

Globalization and Health Systems in Latin America: The Challenge of Inclusion

XI World Day of the Sick

Washington DC,
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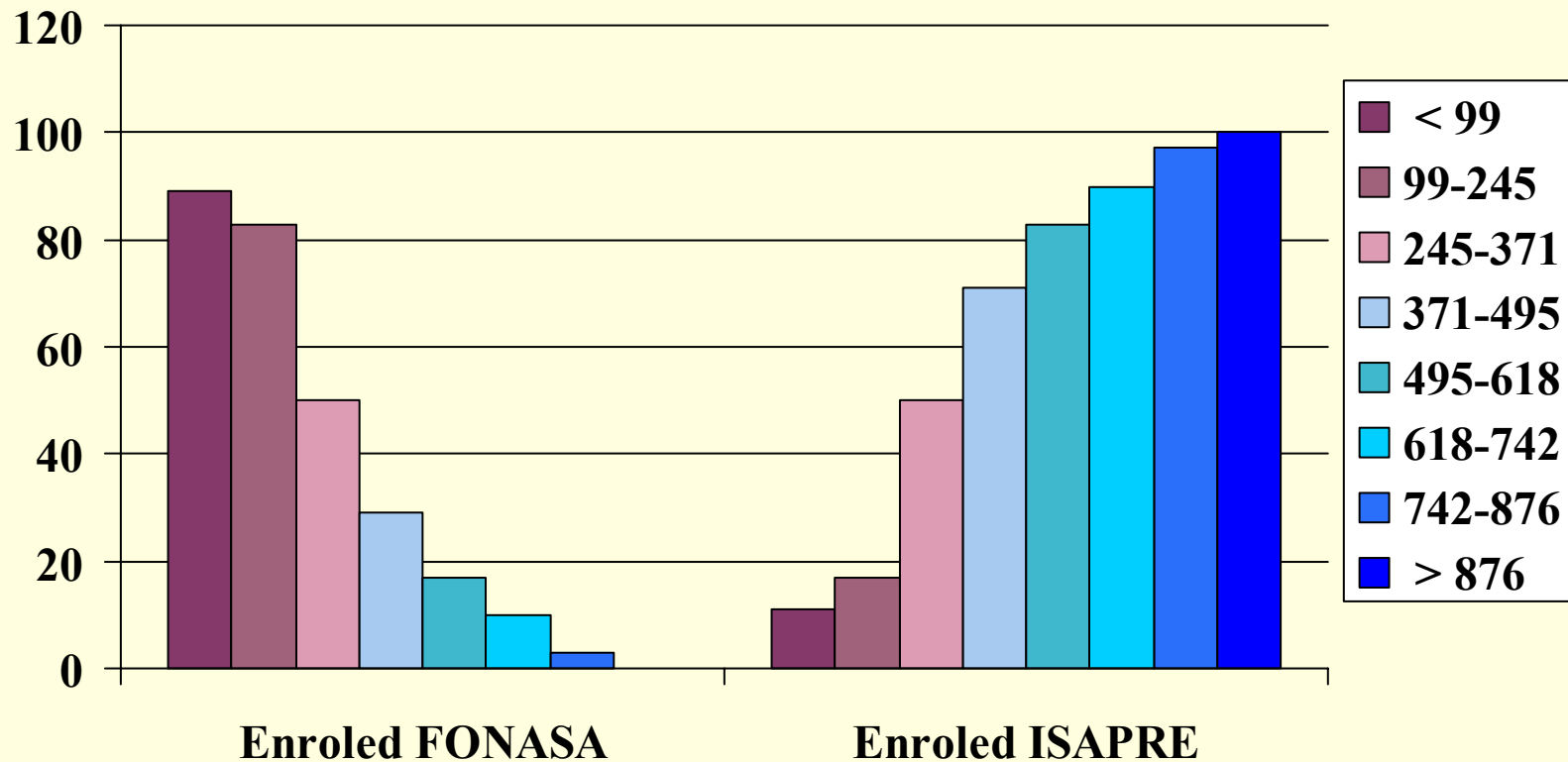
Globalization and health in LAC: “where Bismarck meets Beveridge ... and others” .

- The importance and influence of global trends is not new for Latin-American Health Systems :
 - **National Health Services** (NHS), like UK and some Nordic countries in Europe (Beveridge) – Argentina, Bolivia, Chile, Ecuador, Mexico, Colombia, Peru, Dominican Republic ...
 - **Social Health Insurance Institutes** (Bismarck), single or multiple like German and Dutch models – Costa Rica, Argentina, Peru, Colombia, Ecuador, Chile, Mexico, Dominican Republic, ...
 - **Private Health Insurance** (formal and/or informal)– Argentina, Chile, Mexico, Dominican Republic, Peru ...

