

# Workshops on Health Policy and Federalism

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# Federalism, Intergovernmental Relations, and Health Policy in Brazil

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Brazil is surrounded by a federal district.

# Health Care in Brazil

- The Unified Health Care System: SUS (Sistema Único de Saúde)
- The Supplementary Health Insurance System
- People incomes

# Table 1

## Brazil - Government Spending 1988-98

<b>Government Level</b>	<b>Period</b>	<b>% of GDP</b>	<b>% of Total</b>
<b>Federal</b>	<b>1988</b>	6,9	43,7
	<b>1998</b>	7,3	34,2
<b>States</b>	<b>1988</b>	5,7	36,1
	<b>1998</b>	8,2	38,6
<b>Municipalities</b>	<b>1988</b>	3,2	20,3
	<b>1998</b>	5,8	27,1
<b>Consolidated Spending</b>	<b>1988</b>	15,8	100,0
	<b>1998</b>	21,3	100,0

# Mechanisms of fiscal Decentralization (1988 Constitution)

- 45% of the two most important federal taxes are automatically transferred to states and municipalities, according to population size and per capita income
  - it a decrease on the federal government discretion over tax revenue allocation
- states and municipalities were entitled to levy their own revenues
- the value-added tax became a state tax
  - states have freedom to determine taxes rates and use of their value-added tax

## Brazilian governor's by party 1994-1998

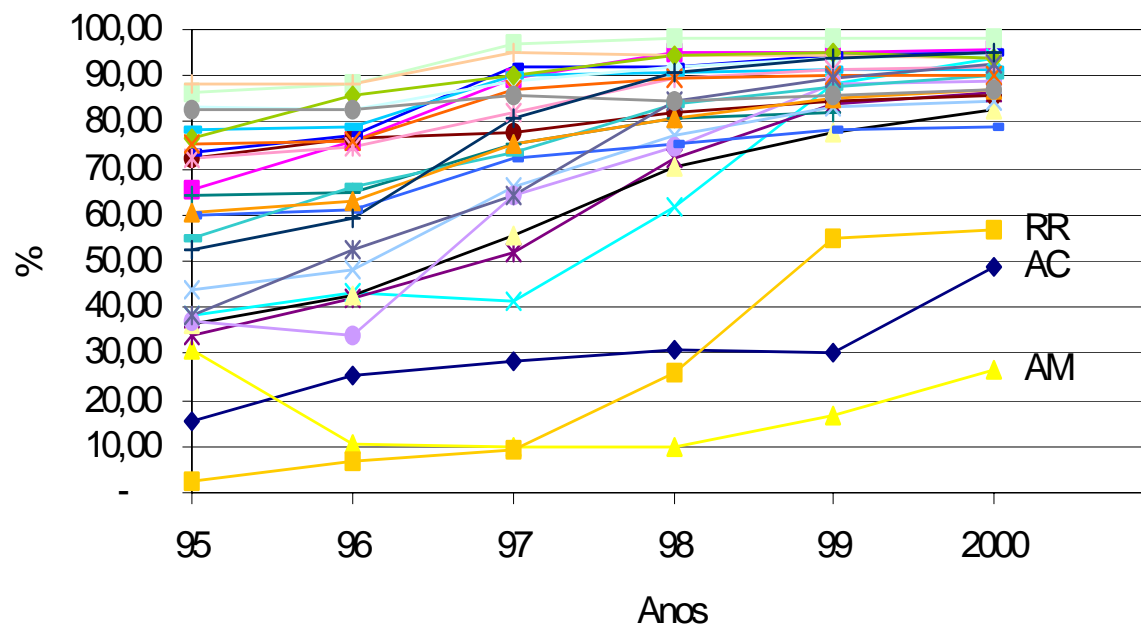
Party	1994	1998	2002
PMDB	9	6	5
PSDB	6	7	7
PPB	3	2	
PFL	2	6	4
PT	2	3	3
PSB	2	2	4
PDT	2	1	1
PTB	1	0	0
PPS	0	0	2
N	27	27	27

# The Public Health Care Reform Goals (1988 Constitution)

- a unified public health care system: SUS
- universal entitlement to public health care
- free medical services
- public and private health care providers
- decentralization



