Ciência & Saúde Coletiva
cienciaesaudecoletiva.com.br
ISSN 1413-8123. v.29, n.7
DOI: 10.1590/1413-81232024297.03152024EN

Federal transfers to municipalities through parliamentary amendments: implications for SUS funding

André Schimidt da Silva (https://orcid.org/0000-0002-7064-5731) [1]
Luciana Dias de Lima (https://orcid.org/0000-0002-0640-8387) [1]
Tatiana Wargas de Faria Baptista (https://orcid.org/0000-0002-3445-2027) [2]
Fabiola Sulpino Vieira (https://orcid.org/0000-0001-7377-7302) [3]
Carla Lourenço Tavares de Andrade (https://orcid.org/0000-0003-3232-0917) [1]

Abstract *The present article analyzes the transfers from parliamentary amendments by the Ministry of Health to municipalities to finance public health actions and services from 2015 to 2021. A descriptive and exploratory study was carried out with secondary data, including all Brazilian cities. Resources from amendments showed an increase, particularly from 2018 onwards, indicating the expansion of their relevance for financing SUS. From 2016 to 2021, over 80% was allocated to municipalities, representing 9.5% of all federal transfers, with 91.2% for operational expenses. Transfers from amendments differ from regular transfers due to greater instability and per capita variation among the amounts collected by municipalities and due to the fact that they allocate most resources to the Northeast and primary care to the detriment of the Southeast and medium and high complexity care. These transfers represent a differentiated modality of resource allocation in SUS that produces new distortions and asymmetries, with implications for intergovernmental relations, as well as between the executive and legislative powers, increasing the risk of the discontinuity of actions and services and imposing challenges for the municipal management.*

Key words *Healthcare Funding, Allocation of Healthcare Resources, Financial Resources in Health, Public Expenditures on Health*

[1] Escola Nacional de Saúde Pública Sergio Arouca, Fundação Oswaldo Cruz (Fiocruz). R. Leopoldo Bulhões 1480, Manguinhos. 21041-210 Rio de Janeiro RJ Brasil. andre.schimidt@fiocruz.br
[2] Instituto Fernandes Figueira, Fiocruz. Rio de Janeiro RJ Brasil.
[3] Instituto de Pesquisa Econômica Aplicada. Brasília DF Brasil.

Introduction

Tax sharing systems allow for the adjustment of the availability of resources to public policy management responsibilities between federative entities of different or equal levels of government[1]. In Brazil, the country's tax revenue distribution with other federative entities plays a key role, with emphasis on transfers from the Department of Health (*Ministério da Saúde* - MS) to the municipalities[2].

Established in the second half of the 1990s, the federal transfers for the funding of Brazil's Unified Health System (SUS) are important instruments for the induction and implementation of programs and the coordination of high-priority national policies[3], acting as a regular and meaningful source of revenue for most of the Brazilian municipalities[4]. Also called conditioned transfers, the federal transfers for SUS meet different allocation criteria defined by MS ordinances[5].

Studies show that, until 2019, transfers of the Fixed Basic Care Package (*Piso de Atenção Básica Fixo* - PAB-Fixo) enabled the redistribution of resources to underprivileged regions, and the compensation, while unsatisfactory, of inequalities in the health funding conditions[6]. These also stimulated the adoption of new services and healthcare protocols, as well as the reorientation of the Primary Health Care (PHC) model[5].

However, over the last decade, a series of changes have impacted the allocation of federal resources, with inflections and setbacks to the funding of SUS. The enactment of the Constitutional Amendment (CA) 95/2016 established a new fiscal regime in the country, imposing the freezing of the federal government's primary expenses ('expenditure cap'), at first, for two decades, in a setting of strengthening of the neoliberal agenda and implementation of austerity policies[7]. The expenditure cap for health care determined the freezing, in real terms, of minimal federal funding until 2018, to the level of the year prior, with the untying of the spending of the revenue collected by the country, culminating in the decrease in resources available to SUS[8].

In the context of the fiscal austerity agenda, controversial reforms took place in federal health funding[9]. In 2017, the decrease in transfers from MS to both groups of expenses (funding and investment)[10] led to questions concerning the preservation of federal coordination capacity when faced with gains from a possible greater autonomy of subnational entities. In 2019, Brazil's Prevention Program was introduced, establishing a new funding model for PHC. Among other changes, the Program abolished the PAB-fixo transfer, the only intergovernmental transfer in health with a populational basis, incorporating other allocation criteria, which affect the organization at this level of care[11,12].

The restrictions for the growth of expenses with social policies added a new layer of complexity to the federal funding of SUS, which, since 2014, has been subjected to the imposing nature of individual parliamentary amendments (*emendas parlamentares* - EPs) – proposed by each representative, with a limit of 25 amendments per state representative and senator[13]. Initially, by virtue of that year's budget guidelines law and, in subsequent years, by the approval of CA 86/2015[14], which established the mandatory execution of these amendments at up to 1.2% of the net current revenue (*receita corrente líquida* - RCL) earned in the previous year, half of this percentage must be allocated to public health actions and services (*ações e serviços públicos de saúde* - ASPS). This change constituted the so-called 'compulsory budget' to the federal executive branch, whose expenses must be accounted for by calculating the minimum constitutional application in public health[15].

In the following years, the execution of the PA took on an even greater role in the federal budget for SUS[16]. In 2019, a new alteration in the constitutional text rendered the amendments made by groups of state representatives, defined among representatives of the 26 states and the Federal District (DF), to be of compulsory enforcement[17]. Furthermore, the rapporteur amendments amplified their participation in the MS budget[13,16]. Such amendments are proposed by the representatives responsible for the final report regarding the budgetary draft bill and by sectional rapporteurs from the ten theme areas that make up the federal budget[18,19]. The rapporteur's amendments had a frequent presence in the media, popularizing the expression 'secret budget', due to the lack of transparency in the allocation of these resources by representatives[20]. Finally, in 2023, the execution limit of individual amendments was increased to 2% of the RCL, with half of this value allocated to ASPS[21].

