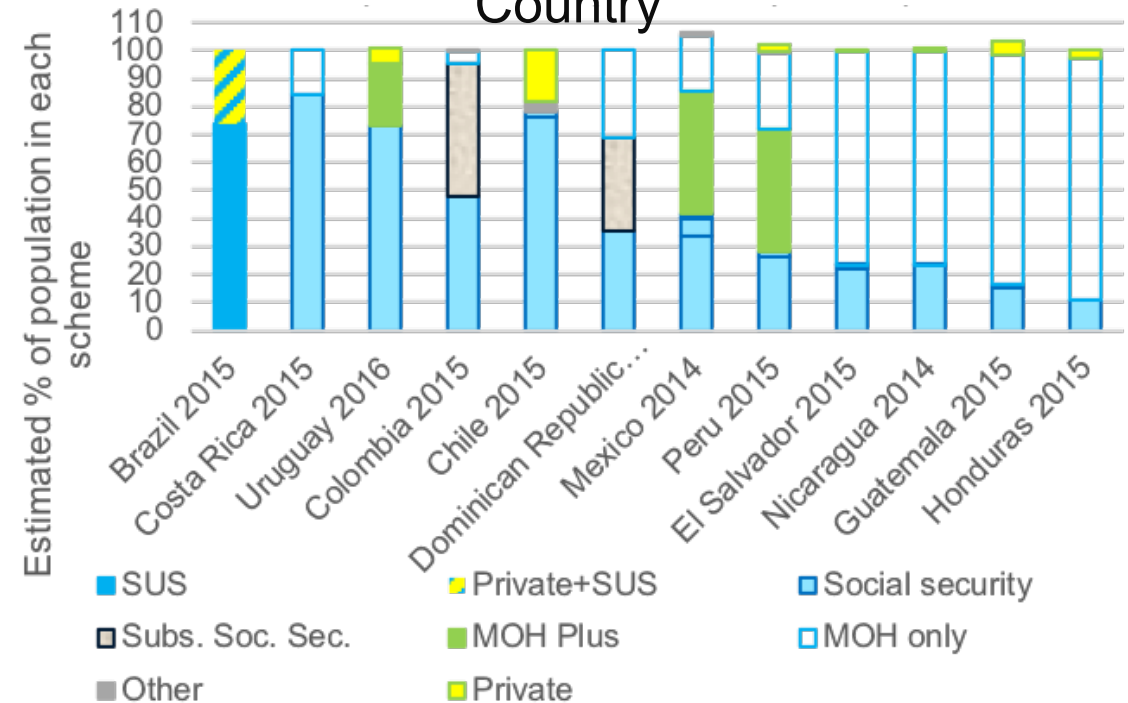
Source: World Bank (2021): From Double Shock To Double Recovery - Implications And Options For Health Financing In The Time Of Covid-19

System fragmentation further puts sustainability at risk...

Health systems have not adjusted to the ground reality over the last decades:

- **The lack of social health insurance for the informally employed** continues to perpetuate inequality in access and quality of care and financial protection
- Since the formalization of labor markets does not advance **different resource mobilization and pooling arrangements are needed**

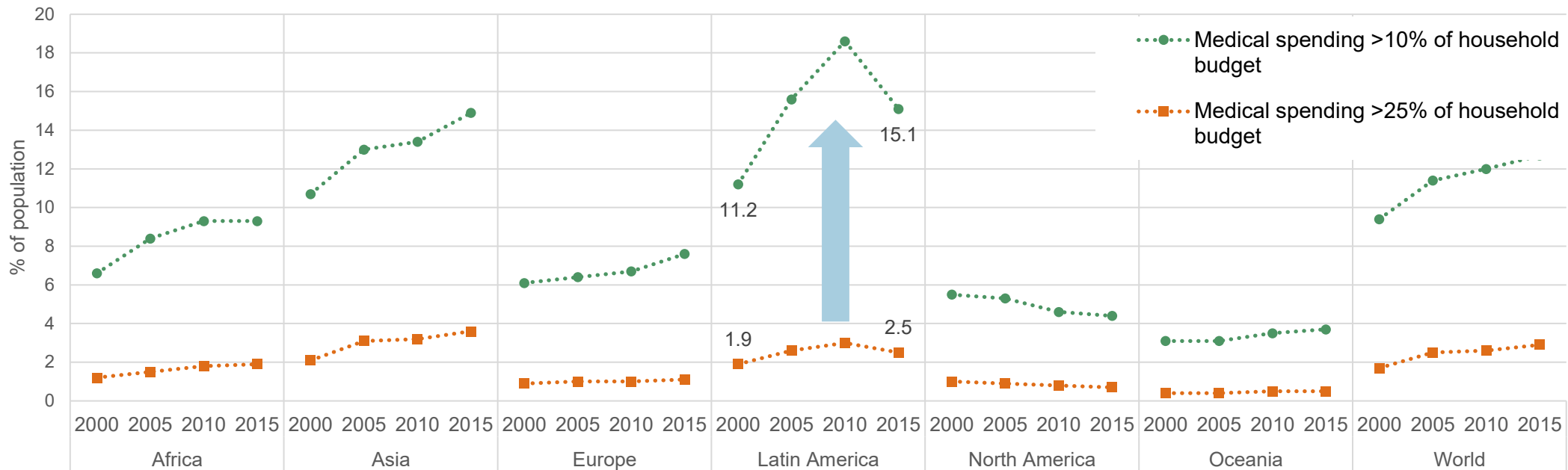
Health System Coverage in LAC by Country



... and has large negative impacts for system efficiency and inequality in outcomes

Despite declines in out-of-pocket expenditures, LAC still has the highest percentage of population spending a catastrophic share of their income on health: 15.1%

Catastrophic Out-of-Pocket Medical Spending, 2000–2015



Source: Global Monitoring Report on Financial Protection in Health 2019