

FINANCING ACCELERATOR NETWORK for NCDs

Financing NCDs in Latin America and the Caribbean:
A Regional Landscape Analysis



Executive **Summary**
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Key Messages



NCDs are a major and growing financing challenge in LAC.

They account for approximately 65% of all deaths in the region and place sustained pressure on health systems, households, and national economies.



The core challenge is not only the magnitude of resources, but how financing is organized.

Across the report, fragmentation, weak coordination, and limited traceability emerge as central barriers to financing continuous, integrated care for chronic conditions.



Progress across financing functions is uneven.

Strategic purchasing shows the most visible progress, while pooling remains the least documented and comparatively underdeveloped. Resource mobilization remains predominantly domestic and constrained by limited fiscal space.



Promising instruments already exist in the region, but they remain fragmented and difficult to scale.

Examples include Chile's AUGE-GES, Argentina's SUMAR, Jamaica's National Health Fund, and Colombia's High-Cost Account.



The opportunity is to move from isolated initiatives toward more integrated and sustainable financing strategies.

Strengthening traceability, financial protection, prevention, information systems, and implementation capacity can help translate existing experience into broader system-level transformation.



Executive Summary

Noncommunicable diseases (NCDs) account for approximately **65% of all deaths in Latin America and the Caribbean (LAC)** and represent a growing burden for health systems, households, and national economies. In the region, approximately 38% of NCD-related deaths occur before the age of 70, with substantial disparities across countries—NCD mortality rates range from 307 per 100,000 population in Costa Rica to 825 per 100,000 in Haiti. The economic costs are significant: smoking alone generates an estimated US\$26.9 billion in annual direct medical costs across 12 Latin American countries—approximately 6.9% of total health expenditure—while sugar-sweetened beverage consumption is associated with approximately US\$2 billion in annual healthcare costs in four countries studied. More broadly, the macroeconomic burden of NCDs is estimated to reduce annual economic growth by 0.5% to 2.0% in several countries in the region. Despite this, **financing** for NCDs remains **insufficient, fragmented, and poorly traceable**, limiting countries' ability to respond effectively to the rising demand for chronic care.

This executive summary provides a regional landscape analysis of how financing for NCDs is mobilized, pooled, and allocated across LAC, with the objective of identifying current practices, structural constraints, and opportunities to strengthen health financing for chronic conditions in the region. The analysis focuses on four major NCD groups—cardiovascular diseases, cancer, diabetes, and chronic respiratory diseases—while also incorporating relevant evidence on mental health conditions and chronic kidney disease. It uses a mixed-methods approach combining: i) a structured desk review of 157 documents published between 2020 and 2025, including 102 reports from international and regional organizations, 29 peer-reviewed publications, and 26 institutional reports; ii) 21 semi-structured key informant interviews with 22 stakeholders across ten countries: Argentina, Brazil, Chile, Colombia, Dominican Republic, Ecuador, Mexico, Peru, Trinidad and Tobago, and Uruguay; and iii) a regional validation dialogue held in Buenos Aires in April 2026, which brought together 45 participants from nine countries, including government representatives, international organizations, civil society, and technical actors, to discuss preliminary findings, validate their relevance, and identify priorities for Financing Accelerator Network for NCDs (FAN) next phase in LAC. The analysis is guided by the WHO health financing framework, which examines three core functions: resource mobilization, pooling, and strategic purchasing. By triangulating these sources, the report provides a comprehensive and policy-relevant perspective on current practices, constraints, and opportunities.

The findings reveal a **structural mismatch** between the growing burden of NCDs and the way health financing systems are organized in LAC. While NCDs are widely recognized as a policy priority—most countries in the region have developed formal strategies or plans, often aligned with international frameworks—this recognition does not consistently translate into sustained political commitment, effective implementation, or dedicated financing. More importantly, the central challenge is not only the magnitude of available resources, but how financing is structured, sustained, coordinated, and translated into effective service delivery. **Health systems** in the region remain **largely designed** to address **acute conditions, while NCDs require prevention-oriented, continuous, long-term, and integrated care**. This misalignment results in fragmented financing arrangements, weak coordination across levels of care, and persistent gaps in financial protection. Out-of-pocket spending accounts for 30–40% of total health expenditure in several countries, with a substantial share concentrated in medicines for chronic conditions. Public expenditure on health remains below PAHO’s benchmark of 6% of GDP in nearly half of LAC countries, further constraining the capacity to respond to chronic disease needs.