As a result of these measures, in the duration of the expenditure cap, the expressive increase of the EPs in federal expenses was noted, especially those aimed at the transfers intended to fund the ASPS, reaching a broad coverage of the contemplated municipalities[13]. These transfers are

defined as temporary increases in the funding of PHC and medium and high complexity services (MAC)[22], targeted by annual MS ordinances and booklets, which define guidelines for SUS managers and representatives. According to Vieira[16], the increase in EP resources for health care, since their execution became mandatory and with prominence of the rapporteur's amendments, has contributed to reducing MS participation.

In this context, the question arises concerning how the allocated EPs are distributed to the municipalities and its implications for the funding of SUS. As various authors note, public expenditure analysis allows for the identification of priorities in resource allocation, the evaluation of purposes, the repercussions of policy funding mechanisms, and the contribution to practices of the social control of the budget[23,24].

To contribute to these processes, this paper aims to analyze the transfers by EP from the Department of Health to the municipalities to fund ASPS, between 2015 and 2021.

Method

This is a descriptive and exploratory study based on public and unrestricted access to secondary data gathered from Brazil's System of Information on Federal Public Budget (*Sistema de Informações sobre Orçamento Público Federal* - SIGA Brasil, 'expert access', https://www12.senado.leg.br/orcamento/sigabrasil) and from the online website of the Brazilian National Health Fund (*Fundo Nacional de Saúde* - FNS, https://portalfns.saude.gov.br/). The data were collected during three periods. Up to 2020, the consultation of information systems took place in May (SIGA Brasil) and August (FNS) of 2021. For 2021, the data was extracted in March 2022.

Additionally, the populational estimates of the Brazilian Institute of Geography and Statistics (IBGE) sent to the Brazilian Federal Court of Auditors (*Tribunal de Contas da União* - TCU) were used to calculate values *per capita*, and the December index numbers concerning the Broad National Consumer Price Index (*Índice Nacional de Preços ao Consumidor Amplo* - IPCA), made available by IBGE, for the correction of the 2021 values to reais.

The variable expenses paid by MS with ASPS – total and by EP, by application mode and nature of expense group; and paid expenses for transfer to municipalities by identified municipality and areas of allocation (PHC and MAC) were extracted from SIGA Brasil. Some specificities in this database should be pointed out: 1) in 2015, only the individual amendments were identified; 2) in 2016, 2017, and 2020, only a part of the receiving municipalities was identified, representing, respectively, 60.8%, 94.1%, and 99.0% of the allocated values; and 3) for the period between 2015 and 2018, a calculation of estimates was necessary to identify the area of allocation for part of the amendments[16].

From FNS, variables related to the net values transferred to the municipalities by area of allocation were obtained. The net values reflect the resources provided to municipal entities by MS for the funding of ASPS. In the case of SIGA Brasil, the choice for paid expenses was due to the fact that these data, from the federal government's point of view, already considered the actions, whose resources had already been committed, as having been carried out, thus better reflecting the mode of value distribution and repercussions for the municipal management of SUS, the main focus of this study. All values were corrected to 2021 values in reais.

The data regarding the transfers covered 5,568 municipalities and Fernando de Noronha, a district of the state of Pernambuco. The Federal Distract (DF) was excluded, as it was part of the budget line for transfers to states. The data was merged at a national level, by region and state in order to calculate the indicators. These were organized in electronic spreadsheets and analyzed using the statistical analysis software SAS (9.4 version). The maps were designed using the TabWin program from Datasus (4.1.5 version).

Only individual PA values could be identified for 2015; therefore, this year was only considered in the analysis of the historical series defined for the study. The following indicators, with their respective methods of calculation, were obtained for the period between 2016 and 2021:

- EPTM = ratio of EPs transferred to the municipalities for ASPS = sum of the expenses from the EP transferred to the municipalities for ASPS from all years divided by the sum of expenses from the EP for ASPS from MS of all years multiplied by 100.

- EPTM-C = ratio of funding EPs transferred to the municipalities = sum of the expenses from the EP transferred to the municipalities for ASPS funding from all years divided by the sum of expenses from the EP for ASPS from MS of all years multiplied by 100.

- EP/T = ratio of EPs transferred to the municipalities to all SUS transfers = sum of the ex-

penses from the EP transferred to the municipalities for ASPS from all years divided by the sum of transfers from MS to municipalities of all years multiplied by 100.

- EP/T-APS = ratio of EPs transferred to the municipalities to all SUS transfers = sum of the expenses from the EP transferred to the municipalities for ASPS from all years divided by the sum of transfers from MS to municipalities of all years multiplied by 100.

- EP/T-MAC = ratio of EP transferred to the municipalities for MAC to all SUS transfers for MAC = sum of the expenses from the EP transferred to the municipalities for PHC from all years divided by the sum of transfers from MS to municipalities for PHC of all years multiplied by 100.

- EPTM-pc = EP transferred to the municipalities *per capita* = sum of the expenses from the EP transferred to the municipalities for ASPS from all years divided by the sum of population estimates of all years.

- TReg-pc = Regular transfers from MS to municipalities *per capita* = sum of the expenses from regular transfers from MS to the municipalities from all years divided by the sum of populational estimates of all years.

- EPTM-pc (cv) = Variation coefficient of EPs transferred to municipalities *per capita* = standard deviation divided by average EPs transfers to municipalities *per capita* of all years in the series multiplied by 100.

- TReg-pc (cv) = Variation coefficient of regular transfers from MS to municipalities *per capita* = standard deviation divided by average EPs transfers to municipalities *per capita* of all years in the series multiplied by 100.

- MRP-pc = Largest percentage decrease in values *per capita* between two subsequent years.

The calculation for the variation coefficients was performed to describe the dispersion of transfer *per capita* values among the municipalities of the same state in relative terms to the respective state average[25]. In this case, lower variation coefficients indicate a more homogeneous distribution.

This study considers regular transfers to mean the net values of MS transfers minus the expenditures paid linked to EP for ASPS transferred to municipalities during the same period.

Results

Between 2015 and 2017, there was a stagnation in paid federal expenses with ASPS, with a slight increase from 2018 to 2019. Between 2020 and 2021, in the context of the COVID-19 pandemic, there was a more significant increase in expenditures, as the extraordinary credits to the federal budget were authorized to respond to sanitary emergencies (Table 1).