## Participação municipal na produção ambulatorial - média dos municípios no estado



## Health Spending according to the revenue source

Years	Public Spending on Health (US\$ Millions)				Public Spending on Health (%)			
	Federal	States	Municipal	Total	Federal	States	Municipal	Total
1985	10.573,8	2.523,1	1.343,9	14.440,8	73,2	17,5	9,3	100,0
1986	9.534,5	2.685,1	1.452,3	13.671,9	69,8	19,6	10,6	100,0
1987	14.743,7	1.325,0	1.435,9	17.508,2	84,2	7,6	8,2	100,0
1988	15.400,7	-95,4	2.482,3	17.787,6	86,6	-0,5	13,9	100,0
1989	19.172,4	2.067,8	2.676,2	23.916,4	80,2	8,6	11,2	100,0
1990	13.659,1	2.467,4	2.177,2	18.303,7	74,6	13,5	11,9	100,0
1991	11.344,1	2.000,8	1.575,6	14.920,5	76,0	13,4	10,6	100,0
1992	10.010,2	2.045,7	1.776,0	13.831,9	72,4	14,8	12,8	100,0
1993	10.294,6	---	---	---	---	---	---	---
1994	10.441,6	3.705,1	2.883,9	17.030,6	61,3	21,8	16,9	100,0
1995	14.500,3	4.275,0	3.969,8	22.745,1	63,8	18,8	17,4	100,0
1996	12.420,5	4.285,5	6.419,4	23.125,4	53,7	18,5	27,8	100,0

From: Medici, 2002.

Source: IESP/FUNDAP and DISOC/IPEA

Note: (1) It means the level of government which levied the resources

# Health spending according to spending function

Years	Public Spending on Health (US\$ Millions)				Public Spending on Health (%)			
	Federal	States	Municipal	Total	Federal	States	Municipal	Total
1985	9.677,6	3.382,3	1.380,9	14.440,8	67,0	23,4	9,6	100,0
1986	8.321,3	3.599,4	1.751,2	13.671,9	60,9	26,3	12,8	100,0
1987	11.179,6	4.314,1	2.010,9	17.508,2	63,9	24,6	11,5	100,0
1988	9.034,9	6.225,7	2.527,0	17.787,6	50,8	35,0	14,2	100,0
1989	12.943,8	8.011,8	2.960,8	23.916,4	54,1	33,5	12,4	100,0
1990	9.614,1	6.005,9	2.683,7	18.303,7	52,5	32,8	14,6	100,0
1991	7.809,9	5.414,7	2.695,9	14.920,5	52,3	29,8	18,1	100,0
1992	9.702,3	2.353,6	1.776,0	13.831,9	70,1	17,0	12,9	100,0
1993	9.301,6	---	---	---	---	---	---	---
1994	9.624,1	4.230,7	3.175,8	17.030,6	56,5	24,8	18,7	100,0
1995	13.005,4	4.854,1	4.885,6	22.745,1	57,2	21,5	21,3	100,0
1996	10.561,3	4.513,0	8.051,1	23.125,4	45,7	19,5	34,8	100,0

From: Medici, 2002.

Source: IESP/FUNDAP and DISOC/IPEA

Note: (1) It means the level of government which was in charge of spending the resources

# The SUS's Distribution of Responsibilities (1990 National Health Laws)

- local governments:
  - ◆ health care provision
  - ◆ spending
- federal government:
  - ◆ financing
  - ◆ planning
  - ◆ coordination

# The Politics of the SUS-building

- the health care policy decentralization rules
  - ◆ addressed to overcome the local authorities veto power in policy implementation
- the rules of rules-making
  - ◆ regards the institutional rules of participation in the health reform decision-making

# The decentralization rules (Basic Operational Norms)

- allow states and municipalities to choose the health care tasks they would qualify to take over
- require demonstrated capacity to carry health care tasks out
- guarantee automatic health care transfers
- make Health Ministry commitments credible
- distribute transfers according to population size

# The rules of rules-making

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- local level health authorities participation on the rules decision-making
  - **within states: two-level government commission**
  - **federal level: three-level government commission**

**BUT, the Health Ministry is able to bypass institutional decision-making rules**

# SUS's hospitals by region and type 1992-2001

	North		Northeast		Southeast		South		Center-west		Brazil	
	1992	2001	1992	2001	1992	2001	1992	2001	1992	2001	1992	2001
<b>Federal</b>	9,6	2,9	2,7	0,4	2,3	1,0	0,5	0,1	0,2	0,0	2,3	0,7
<b>State</b>	44,8	29,6	21,6	14,0	5,7	7,1	1,9	2,1	3,9	3,2	12,2	9,9
<b>Municipal</b>	13,4	30,6	18,5	35,5	12,1	16,8	8,1	13,7	16,0	29,7	13,6	25,2
<b>Private</b>	26,1	28,0	37,8	31,7	46,7	29,1	56,8	43,3	67,2	53,8	46,7	35,2
<b>Philanthropic</b>	5,4	7,8	17,5	16,5	30,6	43,0	31,8	37,5	12,1	11,9	23,4	26,6
<b>University's</b>	0,7	0,8	1,9	1,8	2,5	3,1	1,0	3,3	0,7	1,3	1,7	2,3
<b>Unions'</b>	0,0	0,2	0,0	0,1	0,1	0,0	0,0	0,0	0,0	0,0	0,0	0,0
<b>Region/Brazil</b>	7,1	7,8	29,7	34,4	32,8	29,0	20,6	17,3	9,9	11,4	100	100