Across **WHO health financing functions, progress remains uneven**. In **resource mobilization**, health financing for NCDs is predominantly domestic, relying on general taxation and social security contributions, while external financing plays a complementary but non-structural role. External financing identified in the desk review amounts to approximately US\$384 million over the past five years, suggesting a relatively modest level of externally documented support relative to the scale of the NCD burden. Health taxes on tobacco, alcohol, and sugar-sweetened beverages are widely implemented across the region. Although they can contribute both to reducing harmful consumption and expanding fiscal space, their revenues are rarely channeled clearly to health programs; even where earmarking mechanisms exist, the link between revenue generation and actual allocation to health services varies depending on institutional arrangements.

Pooling mechanisms are the least documented health financing function in the reviewed evidence and remain comparatively underdeveloped. They are largely concentrated in public insurance and statutory coverage schemes—such as Chile’s AUGE-GES and social security systems—with relatively little diversification into alternative risk-sharing models. Fragmentation across multiple insurance schemes, parallel subsystems, and segmented financing structures limits effective risk redistribution and contributes to persistently high out-of-pocket spending, particularly for low-income and underserved populations. The effects of fragmentation, however, vary depending on whether multiple schemes operate without coordination or risk sharing, or within more regulated and integrated frameworks.

Strategic purchasing is the most frequently documented health financing function in the reviewed evidence and interviews, based on the range and diversity of mechanisms identified. Countries are increasingly adopting explicit benefit packages, performance-linked provider payment mechanisms, and some centralized or pooled procurement strategies, including through the PAHO Revolving Funds. Country experiences illustrate both progress and constraints: Chile’s AUGE-GES system links guaranteed benefit packages and quality management to financial protection for priority conditions, while Argentina’s SUMAR program combines capitation-based financing with performance-linked incentives tied to tracer conditions, including NCD-related indicators. However, implementation remains partial, uneven, and often insufficiently aligned with long-term NCD outcomes. More advanced instruments, such as managed entry agreements, remain at an early stage of development in the region.

While no single subregional model emerges, the analysis shows **important heterogeneity** across contexts. Some Caribbean countries rely more on external support, while several institutionalized purchasing examples concentrated in Southern Cone countries.

Across financing functions and related system enablers, several **cross-cutting challenges** persist. Health financing for NCDs within general **budgets** has limited **traceability and comparability** across prevention, treatment, and long-term care. The WHO Global Health Expenditure database (2023) does not report NCD expenditure as a share of current health expenditure for LAC countries; limited estimates are available only for Costa Rica (52.1% in 2020), Guyana (43.1% in 2019), and Haiti (13.2% in 2016), highlighting the extent of the **data gap**. **Primary prevention** remains underfunded relative to curative and high-cost interventions. **Mental health**, while increasingly visible in policy frameworks, remains particularly underfunded: public spending on mental health in LAC averages approximately 2% of total health budgets, compared with approximately 6% in Chile, a regional reference point. **Information systems** are fragmented and underutilized, limiting their role in decision-making and accountability. **Innovative approaches** are also present—including earmarked fiscal instruments such as Jamaica’s National Health Fund (which receives 20% of the Special Consumption Tax on tobacco to subsidize essential medicines for chronic conditions), performance-linked payment models such as SUMAR and Previne Brazil, integrated care approaches such as “one-stop-shop” models for diabetes management, and data-driven performance monitoring systems such as Colombia’s High-Cost Account—but they often remain **fragmented, insufficiently institutionalized, and difficult to scale**.

Importantly, many of the **key instruments** and enabling mechanisms needed to strengthen NCD financing are already present across different countries in the region, including health taxes, strategic purchasing mechanisms, integrated care models, and information systems. However, these remain isolated, unevenly implemented, and **insufficiently institutionalized**, limiting their ability to generate system-wide transformation. This suggests that the **core challenge** is not the absence of promising tools or experiences, but the **lack of integration, continuity, and scale**.

Addressing these challenges will require moving beyond isolated initiatives toward more integrated, transparent, and sustainable financing strategies that better align with the long-term nature of chronic conditions. Potential entry points include expanding fiscal space for NCDs, including more effective use of health taxes; improving the traceability and comparability of NCD expenditure; developing regional indicators to support decision-making and accountability; investing in primary health care and prevention; aligning provider payment mechanisms with long-term outcomes; supporting existing programs with potential for scale; and improving tools for price negotiation and strategic procurement. In this context, the FAN is well positioned to support countries and regional partners in addressing selected constraints highlighted in this report, particularly weak traceability of NCD financing, fragmented financial protection arrangements, uneven implementation of strategic purchasing, underused information systems, limited implementation capacity, and innovations or programs that remain difficult to scale. Through FAN Foresight, FAN Forum, and FAN Fund, the initiative can help connect evidence generation, regional learning, and catalytic support to strengthen more integrated and sustainable responses to NCD financing challenges in LAC.