

Part E. The Implementation Environment in Latin America and the Caribbean

He that will not apply new remedies, must expect new evils.

Francis Bacon (1561–1626)

Healthcare delivery systems (health services) in the Region of Latin America and the Caribbean have different kinds of organizations aimed to provide curative and preventive-oriented services to their respective target populations. As a whole, these organizations involve the utilization of a large amount of resources — organized at different levels of technological complexity — that have been developed and allocated to deal with even greater needs for provision of healthcare.

E.1. Health Services in the Region

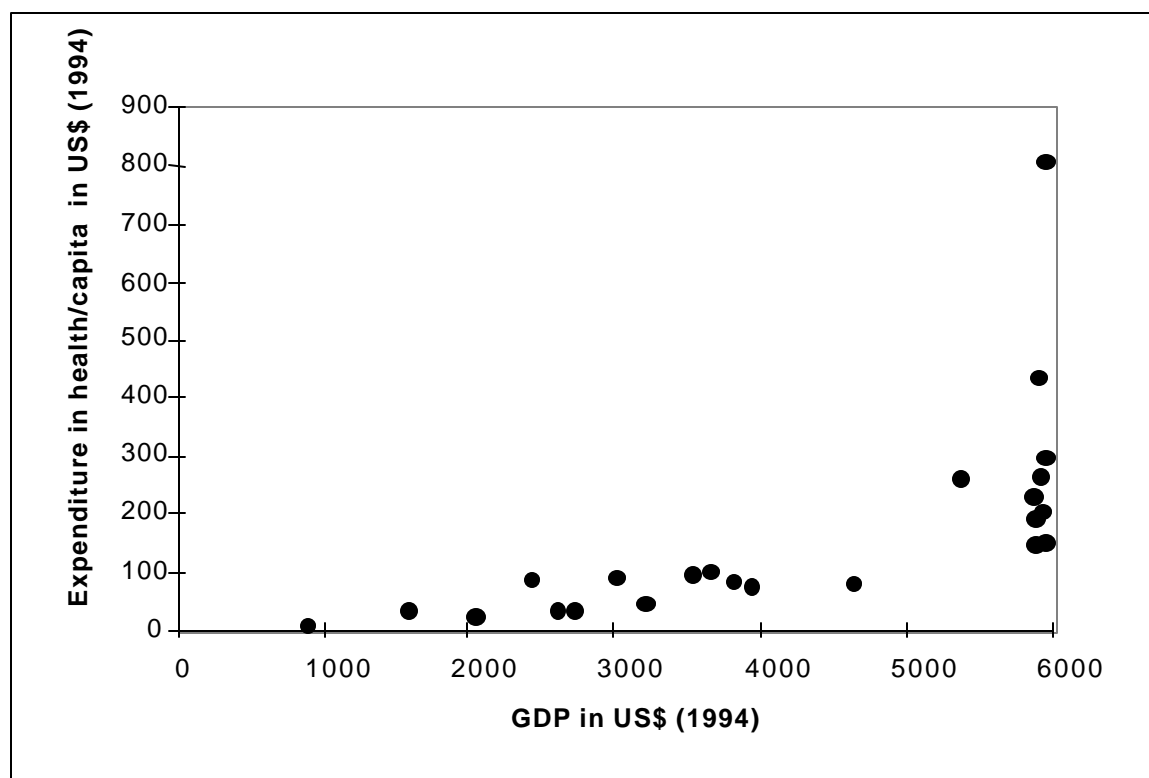
Health services have a high degree of heterogeneity in their size, organization, resources, production, and population coverage, both between and within countries. The specific characteristics of health services are determined by multiple macrocontext and health sector factors such as:

- National overall socioeconomic development
- In-country distribution pattern of socioeconomic development
- Prevailing characteristics of the political and economic system
- Legal and normative framework of the healthcare system
- Structure of service provision by type and mix of ownership of facilities and type of payer (public, private, or a mixture)
- Financing framework and the mode of reimbursement for services provided
- Administrative and clinical organization of health services
- Geographical distribution of healthcare
- Geographical and financial coverage of public and private services, at different care levels
- Historical trends in healthcare utilization

- Strategies adopted for the development, adequacy and reform of health services

The simultaneous influence of these factors — some of them rapidly changing throughout time and geographical area — leads to a remarkable diversity in the features and form of operation of health services. The added variability, even in the same geographical area, of the health condition of populations makes it nearly impossible to define a single “model” of healthcare service even for an individual country. The level of economic development and degree of industrialization has a significant influence on health systems, which are also influenced by other macro-environmental factors of political and social nature; by the historical development of the health sector; and by the way each country organized its health system. Within countries, wide differences are commonly found among different geographical areas and different socioeconomic groups of the population.

Figure 1. Expenditure in Health per Capita and GDP/Per Capita in Selected Countries of Latin America and the Caribbean, 1994



Note: Eighteen countries with less than 0.5 million population are excluded.
Source : PNUD, 1997 (based on 1994 data)

According to the World Bank (1993), no country of the Latin America and Caribbean Region is categorized as industrialized. According to the United Nations Development Program, the gross domestic product (GDP) per capita for 1994, used as a proxy for national socioeconomic development in countries of the Region, ranged from US\$896 to US\$11,051 for Haiti and Barbados,

respectively. The proportion of national expenditure in health per capita, taken as a proportion of GDP, ranged from 1.5% (Haiti) to 13% (Argentina).

Some countries have very small or mid-sized populations (e.g., Anguila and Turks and Caicos Islands with 8 and 15 thousand inhabitants, respectively; in the Eastern Caribbean country population range from 250,000 to 40,000) and, therefore, small-sized health services. When countries with less than half million population are excluded, the expenditure in health per capita ranges between a few dollars to about US\$100 per year. Only when the GDP approaches US\$6,000 there is an abrupt increase in the per capita health expenditure (Figure 1), and even then the variation is very broad (from US\$200 to US\$800). These data suggest that, in practice, health services are highly dependent upon the available resources allocated to health, which in turn is related to the overall level of socioeconomic development.

Health systems involve different stakeholders, such as the State, financial agencies, insurers, and providers of healthcare. Specific institutions may comprise one or more of these types of stakeholders (e.g., a social security system institution insuring and providing healthcare). The population participates not only as the target of the services produced but also as direct or indirect payer and user of healthcare. Most countries in the Region have a public-private mix in their health system, with different degrees of predominance of each sector; the proportion of the public-private mix varies with individual countries.

There are large segments of populations without or with limited access to healthcare, mainly the poor and rural groups. The public sector segment can involve different aspects: ownership, funding, contracting, or just the utilization of healthcare by public beneficiaries. The role assumed by the public sector may change in relation to the process of health sector reform and privatization, in practically all countries of the Region.

The characteristics of the private sector and private healthcare networks are difficult to determine, due to the great variety in the specific types of services provided, the capital and investments involved, the population or market coverage, and the technological complexity of different organizations. This results in a great diversity of private health services, with great internal heterogeneity of care levels – ambulatory, diagnostic, and therapeutic services, and hospitals of different sizes, coverage and technical complexity. This diversity is greater still in ambulatory centers, which range from community centers with low technological complexity to centers of high level of specialization and technology.

Available health service statistics, originated from the countries, are mainly focused on the public sector or social security subsectors. At the ambulatory level, the private sector covers highly diverse dimensions; from outpatient care provided at the individual level, sometimes by the same personnel contracted in the public sector, to large and complex healthcare facilities.