FONASA and ISAPREs Population by income of principal (1994)

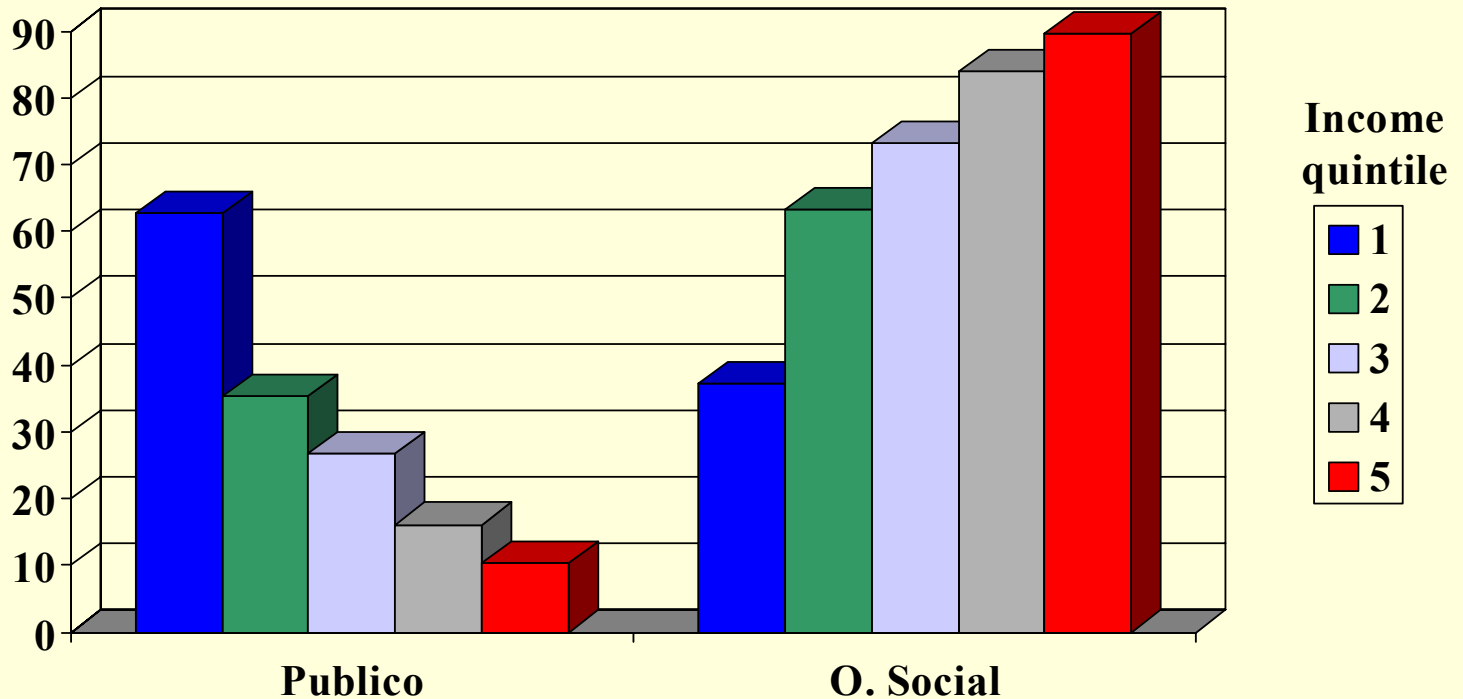
Source: ISAPRE Association and FONASA, 1995

% of all formal workers in the income category



Population according to Income in “Obras Sociales” and Public Health Sector, Argentina 1997

% del Quintil



Source: SIEMPRO, 1997

Private sector participation in mandatory health insurance: key trends during the 90s

- Chile (82), Colombia (94), Peru (97) other.
- Why this new trend towards private insurance participation in mandatory health insurance? Is it for better health or is it for better trade?
- Most trade in health insurance services now occurs via General Agreement on Trade in Services (GATS) third mode: *commercial presence* but, the voluntary health insurance market is very small in most of LAC countries and, therefore, any significant expansion of private health insurance in the region requires participation in publicly mandated insurance, including subsidized insurance.
- GATS general exception clause for health under Article XIV: “... nothing in this agreement shall be constructed to prevent the adoption or enforcement by any member of measures ... (b) **necessary** to protect human, animal or plant life or health.”

GATS and country policy in health insurance

- In principle this exception should allow LAC countries to set and enforce public policy in health according to their view in the sector.
- However, how WTO will interpret “**necessary**” in the future for preserving country sovereignty in this area.
- Current WTO law and jurisprudence seems to “often interpret the meaning of “necessary” as that which is least trade restrictive, rather than that which best protects and promotes health” (Lipson, 2001).
- For extended review recommend: Lipson (2001); Chanda (2001); Sbarbaro (2000); Velasquez (2001). Commission on Macroeconomics and health.

The Explicit Guaranty in Health in LAC

- The decision to make explicit the society commitment to access health care to all members of society: The Society Guarantee for Health (Colombia, Chile, Argentina, Mexico)
- Empowering citizen: shifting from “benefits to rights”
 - The right to health care is rhetoric if citizen do not have the effective instruments to demand compliance by society of that right.
- Societies expect form health systems much more than improving Health Status. They expect them to do so avoiding people falling into poverty or remaining in it due to unfair and excessive contributions (financial protection) and in a context of respect for the dignity of all members of society.
- If that is so, the decision regarding the explicit guaranty can not be left to one actor only but to the whole of society.
- Conflict among traditional and new actors in the health sector.

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