Together for a healthier world

FIME
By Informa Markets

Healthcare Industry Trends in Latin America

fimeshow.com

Market synopsis

The Latin American healthcare market has seen significant growth in recent years. This growth can be attributed to several factors, including an increase in healthcare expenditure, a growing aging population, and the rising incidence of chronic diseases. The healthcare market in Latin America is expected to continue growing in the coming years, with Brazil, Mexico, and Colombia being the largest markets in the region.

Over the past few decades, the governments of Latin America and the Caribbean (LAC) have implemented new policies and interventions aimed at achieving universal health coverage (UHC), resulting in strengthened health system performance. These efforts include reducing fragmentation in healthcare financing and organization, ensuring consistent scope and quality of services across subsystems, and utilizing public-sector financing in a more integrated and comprehensive manner. Governments have also implemented incentives to encourage improved health outcomes and financial protection, such as explicit entitlements, enforceable guarantees, and supply-side incentives to improve care quality and reduce geographical barriers to access. Furthermore, governance and accountability have been prioritized in health policy efforts.

Population Coverage

Various models have been implemented by countries in LAC to increase population coverage of healthcare. Some have opted for targeted programs that focus on specific groups, while others have adopted universal programs. In any case, healthcare reforms have prioritized the use of public subsidies to cover vulnerable populations. The majority of healthcare reforms require the explicit enrollment of beneficiaries, either on a mandatory or voluntary basis.

Benefits coverage

All analyzed reforms have taken steps to clarify entitlements, with many countries opting to define a specific list of covered benefits instead of leaving them open-ended. Countries with integrated healthcare systems or more advanced stages of integration tend to offer comprehensive benefits that span from primary care to high-complexity care. The strengthening of primary care has been a particular focus of reforms in all countries. Furthermore, Chile, Colombia, and Uruguay have addressed the challenge of ensuring equal benefits across different subsystems.

Financing

There has been an increase in public funding for healthcare, particularly for programs aimed at achieving UHC. This funding is primarily derived from general taxation, often with specific earmarks for healthcare. Some countries have opted for a single pool that encompasses the entire population, while others have implemented arrangements that diversify risks within pools and reduce disparities in benefits and per capita spending across them. Some countries have attempted to reduce disparities by reforming only the publicly subsidized subsystem through changes in resource mobilization, allocation, and/or provider payment mechanisms. While few countries have completely separated financing and provision functions, there is widespread adoption of payment methods that follow the patient, promoting efficiency in the delivery of cost-effective interventions compared to traditional line-item budgets. However, the degree to which these methods have replaced line-item financing varies widely. Additionally, reforms have expanded financial protection by eliminating user fees or capping copays, including those for high-cost interventions in some cases.

Health system reforms in Latin America and the Caribbean: Key changes in financing and service delivery

Country	Degree of segmentation	Primary sources of revenue	Primary service delivery network
Brazil	Integrated	SUS – fiscal resources	Public or private facilities by SS
Costa Rica	Integrated	Contributory Insurance (CCSS) – Financing through payroll taxes and subsidies for vulnerable groups	CCSS (own) facilities
Chile	Advanced semi-integrated	Contributory insurance (ISAPRES) – payroll taxes and voluntary premiums; subsidized insurance (FONASA) – payroll taxes and fiscal resources (subsidies for vulnerable groups)	Private facilities (ISAPRES); private facilities (contributory members of FONASA) and public facilities (subsidized and contributory members of FONASA)
Columbia	Advance semi-integrated	Contributory insurance – payroll taxes; subsidized insurance – fiscal resources and cross-subsidies from the Rēgimen Contributivo	Private facilities (Rēgimen Contributivo); public facilities (Rēgimen Subsidiado)
Mexico	Semi-integrated	Contributory insurance (IMSS, ISSSTE) – payroll taxes; subsidized insurance (SPSS-Seguro Popular) – fiscal resources	Contributory insurance (own) facilities; Ministry of Health facilities (SPSS Seguro Popular)
Peru	Semi-integrated	Contributory insurance (EsSalud) – payroll taxes; subsidized insurance (SIS) – fiscal resources	Contributory insurance (own) facilities; Ministry of Health facilities (SIS)

Source: Toward Universal Health Coverage and Equity in Latin America and the Caribbean: Evidence from Selected Countries

Highlights

- The healthcare market in Latin America is expected to grow at a Compound annual growth rate (CAGR) of 6.4 % between 2021 and 2026.
- The rising incidence of chronic diseases is a major driver of growth in the healthcare market.
- Brazil, Mexico, and Colombia are the largest markets in the region, accounting for a significant share of the overall market.
- The COVID-19 pandemic has highlighted the importance of healthcare infrastructure and investment in the region.

