POLICY BRIEF - HEALTH FINANCING

Financing NCDs in Latin America and the Caribbean: where do we stand and where are we headed?

Financing Accelerator Network for NCDs (FAN) — Instituto de Efectividad Clínica y Sanitaria (IECS) | Julio 2026

65%[1]
of all deaths in LAC are caused by NCDs

38%[1]
of NCD deaths occur before the age of 70

>30%[2]
of total health spending is out-of-pocket (OOP) in half of the countries in the region —not only for NCDs

THE NCD CHALLENGE

A growing burden that health systems are not organized to absorb

NCDs are the leading cause of mortality and disability in the region. Despite this, financing arrangements for NCD prevention and care remain inefficient, fragmented, and difficult to track, limiting countries' ability to respond effectively to growing demand for NCD services.

Disparities across the region are stark: NCD mortality ranges from 307 per 100,000 inhabitants in Costa Rica to 825 per 100,000 in Haiti, and **the macroeconomic burden of NCDs reduces annual economic growth by 0.5% to 2.0% in several countries.** As an illustration, tobacco use generates estimated direct medical costs of **USD 26.9 billion** annually across 12 countries in the region —about 6.9% of total health expenditure— while sugar-sweetened beverage consumption accounts for approximately **USD 2 billion annually** in Argentina, Brazil, El Salvador and Trinidad and Tobago.

Although nearly half of LAC countries fall below the 6% of GDP public health spending threshold recommended by PAHO, the core challenge is not only the volume of available resources. The fundamental problem is how health financing for NCDs is **structured, coordinated, and translated into effective care** for chronic conditions.

DIAGNOSIS

Uneven progress across the three health financing functions for NCDs

This policy brief draws on a regional analysis commissioned by FAN and conducted by IECS to assess the state of health financing for NCDs across Latin America and the Caribbean. The analysis —which systematized 157 documents and 22 interviews across ten countries, and was validated through a regional dialogue— was organized around the WHO health financing framework, which distinguishes three functions: resource mobilization, pooling, and strategic purchasing.

RESOURCE MOBILIZATION

Predominantly domestic (general taxation and social security). Taxes on tobacco, alcohol, and sugar-sweetened beverages exist in all countries, but their revenues are rarely earmarked for NCD programs. Only 9 countries have legal frameworks for such allocation. Approximately USD 384 million in external financing was identified over 5 years —modest given the scale of the problem.

POOLING

The most lagging and least documented function. Formal coverage exists in most countries, but fragmentation across subsystems —public, social security, private— limits effective risk redistribution. Out-of-pocket spending in Ecuador is around 38%. Uninsured patients are 2–7 times more likely to incur catastrophic health expenditures.

STRATEGIC PURCHASING

The function with the most visible progress. There is growing adoption of explicit benefit packages, results-based payment mechanisms, and centralized procurement strategies. However, implementation remains partial, uneven, and often disconnected from long-term outcomes. The most advanced instruments (managed access agreements) are still at an early stage.

STRUCTURAL BARRIERS

Challenges that cut across all financing functions

LIMITED SPENDING TRACEABILITY — THE FOUNDATION

NCD spending is absorbed into general health budgets with no identifiable lines. The WHO database (2023) does not report NCD-specific spending for LAC countries; only isolated estimates are available —for example, Costa Rica (52.1%), Guyana (43.1%), and Haiti (13.2%). This lack of traceability undermines planning, prioritization, and accountability across all other financing functions.

Underfunded prevention

Spending and political attention are concentrated on curative, high-cost interventions. In Chile, for example, only 0.7% of total public spending is allocated to NCD prevention and health promotion.

Weak information systems

Multiple systems exist but function as data repositories rather than decision-making tools. Interoperability is limited and analytical capacity is insufficient, making it difficult to link resources to outcomes.

Institutional discontinuity

Changes in government disrupt strategies, scatter technical teams, and reorient priorities. NCDs are frequently a "silent crisis" difficult to sustain on the policy agenda beyond annual budget cycles.

WHAT ALREADY EXISTS

Promising instruments with potential for scale-up in the region

A central finding of the analysis is that many of the instruments needed to strengthen health financing for NCDs **are already present in the region.** The challenge is not their absence, but their fragmentation, uneven implementation, and limited institutionalization.

JAMAICA

National Health Fund

20% of the tobacco excise tax finances subsidies for essential medicines for chronic conditions, reducing out-of-pocket spending. Illustrates how fiscal instruments can be directly linked to NCD services.

CHILE

AUGE-GES System

Explicit guarantees of access, quality, timeliness, and financial protection for 90 prioritized conditions, including all NCDs. Evidence shows a pro-poor utilization pattern after the reform.

ARGENTINA

SUMAR Program

Combines capitation (60%) with performance-based payment (40%) tied to coverage indicators, including NCDs. Covers more than 17 million people with exclusive public coverage across 8,000 primary health care centers in all 24 provinces.

COLOMBIA

High-Cost Account

Longitudinal information system for high-cost conditions enabling cohort tracking, benchmarking, and resource allocation. An example of how data can be an active tool for management and accountability.

