Letters

Decentralization and equity of resource allocation in Chile

Editor — We wish to comment on the Chilean situation, as discussed in the paper "Decentralization and equity of resource allocation in Colombia and Chile" by Bossert et al (*1*).

The figures presented in Table 2 of their paper (*1*) show a large difference in local municipal-level expenditure on primary health care (per capita). We found a similar pattern in our more recent review (*2*). Our study found a non-significant negative correlation between average family household income (for 1998) and central government contributions to health (per capita) and a positive significant correlation between average family household income and municipal contributions to health, again, on a per capita basis ($r = 0.19$; $p = 0.013$). We interpret this as an indication that wealthier municipalities are spending more on the health of their citizens, thus offsetting the efforts made by the central government to correct resource allocation inequalities.

A similar finding was presented after examining Metropolitan Santiago (*3*). In this case, standardized mortality rates (estimated by the Ministry of Health) were used as a proxy for determining health care needs and, again, municipalities allocating the highest per capita funds are not the ones with the greatest health care needs.

The index proposed by Bossert et al. in Table 3 (*1*) shows an improvement in the expenditures in municipal primary health care (per capita) between 1991 and 1996. However, if we consider the absolute figures as shown in Table 3, it appears that the situation actually worsened. In 1991, the difference in per capita municipal expenditure between the poorest and the richest deciles was 7596.83 Chilean Pesos while the difference increased to 9016.10 Chilean Pesos in 1996. We feel that the absolute figures are more important because they accurately represent the amount available to allocate to health care.

An important point to be highlighted is that before 1995, funds were transferred from the central government to the municipalities on the basis of a fee-for-services payment mechanism called *Facturación por Atenciones Prestadas en Municipalidades* (FAPEM) (invoice for health care activities delivered by municipalities). The decentralized system of municipal level per capita payments for health care began in 1995. The transition from the previous payment mechanism to the current system of per capita payments required several years in order to become politically sustainable. We believe that this scenario might not have been completely captured by Bossert et al.

Finally, as reported, there are significant problems with the collection of regular data, which is an important limitation to the analysis and interpretation of the available data. Fortunately, during the last few years, the Chilean Government has made significant improvements which favour efforts to contribute to public policy building from research centres. ■

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Conflicts of interest: none declared.

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