



INSTITUTO DE ESTUDOS  
DE SAÚDE SUPLEMENTAR

# CHALLENGES FACING HEALTH INSURANCE IN A MULTI TRANSITION WORLD

financing of and access to healthcare services

*José Cechin*

[jcechin@iess.org.br](mailto:jcechin@iess.org.br)

Geneva Association, 28set2010

55 11 3706.9747

# Agenda

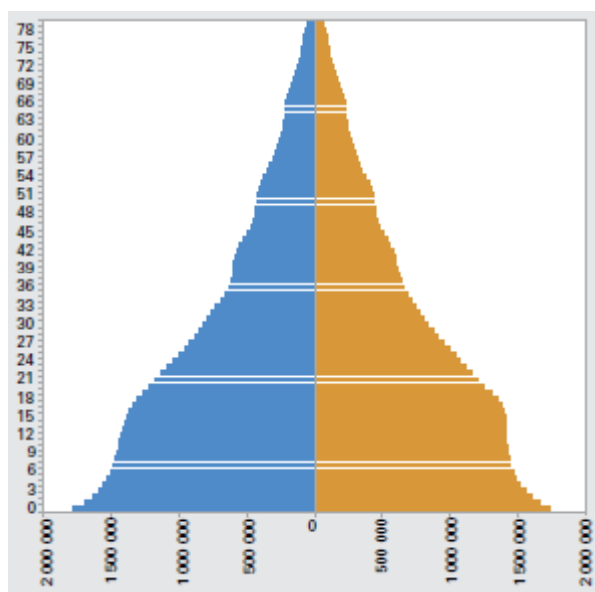
---

- Transitions
    - demographic
    - epidemiological
    - nutritional
    - sedentary
    - climate and global warming
  - Health insurance
  - Financing and access
    - New products
    - Health promotion and prevention
-

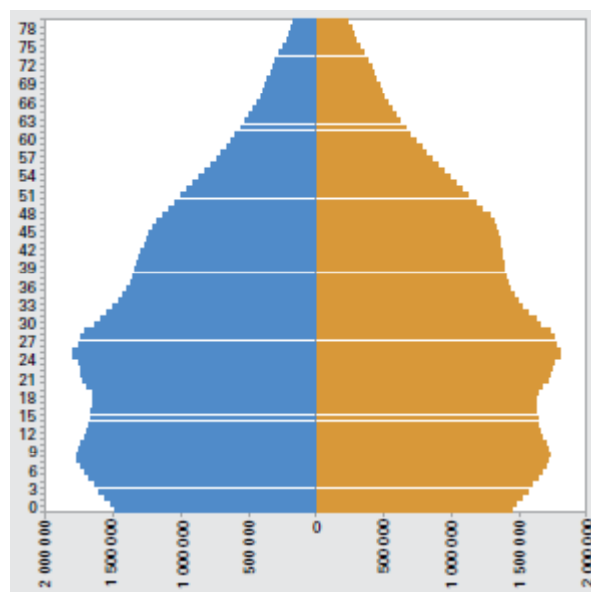
# Demographic transition

# Age pyramids

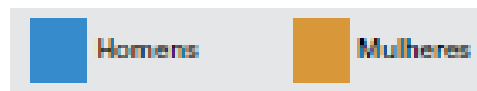
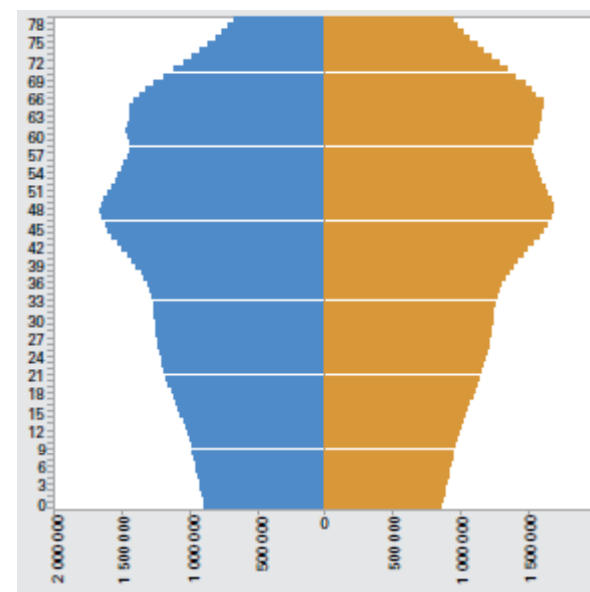
1980