BRASIL

Previne Brasil and Farmácia Popular

Previne Brasil introduces results-based financing in primary care; Farmácia Popular subsidizes essential medicines for chronic conditions, with direct impact on reducing out-of-pocket spending for hypertension and diabetes.

MÉXICO

MIDO Initiative

Early detection model for cardiovascular and metabolic diseases through active outreach in public spaces and digital platforms, implemented in more than 12,000 units with real-time monitoring of clinical indicators.

KEY MESSAGES AND ENTRY POINTS FOR ACTION

Toward a more integrated and sustainable response

Given the systemic nature of the challenges identified, progress will not depend on comprehensive reforms, but on **concrete, context-sensitive entry points** that enable incremental and sustained improvements.

1 IMPROVE SPENDING TRACEABILITY

Improving the traceability of NCD expenditure within existing budgets, including evidence on financing gaps by condition and the costs of fragmentation, to strengthen planning, prioritization, and accountability.

2 MAKE BETTER USE OF FISCAL INSTRUMENTS

Making better use of fiscal instruments linked to health objectives, including opportunities to strengthen or better connect different mechanisms of funding/disbursement/payment with NCD priorities such as health taxes, results-based schemes, or pay-for-performance.

3 DOCUMENT AND SCALE GOVERNMENT-LED INITIATIVES

Documenting government-led management case studies to support learning and scale-up of successful NCD financing initiatives.

4 REINFORCE FINANCIAL PROTECTION

Reinforcing financial protection for chronic conditions, especially where fragmentation and out-of-pocket spending continue to undermine access.

5 STRENGTHEN STRATEGIC PURCHASING

Strengthening selected components of strategic purchasing, particularly where benefit design, provider payment, or procurement mechanisms can be better aligned with chronic care needs.

6 INVEST IN PRIMARY CARE, PREVENTION, AND HEALTH PROMOTION

Investing in PHC and primordial, primary, and secondary prevention, shifting attention from reactive and high-cost responses toward more proactive and continuous integrated models of chronic care prevention and control, including health promotion and civic education.

7 ENHANCE INFORMATION SYSTEMS AND TECHNICAL CAPACITY

Enhancing the use of information systems and technical capacity for decision-making, including electronic health records, interoperability and a regional set of NCD financing indicators covering financial, epidemiological, disease burden, and outcome dimensions, so that data and local institutional capabilities can better support financing choices, monitoring, and implementation, financing traceability, and policy adaptation.

8 REVIEW AND STRENGTHEN EXISTING REGIONAL INITIATIVES

Reviewing and strengthening existing regional and country-level initiatives with potential for scale, including mechanisms already supported by PAHO/WHO or other regional partners, rather than creating parallel structures, and documenting how successful initiatives were implemented, adapted, and sustained in different contexts.

9 STRENGTHEN REGIONAL PLANNING FOR MEDICINES AND TECHNOLOGIES

Strengthening regional planning for procurement, regulation, price negotiation, and technology transfer, particularly for medicines, supplies, and high-cost technologies including tools to support price negotiation, shared information, and regional mapping of production capacity and priority needs.

10 STRENGTHEN SUSTAINABILITY MECHANISMS

Strengthening sustainability mechanisms so that successful initiatives can survive political transitions and be integrated into routine health system financing.

Moving forward on these priorities requires sustained technical capacity, systematic exchange among countries, and catalytic resources to move from pilot to policy. The Financing Accelerator Network for NCDs (FAN) is designed to support that process.

FAN'S ROLE

The Financing Accelerator Network for NCDs (FAN) as a bridge between problem recognition and sustained action

FAN is well positioned to support countries in addressing the key constraints identified —weak spending traceability, fragmented financial protection, uneven strategic purchasing, underused information systems, and innovations that are difficult to scale— through three complementary pillars.

FAN FORESIGHT	FAN FORUM	FAN FUND
Regional expertise, demand analysis, and technical support to clarify financing architecture, spending gaps, fiscal space opportunities, and implementation bottlenecks.	Peer exchange among countries on practical lessons in pooling, strategic purchasing, prevention financing, and data use. Documentation of experiences and peer learning on what worked and under what conditions.	Catalytic support for selected initiatives that can move beyond isolated pilots toward greater institutionalization, adaptation, and scale within health systems.

Learn more about FAN, join as a member country, and download the full analysis | ncdfinancing.org

Financing Accelerator Network for NCDs (FAN) | IECS

Based on: *LAC NCD Financing Landscape Report*, July 2026 · 157 documents · 22 key informants · 10 countries · regional validation Buenos Aires, April 2026

[1] PAHO. NCDs at a Glance 2025. NCD surveillance and monitoring: Noncommunicable disease mortality and risk factor prevalence in the Americas. Pan American Health Organization. 2025.
[2] World Health Organization / World Bank Group. Global Health Expenditure Database, 2023. Disponible en: https://data.worldbank.org/indicator/SH.XPD.CHEX.GD.ZS