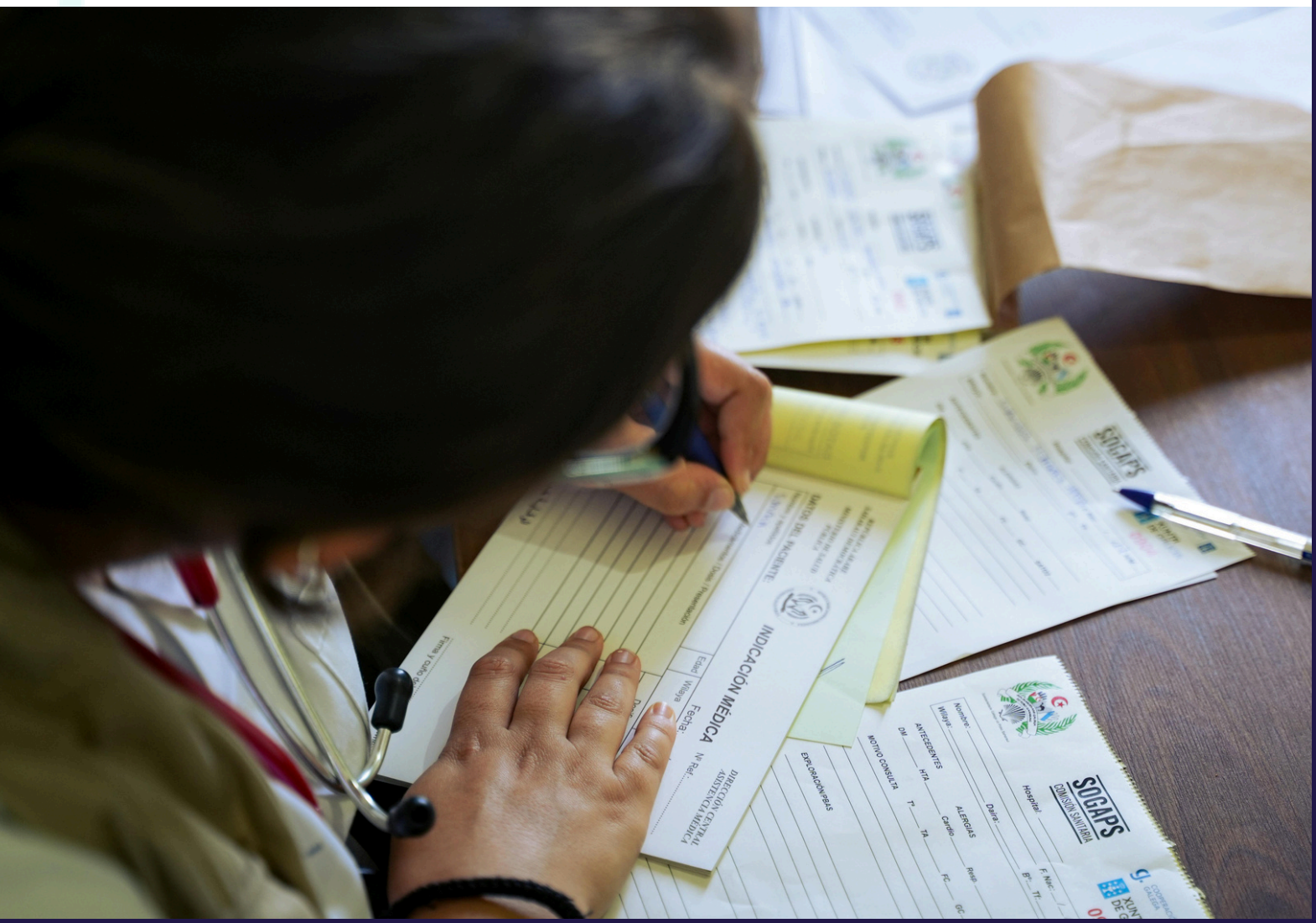
Financing NCDs in Latin America and the Caribbean:
A Regional Landscape Analysis

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 is attributed to an estimated USD 26.9 billion in annual direct medical costs across 12 LAC countries —approximately 6.9% of total health expenditure—while sugar-sweetened beverage (SSB) consumption is attributed to approximately USD 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, the flow of funding for NCDs remains insufficient, fragmented, and poorly traceable, limiting countries' ability to respond effectively to the growing demand for chronic care. Challenges are not uniform across the region. For example, some Caribbean countries rely more heavily on external support than those outside the Caribbean. Meanwhile, Southern Cone countries have institutionalized strategic purchasing practices more often than countries in other sub-regions.

Objectives and methods

This report 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 (CVDs), 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; and ii) 21 semi-structured key informant interviews (KIIs) with 22 stakeholders across ten countries: Argentina, Brazil, Chile, Colombia, The Dominican Republic, Ecuador, Mexico, Peru, Trinidad and Tobago, and Uruguay; and iii) a regional validation dialogue held in Buenos Aires in April 2026, which convened 45 participants from ten countries,including government representatives, international organizations, civil society, and technical actors, to discuss preliminary findings, validate their relevance, and identify priorities for country support under the next phase of the Financing Accelerator Network for NCDs (FAN) next phase in LAC. The analysis is guided by the World Health Organization (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.



Key findings

Resource mobilization: Health financing for NCDs is predominantly domestic, relying mainly on general taxation and social security contributions. External financing plays a complementary role without being systematic or institutional. In 2023, almost half of LAC countries spent below Pan American Health Organization (PAHO)'s recommended benchmark of 6% of GDP on public expenditure on health. Health taxes on tobacco, alcohol, and SSBs are widely implemented across the region, but their revenues are rarely channeled clearly to health programs. Even where earmarking mechanisms exist, the link between revenue generation and allocation to health services depends on country-specific institutional and budgetary arrangements and is often difficult to trace.