2010

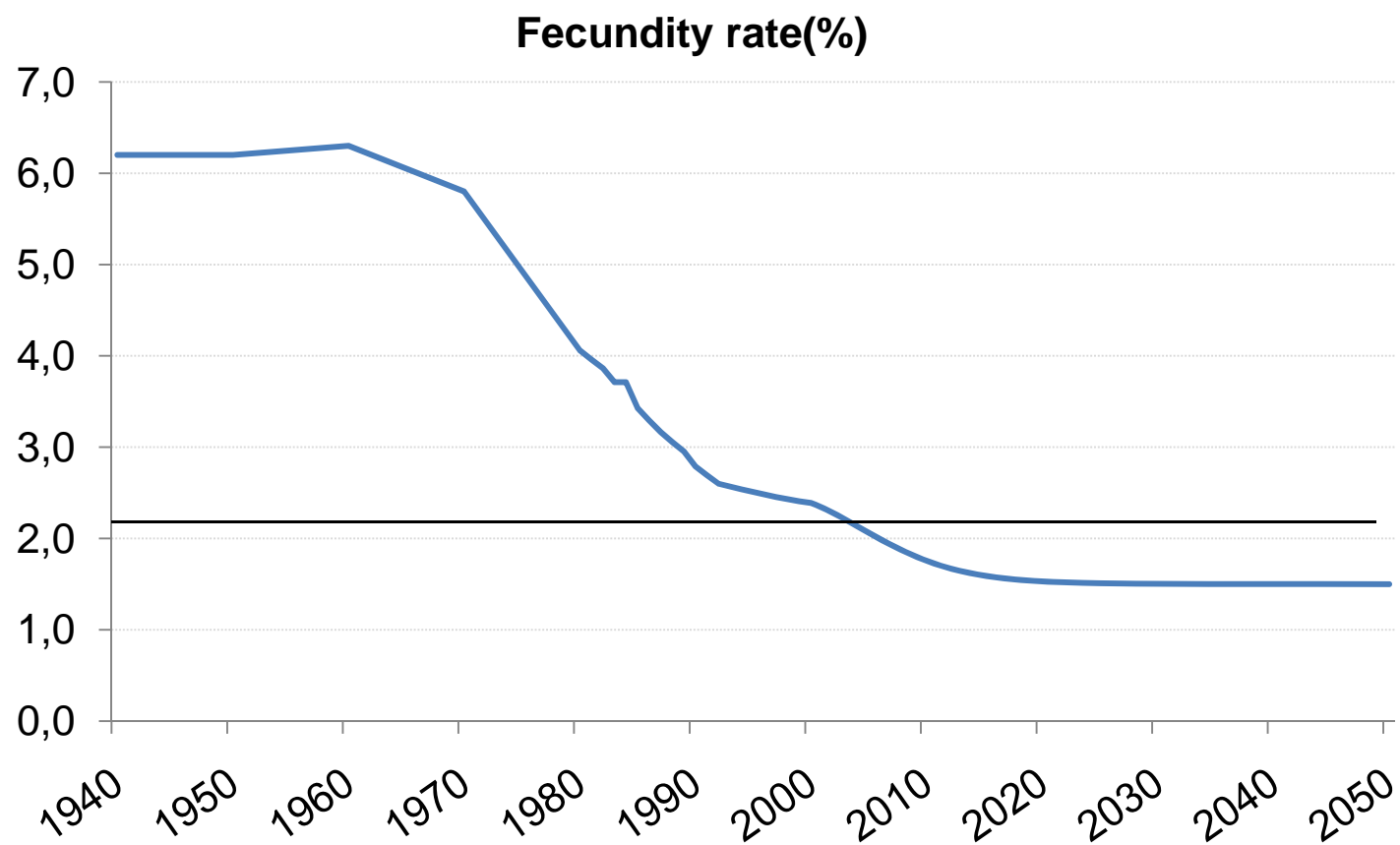


2050



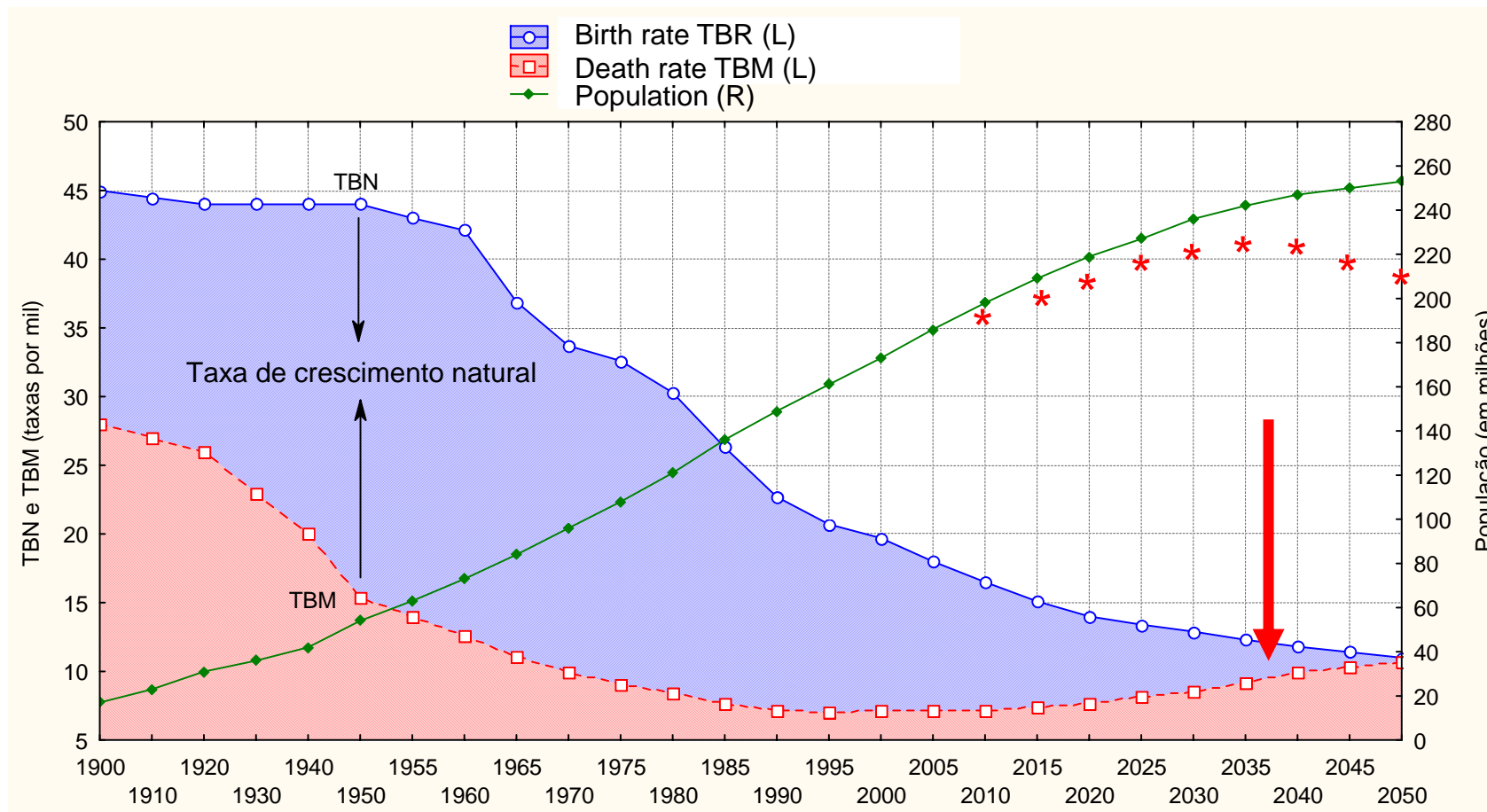
Fonte: IBGE, Diretoria de Pesquisas, Coordenação de População e Indicadores Sociais, Projeção da População do Brasil por Sexo e Idade para o Período 1980-2050 - Revisão 2008.