The resource transfers to municipalities were responsible for over half of MS's expenses (51.2%) in 2018, with a tendency to gradually broaden their participation in the following two years. In 2021, the transfers to municipalities showed a 7.6% increase in expenditure volume compared to 2019. However, the expansion of direct application in the budget associated with COVID-19 was substantially retracted in the participation of transfers in the last year of the historical series.

The EPs exhibited a trend to increase, especially after 2018, indicating the expansion of their relevancy for the funding of SUS. As COVID-19 expenditures altered the spending pattern in 2020, 2019 and 2021 are important reference points for understanding EP participation. The data in Table 1 conveys that the amendments represented 9.3% in 2019, and 7.7%, in 2021, of the federal expenditures with ASPS. In 2019, 14.8%, and in 2021, 14.5% of resources transferred to municipalities were allocated through appointment from state representatives and senators.

Between 2016 and 2021, 82.5% of the resources stemming from EP in a national scope (EPTM) were allocated to municipal entities (Table 2). This was the preferred application of representatives in all Brazilian states. Among the regions, the ratio of participation of amendments directed to the municipalities to the total EP transfers varied between 74% in the North Region and 86% in the Northeast Region. Only two states reported ratios lower than 60% – Roraima (53.4%) and Amapá (57.6%). At the other end of the spectrum, are the states with percentages above 90% – Amazonas (96.4%), Maranhão (96.1%), Paraíba (92.5%), Minas Gerais (92.2%), Alagoas (91.1%), and Pernambuco (90.7%).

In addition to the preference for directing EP resources to municipalities, the allocation for funding as an expense (EPTM-C) stands out. Between 2016 and 2021, 91.2% of the resources transferred to municipalities in a national scope had this purpose. Percentages below 80% were only identified in the states of Espírito Santo (70.6%), Goiás (78.1%), and Roraima (79.6%).

Table 1. Ministry of Health Expenditure on Public Health Actions and Services (ASPS), 2015-2021.

Variables/Indicators	2015	2016	2017	2018	2019	2020	2021
Health Expenditure on Public Health Actions and Services (ASPS)							
In R$ million*							
Transf. to municipalities	61,135	60,200	60,714	65,692	69,328	90,670	74,563
Transf. To states	22,767	21,893	22,460	22,763	23,653	32,169	25,115
Direct applications	39,419	41,143	39,428	37,189	36,940	39,371	58,498
Other expenditures	3,809	3,893	3,899	2,732	1,882	3,997	3,397
ASPS expenditures (total)	127,130	127,129	126,501	128,376	131,804	166,208	161,573
In %							
Transf. to municipalities/ASPS expenditures	48,1	47,4	48,0	51,2	52,6	54,6	46,1
Transf. to states/ASPS expenditures	17,9	17,2	17,8	17,7	17,9	19,4	15,5
Direct applications/ASPS expenditures	31,0	32,4	31,2	29,0	28,0	23,7	36,2
Other expenditures/ASPS expenditures	3,0	3,1	3,1	2,1	1,4	2,4	2,1
ASPS expenditures (total)	100,0	100,0	100,0	100,0	100,0	100,0	100,0
Health Expenditure on Public Health Actions and Services due to parliamentary amendments							
In R$ million*							
EP expenditures	7	5,805	5,388	8,473	12,310	10,754	12,472
Transf. to municipalities by EP	3	3,872	3,755	7,374	10,239	6,802	10,797
In %							
EP Exp/ASPS Exp (total)	0.0	4.6	4.3	6.6	9.3	6.5	7.7
Transf. mun. by EP/Transf. to mun.	0.0	6.4	6.2	11.2	14.8	7.5	14.5

*Values corrected for 2021 prices by the Broad Consumer Price Index (IPCA).

Source: SIGA Brasil.

The ratio of participation of EPs to total transfers to municipalities in SUS (EP/T) is a relevant indicator to understand how amendments are important to municipal management. In the data accumulated for this period, the amendments were responsible for 9.5% of transfers to municipalities and surpassed this percentage in the North (14.6%) and Northeast (12.7%) regions. Participation percentages above 20% are detected only in states in the North – Amapá (34.2%), Acre (25.9%), Roraima (22.7%), and Amazonas (20.2%).

When the data is broken down by care level, there is a greater ratio of EPs to total transfers from MS directed to PHC in all states (EP/T-APS), reaching 17% nationally. In this frame, variations in the amendments' weights are even more accentuated. The participation of EPs in federal funding of PHC surpasses 20% in the North (21.4%) and Northeast (20.9%) regions. The states of Amapá (41.7%), Roraima (36.2%), and Acre (35%) registered the highest participation.

The regions registered lower ratios of EP funding participation to total transfers for MAC (EP/T-MAC). The North, with 9.2%, and the Midwest, with 8%, stand out. By contrast, the South registered the lowest level of participation, 3.1%, with states like Paraná and Rio Grande do Sul below this percentage.

The Northeast registered the highest numbers in values transferred to municipalities by EP *per capita* (EPTM-pc) between 2016 and 2021. That is not the case in regular transfers (TReg-pc), in which the Midwest registered the highest level. The North registered the lowest value of regular transfers *per capita* (TReg-pc), but has the second highest values per capita for EPs (EPTM-pc).

The variation in per capita values among the municipalities of each state and combined by region and nationally was higher in all cases for resources transferred by EP in relation to regular transfers, indicating greater asymmetry between the values raised by EP by municipal administrations. While the variation coefficient of amendment values per capita was 72.6% in the Southeast and 69.3% in the country, this same indicator equals 45.2% in the same region and 40.6% nationally in terms of regular transfers. Only in Ceará was the value *per capita* variation higher for regular transfers. This was the only case in which the allocation of resources by EP was more homogeneous between municipalities.

Table 2. Federal transfers of parliamentary amendments to municipalities to finance public health actions and services. Brazil. 2016 to 2021.

