

## **Challenges and solutions in health in Latin America: an alternative view**

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While essentially reaffirming Musgrove's proposals, there are specific points which I would like to comment and expand upon.

**Why a systems approach?:** The needs and resources in the region justify the shift from the disease-specific focus to a systems approach, and I support Musgrove's proposal to improve healthcare by increasing productivity and financial protection. Unlike the interventions needed for a region such as Africa, with falling life expectancies and a high level of infectious and parasitic diseases, improvements in a relatively prosperous Latin America require strong systems capacity to address very different challenges, such as non-communicable diseases. Although parts of the Americas – particularly marginalized rural populations and Haiti – may approximate conditions in parts of Africa, Latin America's best strategy to reach the poor is through expanding access to health services rather than using a disease-targeted approach.

**Solution – increase access to healthcare services:** Various strategies are being implemented in the region, but the most effective approach to increasing access, as proposed by the author, is simply for countries to agree to pay providers for their services. Extending health insurance and so working through the demand side has many advantages, but in some cases a supply side approach can be less costly and more effective, although this is only likely to be the case in countries with considerable capacity to implement public programs. For the region as a whole, Musgrove's approach is sound.

**Is it cost-effective?:** Musgrove has not calculated cost-benefit ratios for very good reasons. Nevertheless, I believe such calculations are necessary in this consultation to assure that health issues get taken as seriously as the other issues. Therefore, I estimated cost-benefit ratios using the intrinsic benefits of improving health status, by two methods.

**Approach 1 – Extension of basic services:** A package of cost-effective interventions is reckoned to cost \$168 to avoid one lost DALY for a middle-income country. For a range of DALY valuations from a lower bound of \$1,000, BCRs then are in the range of 6 to 85. Halving the number of DALYs attributable to the conditions targeted would cost \$2.3bn annually for the region.

**Approach 2 – Extrapolation from Colombia's subsidized insurance:** The reformed Colombian system costs \$164 per person. If we assume that this approach is extrapolated to cover an additional one-third of the regional population (284 million) then, based on the value of DALYs averted, the benefit-cost ratio is in the range 2.2-4.5. Because so much more is delivered, the cost amounts to \$46.6bn.

**An additional solution – taxes and restrictions on alcohol and tobacco:** A large and growing share of the regional disease burden is from non-communicable causes, and alcohol, high blood pressure and tobacco use are the three highest risk factors. Significant tax increases on both alcohol and tobacco, together with reduced retail opening hours and a comprehensive advertising ban for alcohol would, at relatively modest cost, give significant benefits. Even with low end DALY valuations, BCRs are attractively high.

**Summary of solutions:** Implementing national universal health insurance is the best solution to improved health care provision in most Latin American countries. Interventions outside the healthcare system, such as those proposed to reduce alcohol and tobacco consumption, can also have great benefits, but only address part of the total disease burden. The benefit-cost ratios provided here are appropriate in the context of this exercise, but they are very sensitive to changes in key factors. Circumstances in each country need to be examined carefully before particular solutions can be recommended.