# Fecundity rate



Source: IBGE

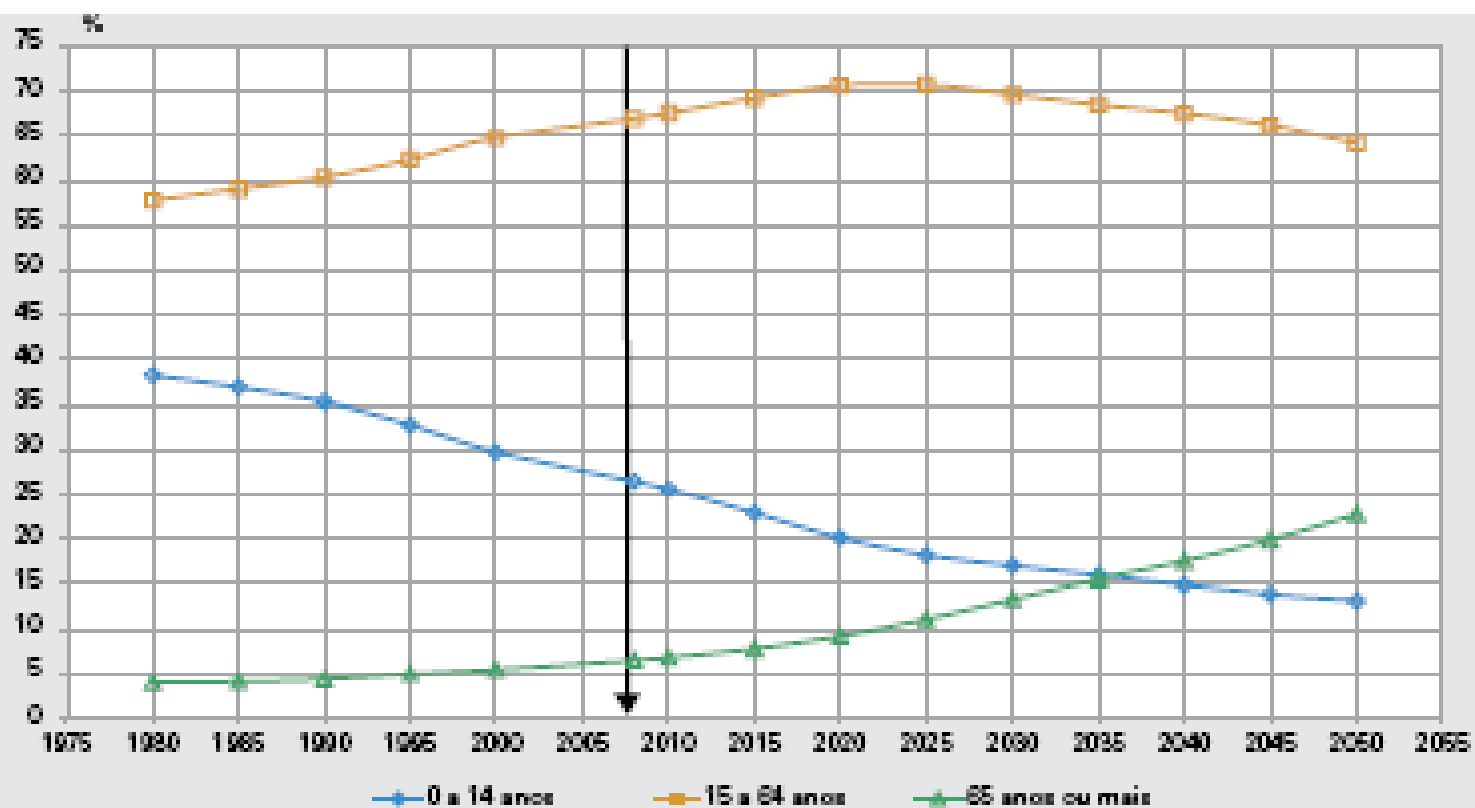
# Gross birth and mortality rates



Fonte: IBGE e ONU - [www.esa.um.org/unpp](http://www.esa.um.org/unpp) - visitado em 18 de janeiro de 2006