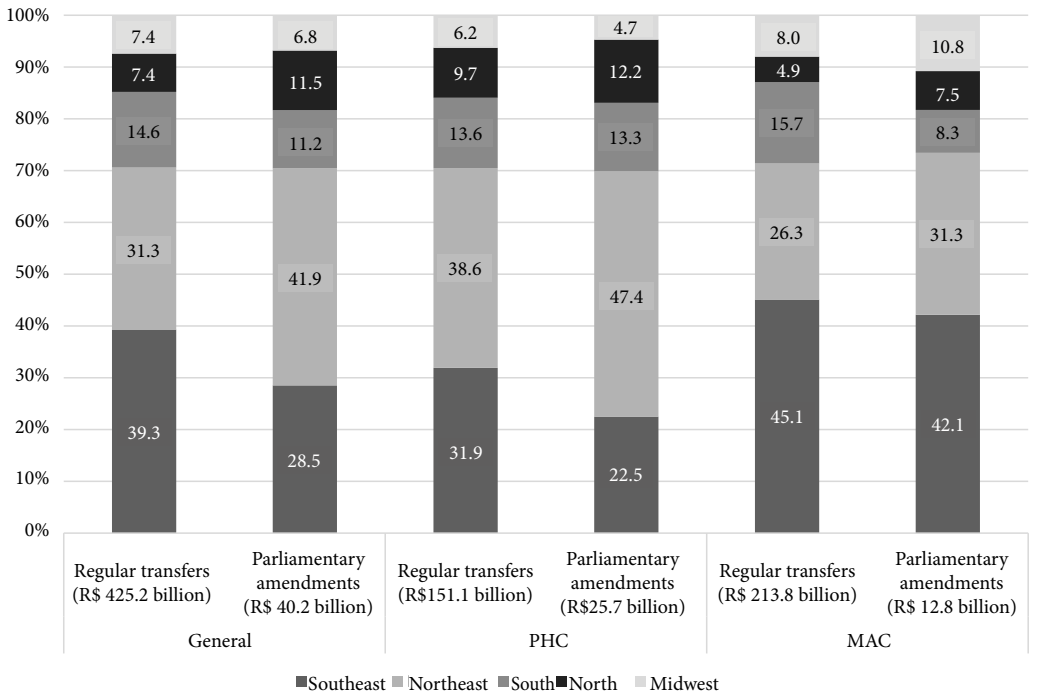
Brazil/ Region/State	%					R$ from 2021		Coefficient of variation (%)	
	EPTM	EPTM-C	EP/T	EP/T-APS	EP/T-MAC	EPTM-pc	TReg-pc	EPTM-pc	TReg-pc
Brazil	**82.5**	**91.2**	**9.5**	**17.0**	**6.0**	**32.45**	**310.61**	**69.3**	**40.6**
North	**74.0**	**89.4**	**14.6**	**21.4**	**9.2**	**42.09**	**245.30**	**70.1**	**33.2**
AC	60.2	89.6	25.9	35.0	9.0	63.33	181.26	30.6	18.3
AM	96.4	95.2	20.2	21.9	13.1	47.97	188.93	64.1	45.6
AP	57.6	87.6	34.2	41.7	28.9	87.12	167.64	46.4	19.7
PA	72.9	88.4	8.7	13.7	7.4	25.39	266.38	76.4	37.0
RO	81.6	81.7	12.8	18.8	12.5	38.63	263.73	57.1	27.8
RR	53.4	79.6	22.7	36.2	11.3	75.10	256.20	55.5	14.3
TO	74.7	90.6	18.2	26.7	9.6	73.66	330.33	41.6	22.5
Northeast	**86.0**	**94.2**	**12.7**	**20.9**	**7.1**	**49.15**	**338.60**	**56.1**	**34.4**
AL	91.1	96.2	16.6	29.4	8.3	81.86	409.97	36.3	34.6
BA	80.8	92.5	9.7	17.3	4.3	32.43	301.62	47.7	37.0
CE	78.0	96.7	10.8	19.3	5.9	45.67	376.78	42.7	43.8
MA	96.1	98.4	18.5	24.2	16.5	73.64	325.24	51.2	27.6
PB	92.5	91.5	12.9	20.4	9.1	64.81	437.32	41.1	29.1
PE	90.7	90.8	10.3	15.7	6.8	31.67	275.64	56.3	28.9
PI	84.3	95.7	16.6	30.2	3.7	90.46	453.94	28.1	24.3
RN	87.7	80.6	9.9	16.0	5.2	37.00	337.78	56.9	31.9
SE	71.1	95.3	15.7	26.7	4.4	54.70	292.61	41.9	20.1
Southeast	**81.6**	**89.5**	**6.9**	**12.0**	**5.6**	**21.75**	**294.84**	**72.6**	**45.2**
ES	62.5	70.6	7.2	12.3	4.9	15.88	204.76	61.2	38.5
MG	92.2	89.5	6.9	11.9	5.5	29.53	397.16	67.3	42.7
RJ	86.6	93.5	9.2	15.9	7.7	33.34	328.90	62.2	51.6
SP	72.2	87.7	5.6	10.1	4.5	14.32	242.63	75.1	39.4
South	**82.0**	**91.9**	**7.3**	**16.5**	**3.1**	**25.16**	**320.37**	**64.2**	**44.5**
PR	86.9	93.6	7.7	18.2	2.6	25.87	309.77	60.4	46.7
RS	73.7	85.2	6.0	14.6	2.8	19.91	309.36	65.4	43.4
SC	85.3	96.2	8.4	16.4	4.5	32.37	354.91	57.0	38.4
Midwest	**83.2**	**82.4**	**8.7**	**12.8**	**8.0**	**34.69**	**363.21**	**64.9**	**37.7**
GO	89.1	78.1	7.0	10.8	5.7	28.21	372.12	67.5	38.0
MS	75.8	86.1	7.7	13.0	6.3	31.97	382.73	51.8	40.4
MT	81.2	85.5	13.2	15.9	15.6	49.96	329.55	53.1	29.7

Values corrected for 2021 prices by the Broad Consumer Price Index (IPCA). Notes: EPTM = proportion of EP transferred to municipalities for ASPS. EPTM-C = proportion of EP costs transferred to municipalities. EP/T = proportion of EP transferred to municipalities in relation to total SUS transfers. EP/T-APS = proportion of EP transferred to municipalities for PHC in relation to total SUS transfers to PHC. EP/T-MAC = proportion of EP transferred to municipalities for MAC in relation to total SUS transfers for MAC. EPTM-pc = EP transferred to municipalities per capita. TReg-pc = Regular transfers from the MS to municipalities per capita. EPTM-pc (cv) = Coefficient of variation of EP transferred to municipalities per capita. TReg-pc (cv) = Coefficient of variation of regular transfers from the MS to municipalities per capita.