Risk pooling occurs primarily through public insurance and statutory coverage schemes —such as Chile's "Plan de Garantías Explícitas de Salud" (AUGE-GES) and social security systems. However, fragmentation across multiple insurance schemes, parallel subsystems, and segmented financing structures limits effective risk redistribution and contributes to persistently high out-of-pocket (OOP) spending, particularly for low-income and underserved populations.

Strategic purchasing approaches are increasingly common, with countries adopting explicit benefit packages, performance-linked provider payment mechanisms, and centralized or pooled procurement of medicines and products, including through the PAHO Revolving Funds. However, implementation remains partial and uneven, and often insufficiently aligned with long-term outcomes. More advanced instruments, such as managed entry agreements, remain at an early stage of development in the region.

Interpretation of findings

Health financing for NCDs within government budgets has limited traceability across prevention, treatment, and long-term care, while information on NCD expenditure remains largely unavailable. The WHO Global Health Expenditure Database (2023) does not report NCD expenditure as a share of current health expenditure for LAC countries, and only a few country-specific estimates from previous years are available. Information systems are fragmented and underutilized, limiting their role in expenditure tracking, decision-making and accountability.

There is a structural mismatch between the growing burden of NCDs and the way health financing systems are organized in LAC. Although NCDs are widely recognized as a policy priority, this recognition does not consistently translate into sustained political commitment, effective implementation, or dedicated financing. Health systems in the region remain largely organized around acute care, while NCDs require continuous, long-term, and integrated care. Primary prevention remains underfunded relative to curative and high-cost interventions. This imbalance is particularly evident in mental health, which, despite gaining visibility in policy frameworks, continues to receive limited financial investment, accounting for only around 2% of total health expenditure on average across LAC. This misalignment between health financing systems and service delivery results in fragmented financing arrangements, weak coordination across levels of care, and persistent gaps in financial protection. This gap is reflected in high out-of-pocket spending, which accounts for 30–40% of total health expenditure in several countries and is often concentrated in medicines for chronic conditions. The central challenge is not only the magnitude of available resources, but how financing is structured, coordinated, and translated into effective service delivery.

Innovative approaches for financing, pooling and strategic purchasing of NCD services exist—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 Programa Sumar in Argentina and Previne Brazil, integrated care approaches such as "one-stop-shop" models for diabetes management in Mexico, and data-driven performance monitoring systems such as Colombia's High-Cost Account—but they remain project-based, fragmented, and difficult to scale.

Potential entry points for interventions to strengthen health financing for NCDs

Importantly, many of the key instruments needed to strengthen health financing for NCDs are already present in the region, including health taxes, strategic purchasing mechanisms, integrated care approaches, and information systems. However, these remain isolated, unevenly implemented, and insufficiently institutionalized, limiting their ability to generate system-wide transformation. Within the core entry points, we identified the following entry points for intervention to advance financing for NCDs:

1. Expanding the fiscal space for NCDs and more effective use of health taxes.
2. Strengthening and integrating information systems to improve the traceability and comparability of NCD expenditure; and developing regional indicators to support decision-making and accountability.
3. Investing in prevention and health promotion; reinforcing financial protection for chronic conditions.
4. Aligning provider payment mechanisms with benefits / entitlements and focusing on long-term outcomes, price negotiation and regional planning for medicines, supplies, and high-cost technologies.
5. Supporting existing programs with potential for scale by documenting promising country experiences; strengthening and integrating health information systems; and scaling successful innovations beyond pilot stages to survive political transitions.

Through FAN's three interconnected programmatic areas—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 financing for NCDs in the LAC region. Together, these functions can bridge the gap between identifying financing challenges, sharing practical solutions, and supporting the implementation and scaling of promising approaches.

Key Messages

NCDs are a major health and financing challenge in LAC. Smoking alone is estimated to generate USD 26.9 billion in annual direct medical costs across 12 Latin American countries, equivalent to 6.9% of total health expenditure in those countries.

NCDs account for **approximately 65% of all deaths** in the region, are a leading cause of disability, and place sustained financial pressure on health systems, households, and national economies.

Evidence across financing functions is uneven.

Pooling is least documented and the evidence base is comparatively underdeveloped as compared to resource mobilization and strategic purchasing. The evidence shows that resource mobilization remains constrained by limited fiscal space. Pooling mechanisms are largely concentrated in public insurance and statutory coverage schemes, while strategic purchasing shows the most visible progress.

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

Nearly half of LAC countries spent below PAHO's recommended benchmark of 6% of GDP for public expenditure on health in 2023. The low public spending is compounded by fragmentation, weak coordination, and limited traceability of funding flows which emerge as central barriers to financing continuous, integrated care for chronic conditions. The lack of systematic, comparable, and interoperable data limits the ability to assess health financing for NCD gaps, link resources to outcomes, and develop evidence-informed national and regional policies.

Positive experiences of financing have been identified in the region, but they remain fragmented and difficult to scale up.

Examples of instruments that provide lessons that could be considered for adaptation by peers 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, primary healthcare systems, information systems, and implementation capacity can help translate existing experience into broader system-level transformation.

JOIN FAN IN MAKING A DIFFERENCE

Countries and local stakeholders are invited to engage with FAN by joining as a country member with opportunities to share insights, participate in exchanges, access technical support, and apply for catalytic seed funding. Mulitlateral organizations, philathropies, the private sector, and civil society organizations can contribute their knowledge, funding, and experience as part of the Technical Advisory Group and are encouraged to join dedicated partnerships facilitated by FAN to foster locally driven solutions in-country.

ncdfinancing.org

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