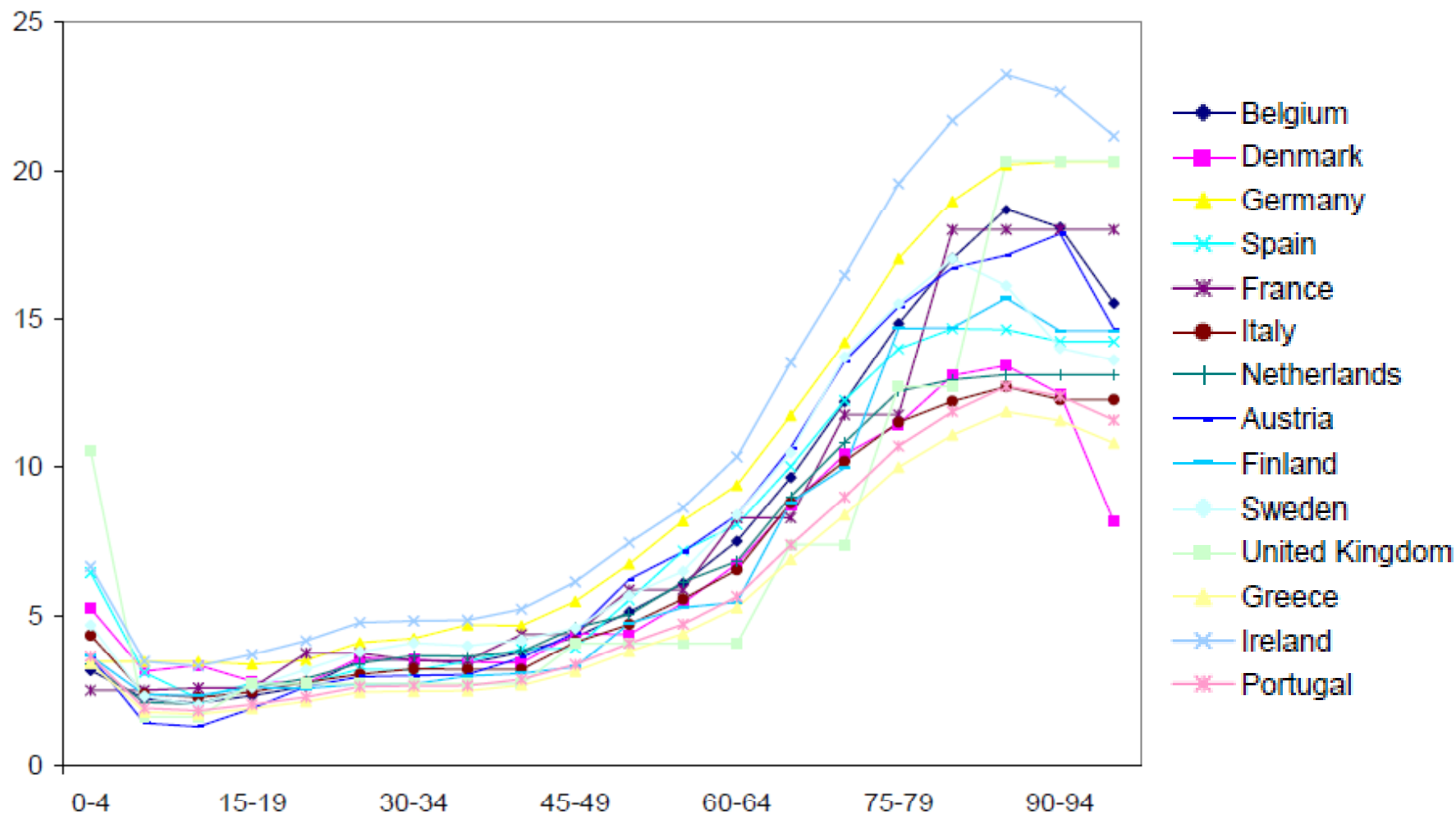
# Age structure

Youngsters (0-14), working age (15-64) and elderly (65+) - %



Fonte: IBGE, Diretoria de Pesquisas, Coordenação de População e Indicadores Sociais, Projeção da População do Brasil por Sexo e Idade para o Período 1980-2050 - Revisão 2008.