# Did decentralization reduce imbalances among municipalities?

**Tabela 6**  
Procedimentos ambulatoriais por habitante  
Brasil - 1997-2000

	Número de Municípios	Média	Desvio-padrão
<b>1997</b>	4824	7,48	4,55
<b>1998</b>	5347	6,98	3,88
<b>1999</b>	5361	8,04	4,04
<b>2000</b>	5363	8,91	4,52

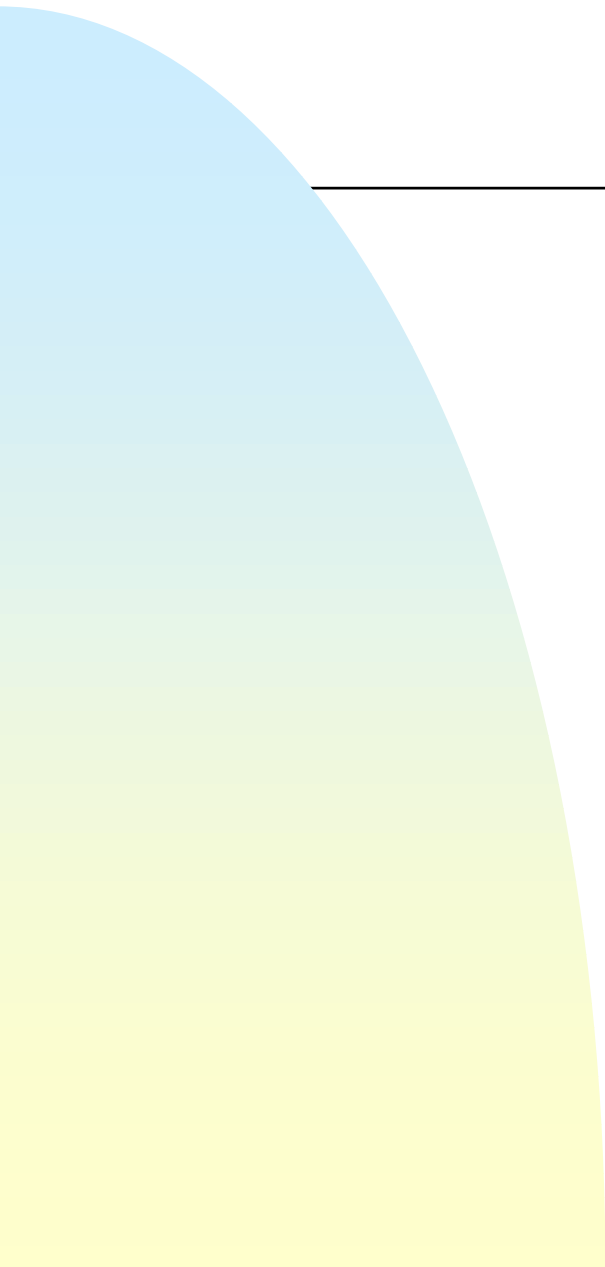
**Tabela 7**  
Procedimentos selecionados de atenção básica à saúde  
Brasil – 1997-1999

	Número de Municípios	Média	Desvio-padrão
<b>Consulta básica/hab 1997</b>	5364	1,28	0,88
<b>Consulta básica/hab 1998</b>	5364	1,27	0,78
<b>Consulta básica/hab 1999</b>	5364	1,39	0,79
<b>Visitas domiciliares/hab 1997</b>	5364	0,00	0,03
<b>Visitas domiciliares/hab 1998</b>	5364	0,25	0,43
<b>Visitas domiciliares/hab 1999</b>	5364	1,17	1,98

# And about hospital services?

**Tabela 8**  
**Número Médio de Internações Per capita**  
**Brasil – 1996-2000**

	<b>Número de Municípios</b>	<b>Média de Internações</b>	<b>Desvio-padrão</b>
<b>1996</b>	3553	0,08	0,06
<b>1997</b>	3553	0,08	0,05
<b>1998</b>	3586	0,08	0,05
<b>1999</b>	3586	0,08	0,05
<b>2000</b>	3586	0,07	0,05



# The Previous Public Health Care Model

- free access to medical services
- entitlement linked to contributions to the Social Security System
- one centralized federal agency
- private and contracted health care providers

# The Reform of the Public Health Care System

- the goals-setting phase (1988-1990)
  - ◆ main decision-making arena: the Parliament
  - ◆ the 1988 Constitution and the National Health Laws
- the implementation phase (1990ss)
  - ◆ the Health Ministry was the main decision-making arena
  - ◆ Basic Operational Norms (NOBs)