Healthcare Trends of Each Country

Brazil has the largest healthcare market in Latin America. The country has made significant progress in expanding access to healthcare in recent years, but challenges remain. Brazil has a large aging population, which is expected to drive demand for healthcare services in the coming years. In addition, the rising incidence of chronic diseases such as diabetes and cardiovascular disease is a major concern. The government has implemented several initiatives to address these issues, including the expansion of primary healthcare services and the introduction of electronic health records.

Colombia has a well-developed healthcare system, with both public and private healthcare providers. The country has made significant progress in expanding access to healthcare services in recent years. However, there are still significant disparities in healthcare access and outcomes between urban and rural areas. The government has implemented several initiatives to address these disparities, including the expansion of primary healthcare services and the introduction of telemedicine.

Costa Rica has a universal healthcare system, which provides coverage to all citizens and residents. The country has made significant progress in improving healthcare outcomes in recent years, with a focus on primary healthcare and disease prevention. Costa Rica has a relatively low incidence of chronic diseases compared to other countries in the region. However, the country faces challenges related to the aging population and the rising cost of healthcare.

Chile has a well-developed healthcare system, with both public and private healthcare providers. The country has made significant progress in expanding access to healthcare services in recent years. However, there are still significant disparities in healthcare access and outcomes between urban and rural areas. The government has implemented several initiatives to address these disparities, including the expansion of primary healthcare services and the introduction of telemedicine.

Honduras has a relatively underdeveloped healthcare system compared to other countries in the region. The country faces significant challenges related to healthcare access and outcomes, particularly in rural areas. The government has implemented several initiatives to address these challenges, including the expansion of primary healthcare services and the introduction of telemedicine.

Mexico has the second-largest healthcare market in Latin America. The country has made significant progress in expanding access to healthcare services in recent years. However, there are still significant disparities in healthcare access and outcomes between urban and rural areas. The government has implemented several initiatives to address these disparities, including the expansion of primary healthcare services and the introduction of telemedicine.

Peru has a relatively underdeveloped healthcare system compared to other countries in the region. The country faces significant challenges related to healthcare access and outcomes, particularly in rural areas. The government has implemented several initiatives to address these challenges, including the expansion of primary healthcare services and the introduction of telemedicine.

Healthcare Service Delivery	Access to Medicine and Health products	Financing, governance, health information systems
• Improving Primary Healthcare (PHC) • Implementation by expanding services to address non-communicable and common diseases • Extending community outreach	• Subsidized generic medicines and cost-sharing to increase coverage for non-communicable diseases (NCDs), Tuberculosis, Malaria, etc. • Improved access to Oncology and high-cost therapies • Expansion of primary healthcare (PHC) to address non-communicable and common diseases • Community outreach programs to improve healthcare access	• Health financing and resource pooling decentralization for improved accessibility • Public-private partnerships to enhance healthcare service delivery • Establishment of an actionable health information system to improve health outcomes

Source: Own elaboration with adaptations from regional frameworks for UHC assessment and the WHO 13th GPW

Prospects for the Future

The Latin American healthcare market is expected to continue growing in the coming years. According to a report by Mordor Intelligence, the healthcare market in Latin America is projected to grow at a CAGR of 6.4% between 2021 and 2026. This growth can be attributed to several factors, including the rising incidence of chronic diseases, the aging population, and increasing healthcare expenditure.

The COVID-19 pandemic has highlighted the importance of healthcare infrastructure and investment in the region. The pandemic has put significant strain on healthcare systems in Latin America, particularly in countries with weaker healthcare infrastructure. However, it has also provided an opportunity for governments to invest in healthcare infrastructure and to implement initiatives to improve healthcare access and outcomes.

In addition, the growing trend towards digitization and the increasing use of technology in healthcare is expected to drive growth in the Latin American healthcare market. According to a report by McKinsey & Company, digital health solutions have the potential to improve healthcare outcomes and access in the region, particularly in remote and underserved areas.