Source: SIGA Brasil and National Health Fund.

Graph 1 compares the distribution of resources by EP with the regular transfers of SUS, demonstrating different modes of partition among subnational entities. While the participation of the Southeast in regular transfers is prominent (39.3%), the Northeast receives the most resources from amendments, 41.9%. In absolute values, there is a predominance of transfers for MAC in the regular transfers and of PHC within the context of the EPs.

The Northeast reported the highest ratios in both modes of funding allocation for PHC. However, this region is responsible for nearly half of the resources from the EP (47%). The Southeast reported the highest participation in both modes of federal resources for MAC, both surpassing



Graph 1. Federal transfers to municipalities to finance public health actions and services by region. Brazil, 2016 to 2021.

Values corrected for 2021 prices by the Broad Consumer Price Index (IPCA).

Source: SIGA Brasil and National Health Fund.

40%. In the three frames presented, the North and Northeast reported the highest participation in the distribution of resources by the EP.

Although EPs show growth and some stability in the context of MS expenses, the distribution of resources between municipalities is characterized by greater instability and discontinuity when compared to other federal transfers in SUS. Figure 1 shows the proportional reduction of resources between one year and another in the municipal scope based on the negative variation of the values transferred in the following years. The larger the annual resource reductions, the darker the hue shown on the maps.

While among regular transfers (Figure 1A) there is a greater concentration of municipalities with smaller drops in transfers and a more homogeneous pattern, within the scope of EPs (Figure 1B), reductions greater than 50% predominate, resulting in a map with darker hues and diversity among the patterns presented by the municipalities.

Discussion

The period covered in this study confirms the significance of resource transfers to municipalities in managing healthcare policies in Brazil, characterized by the decentralization of ASPS[26]. In the scenario of federal transfers, EPs gain a higher relevance in the funding of SUS, as it is the main mode of resource application. Reduced participation of transfers to municipalities in the expenses of the Ministry of Health in 2021 does not contradict this direction, as it is attributed to the purchase of COVID-19 vaccines[27]. The relevance of participation of amendments is the same in the period according to the study. Funcia and Benevides[28,29] point out the expansion of the amounts directed to EP and of the ratio to total expense with ASPS by the federal government, which increased from 7.8% in 2021 to 9.9% in 2022.

The present study highlights the growing EP participation with different distribution when compared to regular transfers from MS. While in regular transfers there is a predominance of

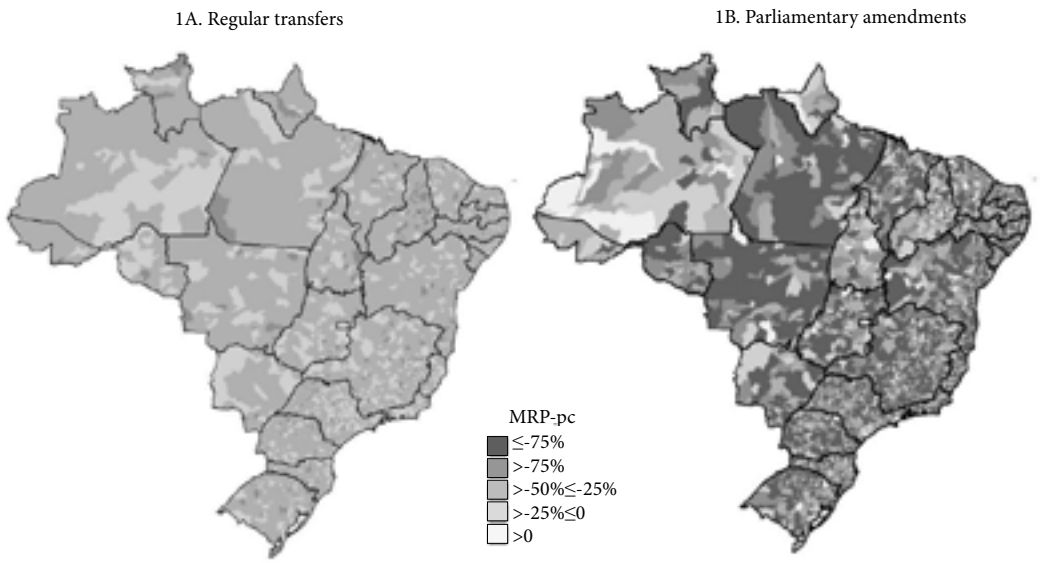


Figure 1. Largest negative percentage variations between the per capita values transferred to municipalities for public health actions and services (ASPS) in two subsequent years in the period 2016-2021.

Note: MRP-pc = Largest percent reduction in per capita values between two subsequent years.

Source: SIGA Brasil and National Health Fund.

resources directed to MAC, in transfers by EP, PHC is predominant. Comparing municipalities, the EP values *per capita* registered their highest variation, indicating larger discrepancies in allocated resources compared to other transfers. There is a significant predominance of the EPs directed at the funding of ASPS. The Northeast and North regions registered the highest values per capita and highest weight to total transfers. However, the greater instability of EP transfers should be highlighted, as the resources allocated to municipalities can vary significantly from one year to the other. This transfer does not consider the same local administrations every year either.

The highest weight of EP resources in the North and Northeast implies a greater reliance on this source from municipalities located in these regions. This is a worrisome scenario when considering the results of the study conducted by Piola *et al.*[30], which reported lower levels of public expenditure in municipalities of the North and Northeast from 2004 to 2017. The North reports the lowest regionalized federal expenses in healthcare during most of the period addressed by the authors. If, to some extent, EPs are additional sources of resources for these regions, this happens in an unstable manner, with no real contribution to the sustainability of the funding of SUS.

