Strengthening health systems and addressing inequality in LAC

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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.

Adolescents (15–19 years) Who had Begun Childbearing

Child Survival (Boys & Girls)

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

Figure 1: Formal healthcare use among population with illness symptoms in the past month, 2018-21 by quarter, Peru

Source: Preliminary World Bank Analysis based on Encuesta Nacional de Hogares. Peru Instituto Nacional de Estadistica e Informatica
Before the pandemic, the level and composition of health expenditures vary across countries with important equity implications.
Prospects for health spending post-COVID are dire

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

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

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

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

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
... 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