However, challenges remain in the Latin American healthcare market. These include disparities in healthcare access and outcomes between urban and rural areas, as well as between different socioeconomic groups. In addition, the rising cost of healthcare and the shortage of healthcare professionals are also major concerns.

To address these challenges, governments in the region are implementing initiatives to expand access to healthcare services, particularly in rural and underserved areas. For example, the Brazilian government has introduced the more doctors program, which aims to improve healthcare access in rural areas by providing healthcare professionals to underserved communities. In addition, governments are also investing in healthcare infrastructure, such as the construction of new hospitals and clinics.

10 Key Health trends

Electoral year that may propel modernization

Limited digital transformation

Increased computerization of public health networks

Moderate HER growth in the cloud

Increase of mobile applications

Momentum for public-private collaboration models (APP)

Limited actual Big Data/IoT/AI projects

Incipient changes in relationships between clients and IT providers

Growth in the demand for security services

Growing interest of investors in eHealth

References

- MarketsandMarkets. (2021). Latin America Healthcare Market by Product (Pharmaceuticals, Medical Devices, and Services) and Country (Mexico, Brazil, Argentina, Colombia, Peru, Chile, and Rest of Latin America) - Forecast to 2025. Retrieved from https://www.marketsandmarkets.com/Market-Reports/latin-america-healthcare-market-994.html
- World Health Organization. (2021). Universal health coverage (UHC) in Latin America and the Caribbean. Retrieved from https://www.who.int/lac/areas/uhc/en/
- International Trade Administration. (2021). Healthcare Resource Guide: Brazil. Retrieved from https://www.trade.gov/knowledge-product/healthcare-resource-guide-brazil
- Pan American Health Organization. (2021). Health in the Americas+ 2021 edition: Summary: Regional outlook and country profiles. Retrieved from https://www.paho.org/en/publications/health-americas-2021-edition-summary-regional-outlook-and-country-profiles
- World Bank. (2021). Health equity and financial protection report: Brazil. Retrieved from https://openknowledge.worldbank.org/handle/10986/36609
- PwC. (2021). Brazil healthcare market overview. Retrieved from https://www.pwc.com.br/pt/setores-atividades/assets/pdf/pwc-healthcare-market-overview-2019.pdf
- Colombia: World Health Organization. (2021). Colombia: Health profile. Retrieved from https://www.who.int/gho/countries/col.pdf?ua=1
- World Health Organization. (2021). Health system review: Costa Rica. Retrieved from https://apps.who.int/iris/handle/10665/341367
- International Medical Travel Journal. (2020). Medical tourism in Costa Rica: Destination in focus. Retrieved from https://www.imtj.com/articles/medical-tourism-costa-rica-destination-focus/
- Ministry of Health. (2021). Chile en Breve: Salud. Retrieved from https://www.minsal.cl/chile-en-breve-salud/
- Mordor Intelligence. (2021). Latin America Healthcare Market - Growth, Trends, COVID-19 Impact, and Forecasts (2021 - 2026). Retrieved from https://www.mordorintelligence.com/industry-reports/latin-america-healthcare-market
- McKinsey & Company. (2021). The state of healthcare in Latin America: Challenges and opportunities for digital transformation. Retrieved from https://www.mckinsey.com/featured-insights/americas/the-state-of-healthcare-in-latin-america-challenges-and-opportunities-for-digital-transformation
- World Bank. (2021). Health equity and financial protection report: Brazil. Retrieved from https://openknowledge.worldbank.org/handle/10986/36609
- Reuters. (2021). Brazil›s More Doctors program improves healthcare in underserved areas. Retrieved from https://www.reuters.com/article/brazil-healthcare-more-doctors-idUSL1N1YH0HL
- EH Consulting. (2021). EH Consulting international. Retrieved from https://www.ehcos.com/en/?codigo_pais=international

FIME

By Informa Markets

For 32 years, **Florida International Medical Expo (FIME)** has brought you new and refurbished medical equipment, hospital technology, products and supplies. From state-of-the-art imaging equipment to the most cost-effective certified pre owned medical equipment, FIME continues to be the leading healthcare business platform across the Americas The 2023 edition of the show will take place from **June 21-23, 2023** and will welcome 1,200+ exhibiting companies to showcase their latest innovations to 12,000+ healthcare and trade professionals. For more information, visit fimeshow.com

For more information, **visit fimeshow.com**