The broad coverage of municipalities contemplated by EPs is highlighted by Vieira and Lima[6]. They noted that 92.1% of municipalities received amendments due to the increased basic care package in 2019. This corresponds to nearly the entire national territory and constitutes an important fundraising strategy for municipal management. When considering values *per capita*, Piola and Vieira[13] point out that the allocation of federal resources to SUS by EP is inversely proportional to the size of the municipality.

Therefore, this constitutes a widely spread model of resource allocation among municipalities. The root of this dynamic lies in the return to the prerogative of amendment proposition by representatives to the federal budget, as established by the Federal Constitution of 1988. In that context, of the country's return to democracy, the aim was a greater participation of the legislative branch in the decision-making process and in allocating federal resources to fund public policies. In theory, representatives could provide more proximity to the reality of the states they represented, and thus contribute to fighting inequality[31].

Internationally, the participation of parliamentary amendments in the funding of public policies is part of the debate about the origin and

destination of these resources. The distributive nature of amendments[32] that concentrate subsidies in specific locations is criticized. This concentration is done by general taxes that rely on the contribution of all for the funding of its expenses, thus generating more individual impacts than collective ones[33]. Nevertheless, approaches such as Tromborg and Schwindt-Bayer's[34] point out local social needs as a focal element for the allocation of resources by representatives.

In Brazil, this debate has not been settled either. Some studies conducted in the 2000s emphasize the EPs as a 'bargaining chip', electoral strategy, and an instrument for servicing private and individual interests, contributing to uneven resource allocation[35]. Other works point towards a budgetary process organized with the dominance of the executive branch and negotiation on a partisan basis with long-term agreements[36]. There is also a positive outlook on the impacts of public policies. According to Souza[37], the budgetary amendments are incentives for representatives to increase the raising of federal resources for their states, in light of the deficiency of Brazilian federalism in promoting fiscal equality between subnational entities. Almeida[38] follows in the same direction by designing a theoretical model that associates the EPs with welfare gains for the population, yet highlighting the need for empirical testing for a broader understanding of the legislative branch's participation in budgetary issues. However, with the advancement of the compulsory budget, deeper political analyses are needed to investigate the shifts in the relationship dynamic between the executive and legislative branches, as well as its consequences for the funding of public policies.

Therefore, this study's findings help reignite the debate surrounding EPs. The predominance of transfers for PHC, more so than prompting the strengthening of this level of care, seeks a greater capillarity of representatives with their voter bases. While regular transfers for MAC are predominantly directed to municipalities with the highest availability of these services, PHC is widespread across the country and follows guidelines established by specific MS policies. Therefore, the representatives' preference in directing the resources toward PHC seems to constitute a strategy for reaching municipalities that do not have medium and high-complexity services nor necessarily an outlook on needs and priorities in healthcare.

Among the rules for temporary increment transfers, there is a limit for municipalities to raise the total amount of resources obtained through regular transfers in previous years[22], that is, it is possible to double the amount received through transfers from the MS. However, while in the execution process of EP a few parameters established by the federal executive branch are considered, the allocation of resources is defined in the negotiations between representatives and municipal government.

In this context, implications for intergovernmental relations in the scope of SUS are noteworthy. The transfers of federal resources have been historically consolidated as an important mechanism for healthcare policy coordination among different levels of government, considering epidemiological and demographic criteria, as well as the availability of ASPS for the allocation of resources[9]. Currently, the EPs undermine this mechanism to consider eminently political criteria for the allocation of transfers[39].

Even before the requirement to allocate half of the individual amendment resources to health, Baptista *et al.*[40] already pointed out the strong interest in the allocation of amendments in this area. According to the authors, this is due both to the magnitude of MS's budget and to the nature of its actions, which offer more visibility and are easily directed to specific locations, units, and projects, whether public or private. The allocation of amendment resources in municipalities over states or direct federal government actions seems to reinforce this logic and to be an attempt on the part of representatives to allocate resources according to their electoral performance.

Given the volume and instability of the resources, the predominance of funding EPs imposes great risks for the preservation of ASPS by municipalities. According to Piola and Vieira[13], after 2016, the main expense nature of PE resources predominantly directed to the construction and expansion of health units or the acquisition of equipment, became funding, with an increase in the participation of this group in the context of the expenditure cap. In such a scenario, the reduction of resources could entail discontinuity or retraction in service availability. Therefore, the ASPS that relied on sources of regular resources for their upkeep, now depend on political negotiations between representatives from the executive and legislative branches. Therefore, the challenge for municipal management to plan spending and develop continuous strategies to maintain the level of resources received by EP has increased.

The volume of resources in the budget, the number of representatives by federal unit, the

preference for the direction of amendments to municipalities, and the previously defined criteria for other transfers from MS influence the different weights of EP resources to total federal transfers to SUS. There are extreme cases, such as Amapá, where the amendments account for over 30% of SUS transfers, or São Paulo, where the amendments account for a little over 5%.

Beyond a more equitable allocation, the higher EP per capita values for municipalities of the North and Northeast regions reflect our political system. Cintra *et al.*[41] object to the idea that 513 state representatives would represent the Brazilian people and 81 senators would act in defense of their states, arguing that no representatives are elected in the national constituency, which is why these representatives would also see themselves as representatives for their states. Nor would the division of seats reflect a "perfect proportionality" to the populational count. The definition of a minimum of 8 and a maximum of 70 representatives, and the common number of 8 senators for each state, would maintain disproportionality between population and representation.

Vieira and Lima[6] pointed out that the EPs distorted the equitable allocation of transfers of PAB-Fixo, which was in effect in healthcare policies until 2019. With the EPs, much higher ratios of resources were directed to a group of municipalities with a lower population count, and not all municipalities with a greater socioeconomic vulnerability were included. This analysis is reinforced by an IPEA[39] study, which points out that transfers for PHC funding by EP increased the inequality of the funding of SUS for municipalities, and warns about the risk of an expansion of healthcare inequalities.

