

## Brazil's march towards universal coverage

Brazil's landmark reform in 1988 has brought health coverage to millions of people, but the system is underfunded, report Claudia Jurberg and Gary Humphreys in a continuing series on health finance.

In 1988, half of Brazil's population had no health coverage. Two decades after establishing its Unified Health System (*Sistema Único de Saúde*), more than 75% of the country's estimated 190 million people rely exclusively on it for their health care coverage.

One beneficiary is 44-year old Marlene Miranda da Cruz, who lives in the Manguinhos slum of Rio de Janeiro and receives care through the Family Health Programme (*Programa de Saúde da Família*).

Da Cruz, who struggles to make a living by selling beauty products, has two sons, one of whom has a neurological disorder and is bedridden. "My son needs care 24 hours a day," she says, "meanwhile I have to look after my four grandchildren." Today she has come to the Family Health Programme clinic because one of her grandchildren has contracted chickenpox. "I know that I will be well attended here," she says.

Da Cruz is one of 35 000 people served by the Manguinhos clinic, which is run by 11 teams of health workers, including physicians, nurses, dentists and community agents. "At the end of the year there will be 16 teams to take care of 45 000

Manguinhos residents," says Alex Simões de Melo, the clinic's managing director.

The Family Health Programme, which covers some 97 million Brazilians, is a key part of the national Unified Health System. It employs more than 30 000 teams of health-care workers who make concerted efforts to reach the country's poor and isolated communities.

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José Noronha

Apart from offering primary health care free at the point of service, mainly through the Family Health Programme, the Unified Health System provides a wide range of hospital services, including heart surgery, sophisticated medical imaging and laboratory diagnostics. It also supports a

robust vaccination programme, prevention campaigns, basic dental care and 90% subsidization of many essential medicines.

Decentralization has played a fundamental part in Brazilian health-financing reform. In 1996, legislation transferred part of the responsibility for the management and financing of health care to the country's 26 states and more than 5000 municipal governments. States are required to allocate a minimum of 12% of the total budget to health while municipal governments must spend 15% of their budget on health. The federal government also contributes money raised from taxes. At the municipal level this system seems to work well: 98% of the municipalities meet the 15% budgetary requirement and some spend more than 30%, according to Antônio Carlos Nardi, health secretary and president of the National Council of Municipalities Secretaries for Health (*Conselho Nacional de Secretários de Saúde*).

"Communities are actively involved in decisions about municipal budgets," says Professor Sulamis Daim, of the State University of Rio de Janeiro.

"Maringá municipality is a particularly striking example of popular participation," says Nardi, with the community "participating in discussions at city hall, in how budgets are allocated, in the supervision of accounts and in the approval of the annual management reports." Maringá municipality, 400 kilometres west of Sao Paulo in Paraná state, has committed more than 20% of the total budget to health in the past six years, well above the 15% required.

This kind of commitment is less evident at the state level, with more than half of the 26 states failing to meet the required 12% funding target. "One of the weaknesses of this system is that there is a very broad concept of health expenditure," says Dr Francisco de Campos, national secretary of the Secretariat of Human Resources for Health at the Ministry of Health. "Some states have used the money for sanitation or additional health insurance for civil servants. While this may indirectly affect the health of the population, we need to define health expenditure more precisely."



Marlene Miranda da Cruz with her grandchild Wesley and a health worker at the Family Health Programme clinic in Manguinhos.

At the federal level, the main problem is the lack of funds. According to the *World health statistics 2010* published by the World Health Organization (WHO), Brazilian per-capita government health expenditure in 2007 was US\$ 252, putting it behind neighbouring Argentina at US\$ 336 and Uruguay at US\$ 431. According to Dr Gilson Carvalho, an adviser from the National Council of Municipal Health Secretaries, around US\$ 73 billion of public funds are needed to sustain Brazil's comprehensive system of universal coverage. This suggests that the government needs to spend more than US\$ 100 extra per person than it currently does.

In 1996, the federal government introduced a tax on financial transactions specifically to fund health which, in 2007, raised approximately US\$ 20 billion. However, the tax was dropped due to concerns over the excessive tax burden and concerns that the funds were not being entirely devoted to health care as intended. "This caused an immediate drop in revenue for the Ministry of Health," says de Campos.

José Noronha, former health secretary both in Rio de Janeiro state and in the Ministry of Health, points out: "If the budget of the Health Ministry was still based on the legislation of 1988, it would be more than double what it is today."

In the 1988 constitutional reform that set up the Unified Health System, 30% of the budget set aside for social

security was to be allocated to health care. "If 30% of the social security budget had really been committed to health care in the past 20 years of the Unified Health System, we would be heading in the direction of the kind of comprehensive public system that exists in Europe and Canada – in line with the principals of universal, comprehensive, equitable coverage with social participation in the financing," says Nelson Rodrigues dos Santos, president of the Health Rights Institute (*Instituto de Direito Sanitário Aplicado*).

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Francisco de Campos

Daim, if the state university in Rio de Janeiro, also notes a lack of commitment on the part of the federal government, which she says has a direct impact on the Unified Health System. "Today, there is a significant decrease in the percentage of federal spending on health relative to tax revenues. Since the creation of the Unified Health System, underfunding

has precluded investment in expanding the supply of services, as well putting a brake on remuneration for services and procedures," she says.

Inadequate funds are linked to problems in the basic health infrastructure and shortages of hospital staff. Many patients, instead of accessing primary health-care services, only come into the health system at the last minute, sometimes via hospital emergency departments. "Services are overcrowded as a result, with long waits and queues," says dos Santos.

Not surprisingly, many Brazilians opt for the private sector to avoid these kinds of delays and frustrations. Brazil runs a two-tier system, offering businesses and individuals the possibility of purchasing health care through private insurers regulated by the National Supplementary Health Agency (*Agência Nacional de Saúde Suplementar*). People who buy private insurance get a tax rebate but still have to contribute to the Unified Health System through their income taxes. The percentage of subscribers to private insurance has increased since 1988 and last year more than 20% of the population opted for private coverage. Needless to say this option is only open to people on higher incomes; poorer people must make do with the Unified Health System.

Despite the various financing issues, there have been significant improvements in health-care outcomes in Brazil. "Decentralization, the emphasis on primary health care and the establishment of automatic federal funding transfers to the municipalities have had a significant impact on health indicators," says Noronha. Infant mortality has decreased from 46 per 1000 live births in 1990 to 18 per 1000 live births in 2008. Life expectancy at birth, for both sexes, has also risen from 67 years in 1990 to around 73 years in 2008. Regional inequalities have also decreased. The difference in life expectancy at birth, for example, between the wealthier south and the north-east was eight years in 1990; this gap had closed to a five-year difference by 2007.

"Brazil has made tremendous progress but there's still a lot to do," says de Campos. "We need a combination of managerial expertise and money. If we just put more money in the system without monitoring expenditure, this won't necessarily improve services." ■



Claudia Jurberg

Patients receiving treatment at the Emergency Unit in Manguinhos.