Moreover, the wide variation of received values demonstrates the creation of new distortions and asymmetries in resource allocation for SUS. This is a truly relevant aspect given the context in which this research takes place, of severe budgetary restrictions for the MS. This scenario is still current because, even though the expenditure cap was revoked definitively with the enforcement of the new fiscal framework in 2023[21,42], healthcare funding is still restricted. In a federation like Brazil, characterized by prominent inequities, there is an expectation that federal resources would be sufficient and adequate enough to equalize uneven public policy funding capabilities among subnational entities. Therefore, this should be a reminder for other studies to investigate the relationship between resource allocation by EP and the population's healthcare needs.

Lastly, this study has some limitations inherent to the source of information used, as previously mentioned. The lack of transparency in the allocation of EP resources, especially of rapporteur amendments, hindered the identification of all municipalities that benefitted from these resources, especially in 2016. Still, 2016 was included in the calculation of indicators since it is the first year after the amendment of the Federal Constitution of 1988, providing for the obligatory execution of individual EPs. As a result, there was an overall increase in the budgetary execution of amendments – from 31.7% in 2015 to 80.6% in 2016[16]. In the latest years of the analyzed series, there were beneficiaries for almost all allocated resources.

Regardless of these limitations, the source of information used is the best available and the data obtained is sufficient for the analysis conducted, supporting the conclusions of this paper. The maintenance and improvement of information systems on the public budget in Brazil must be ensured to carry out studies on the topic. This article emphasizes the importance of the EPs as a source of resources for the funding of SUS at the municipal level and its broad dissemination throughout the national territory, through unstable transfers from MS, with great variation of beneficiary municipalities over the years, and the predominance of allocation to PHC.

Collaborations

AS Silva: study concept and design; data collection, analysis, and interpretation; illustration design; and writing. LD Lima and TWF Baptista: study concept and design; data analysis, and interpretation; and writing. FS Vieira: data collection, analysis, and interpretation; and writing. CLT Andrade: data collection, analysis, and interpretation; and illustration design. All authors contributed to the final revision of the article.

Acknowledgments

AS Silva is a CAPES-Print grant recipient. LD Lima is a CNPq research productivity grant recipient and part of the Scientist of Our State program of FAPERJ, and is supported by these agencies for the development of studies on this topic.

Funding

This study was funded by the Conselho Nacional de Desenvolvimento Científico e Tecnológico (CNPq), application No. 309295/2021-1; by the Carlos Chagas Filho de Amparo à Pesquisa do Estado do Rio de Janeiro (FAPERJ), application No. SEI E-26/201.123/2021; and by the Fundação Oswaldo Cruz (Fiocruz) - Public Policies, Models of Care, and Management of Healthcare System and Services (PMA), application No. 25380.101539/2019- 05.

References

1. Bachur JP. Federalismo fiscal, atribuições fiscais constitucionais e equalização regional: EUA, Alemanha e Brasil em perspectiva comparada. *Rev Serv Publico* 2005; 56(4):377-401.
2. Rezende F. *O federalismo brasileiro em seu labirinto: crise e necessidade de reformas*. Rio de Janeiro: FGV; 2013.
3. Paiva AB, Gonzalez RHS, Leandro JG. Coordenação federativa e financiamento da política de saúde: mecanismos vigentes, mudanças sinalizadas e perspectivas para o futuro. *Estud CEBRAP* 2017; 36(2):55-81.
4. Lima LD. Federalismo fiscal e financiamento descentralizado do SUS: balanço de uma década expandida. *Trab Educ Saude* 2008; 6(3):573-598.
5. Paiva AB, Gonzalez RHS, Benevides RPS. Instrumentos Financeiros de Coordenação no SUS. In: Jaccoud L, organizadores. *Coordenação e Relações Intergovernamentais nas Políticas Sociais Brasileiras*. Brasília: Ipea; 2020. p. 149-182.
6. Vieira FS, Lima LD. Distorções das emendas parlamentares à alocação equitativa de recursos federais ao PAB. *Rev Saude Publica* 2022; 56:123.
7. Santos IS, Vieira FS. Direito à saúde e austeridade fiscal: o caso brasileiro em perspectiva internacional. *Cien Saude Colet* 2018; 23(7):2303-2314.
8. Instituto de Pesquisa Econômica Aplicada (Ipea). *Políticas Sociais: Acompanhamento e Análise*. Brasília: Ipea; 2019. p. 85-127.
9. Jaccoud L, Vieira FS. *Federalismo, integralidade e autonomia no SUS: desvinculação da aplicação de recursos federais e os desafios da coordenação*. Rio de Janeiro: Ipea; 2018.
10. Brasil. Portaria nº 3.992, de 28 de dezembro de 2017. Altera a Portaria de Consolidação nº 6/GM/MS, de 28 de setembro de 2017, para dispor sobre o financiamento e a transferência dos recursos federais. *Diário Oficial da União*; 2017.
11. Morosini MVGC, Fonseca AF, Baptista TWF. Previne Brasil, Agência de Desenvolvimento da Atenção Primária e Carteira de Serviços: radicalização da política de privatização da atenção básica? *Cad Saude Publica* 2020; 36(9):e00040220.
12. Massuda A. Mudanças no financiamento da atenção primária à saúde no Sistema de Saúde Brasileiro: avanço ou retrocesso? *Cien Saude Colet* 2020; 25(4):1181-1188.
13. Piola SF, Vieira F. *As emendas parlamentares e a alocação de recursos federais no Sistema Único de Saúde*. Brasília, Rio de Janeiro: Ipea; 2019.
14. Brasil. Emenda Constitucional nº 86, de 17 de março de 2015. Altera os arts. 165, 166 e 198 da Constituição Federal, para tornar obrigatória a execução da programação orçamentária que especifica. *Diário Oficial da União* 2015; 18 mar.
15. Menezes DC, Pederiva JH. Orçamento impositivo: elementos para discussão. *Adm Publica Gest Soc* 2015; 7(4):178-185.
16. Vieira FS. *Emendas Parlamentares ao Orçamento Federal do SUS: método para estimação dos repasses a cada município favorecido, segundo áreas de alocação dos recursos (2015-2020)*. Brasília, Rio de Janeiro: Ipea; 2022.

17. Brasil. Emenda Constitucional nº 100, de 26 de junho de 2019. Altera os arts. 165 e 166 da Constituição Federal para tornar obrigatória a execução da programação orçamentária proveniente de emendas de bancada de parlamentares de Estado ou do Distrito Federal. *Diário Oficial da União* 2019; 27 jun.
18. Brasil. Congresso Nacional. Resolução nº 1, de 2006-CN. Dispõe sobre a Comissão Mista Permanente a que se refere o § 1º do art. 166 da Constituição, bem como a tramitação das matérias a que se refere o mesmo artigo. *Diário Oficial da União* 2006; 26 dez.
19. Brasil. Congresso Nacional. Resolução nº 3, de 2015-CN. Altera a Resolução nº 1, de 2006 - CN, para ampliar o número de relatorias setoriais do projeto de lei orçamentária anual e dá outras providências. *Diário Oficial da União* 2015; 28 set.
20. Bassi CM. *Orçamento secreto: discutindo as consequências do caráter impositivo às emendas parlamentares do relator-geral*. Brasília: Ipea; 2023.
21. Brasil. Emenda constitucional nº 126, de 21 de dezembro de 2022. Altera a Constituição Federal, para dispor sobre as emendas individuais ao projeto de lei orçamentária. *Diário Oficial da União* 2022; 22 dez.
22. Brasil. Ministério da Saúde (MS). Fundo Nacional de Saúde (FNS). *Cartilha para apresentação de propostas ao Ministério da Saúde – 2023*. Brasília: MS; 2023.
23. Oliveira FA. *Economia e política das finanças públicas no Brasil: um guia de leitura*. São Paulo: Hucitec; 2009.
24. Giacomoni J. *Orçamento governamental: teoria, sistema, processo*. São Paulo: Atlas; 2018.
25. Silva JLC, Fernandes MW, Almeida RLF. *Estatística e Probabilidade*. 3ª ed. Fortaleza: EdUECE; 2015.
26. Santos RJM, Luiz VR. Transferências federais no financiamento da descentralização. In: Marques RS, Piola SF, Roa AC, organizadores. *Sistema de Saúde no Brasil: organização e funcionamento*. Rio de Janeiro, Brasília: ABrES, Ministério da Saúde, Departamento de Economia da Saúde, Investimentos e Desenvolvimento, OPAS/OMS; 2016.
27. Instituto de Pesquisa Econômica Aplicada (Ipea). *Saúde. Políticas Sociais: Acompanhamento e Análise, n. 29*. Brasília: Ipea; 2022.
28. Funcia F, Benevides R. *Boletim COFIN 2021/12/31 (dados até 31/12/2021)* [Internet]. Brasília: Conselho Nacional de Saúde (COFIN); 2022 [acessado 2024 fev 8]. Disponível em: http://conselho.saude.gov.br/boletim-cofin.
29. Funcia F, Benevides R. *Boletim COFIN 2022/12/31 (execução até 31/12/2022)* [Internet]. Brasília: Conselho Nacional de Saúde (COFIN); 2023 [acessado 2024 fev 8]. Disponível em: http://conselho.saude.gov.br/boletim-cofin.
30. Piola SF, Benevides RPS, Vieira FS. *Consolidação do gasto com ações e serviços públicos de saúde: trajetória e percalços no período de 2003 a 2017*. Brasília: Ipea; 2018.
31. Baptista TWF, Garcia M, Lima LD, Machado CV, Andrade CLT. O orçamento federal e as emendas parlamentares da saúde no PPA 2004-2007: uma discussão a partir das regras institucionais. In: Melamed C, Piola SF, organizadores. *Políticas públicas e financiamento federal do Sistema Único de Saúde*. Brasília: Ipea; 2011.
32. Firpo S, Ponczek V, Sanfelice V. The relationship between federal budget amendments and local electoral power. *J Develop Econom* 2015; 116:186-198.
33. Lowi T. American business, public policy, case studies and political theory. *World Politics* 1964; 16:677-715.
34. Tromborg MW, Schwindt-Bayer LA. Constituent Demand and District-Focused Legislative Representation. *Legislative Stud Quarterly* 2019; 44:35-64.
35. Ames B. *Os entraves da democracia no Brasil*. Rio de Janeiro: Editora FGV; 2003.
36. Limongi F, Figueiredo AC. Processo orçamentário e comportamento legislativo: emendas individuais, apoio ao executivo e programas de governo. *Dados* 2005; 48(4):737-776.
37. Souza CMD. Federalismo e conflitos distributivos: disputa dos estados por recursos orçamentários. *Dados* 2003; 46(2):345-384.
38. Almeida DPB. O mito da ineficiência alocativa das emendas parlamentares. *Rev Bras Cien Polit* 2021; 34:e239518.
39. Instituto de Pesquisa Econômica Aplicada (Ipea). *Saúde. Políticas Sociais: Acompanhamento e Análise, n. 30*. Brasília: Ipea; 2023.
40. Baptista TWF, Machado CV, Lima LD, Garcia M, Andrade CLT, Gerassi CD. As emendas parlamentares no orçamento federal da saúde. *Cad Saude Publica* 2012; 28(12):2267-2279.
41. Cintra AO, Lemos LB, Lacombe ARVP. O Poder Legislativo na Nova República: a visão da Ciência Política. In: Avelar LA, Cintra AO, organizadores. *Sistema Político Brasileiro: uma introdução*. 3ª ed. Rio de Janeiro, São Paulo: Konrad Adenauer Stiftung, Editora Unesp; 2015. p. 143-182.
42. Brasil. Lei Complementar n° 200, de 30 de agosto de 2023. Institui regime fiscal sustentável para garantir a estabilidade macroeconômica do País. *Diário Oficial da União* 2023; 31 ago.

Article submitted 05/04/2023
Approved 01/02/2024
Final version submitted 26/02/2024

Chief editors: Maria Cecília de Souza Minayo, Romeu Gomes, Antônio Augusto Moura da Silva