# EU – Health expenditures by age



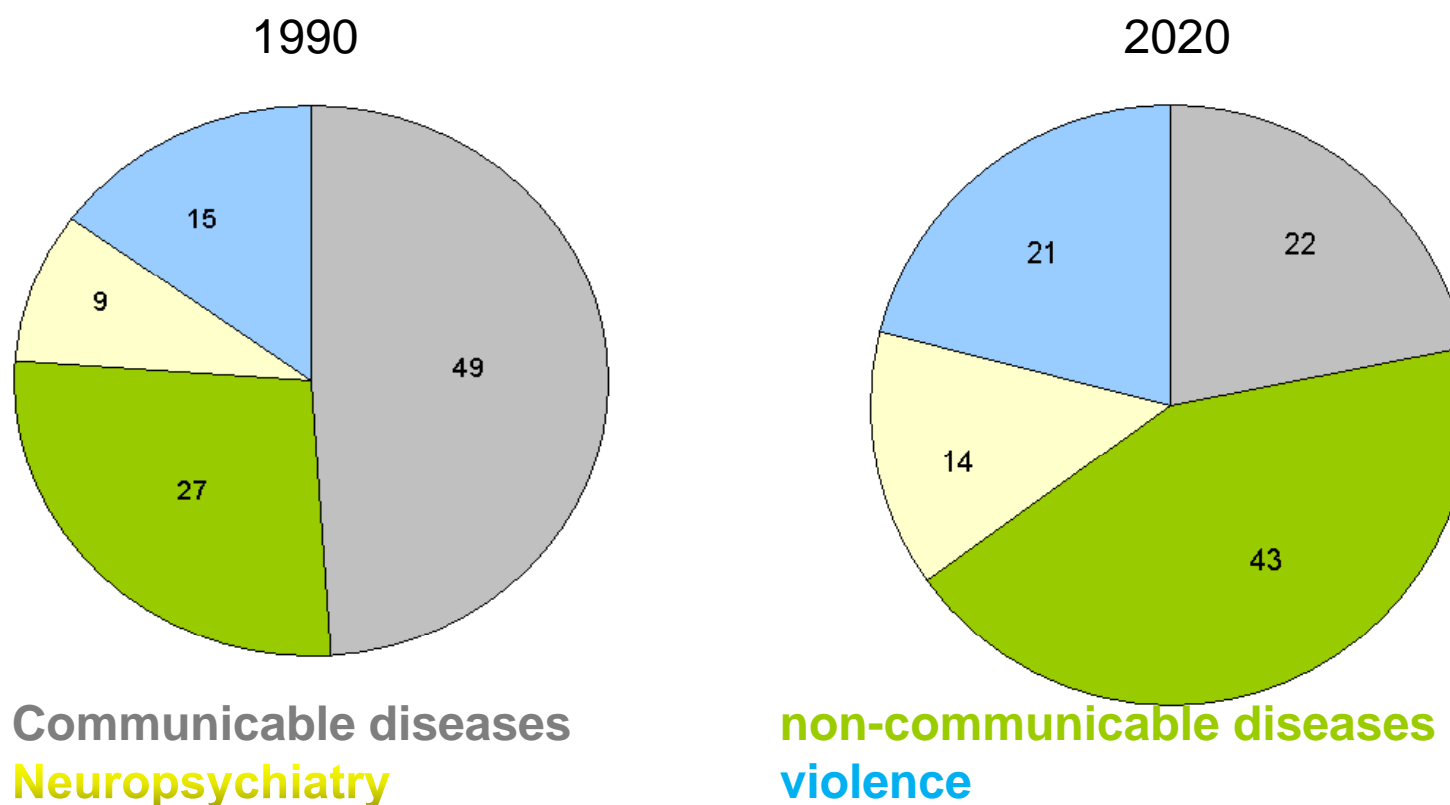
Source: Pellikaan e Westerhout, 2005



# Epidemiological transition

# Epidemiological Transition

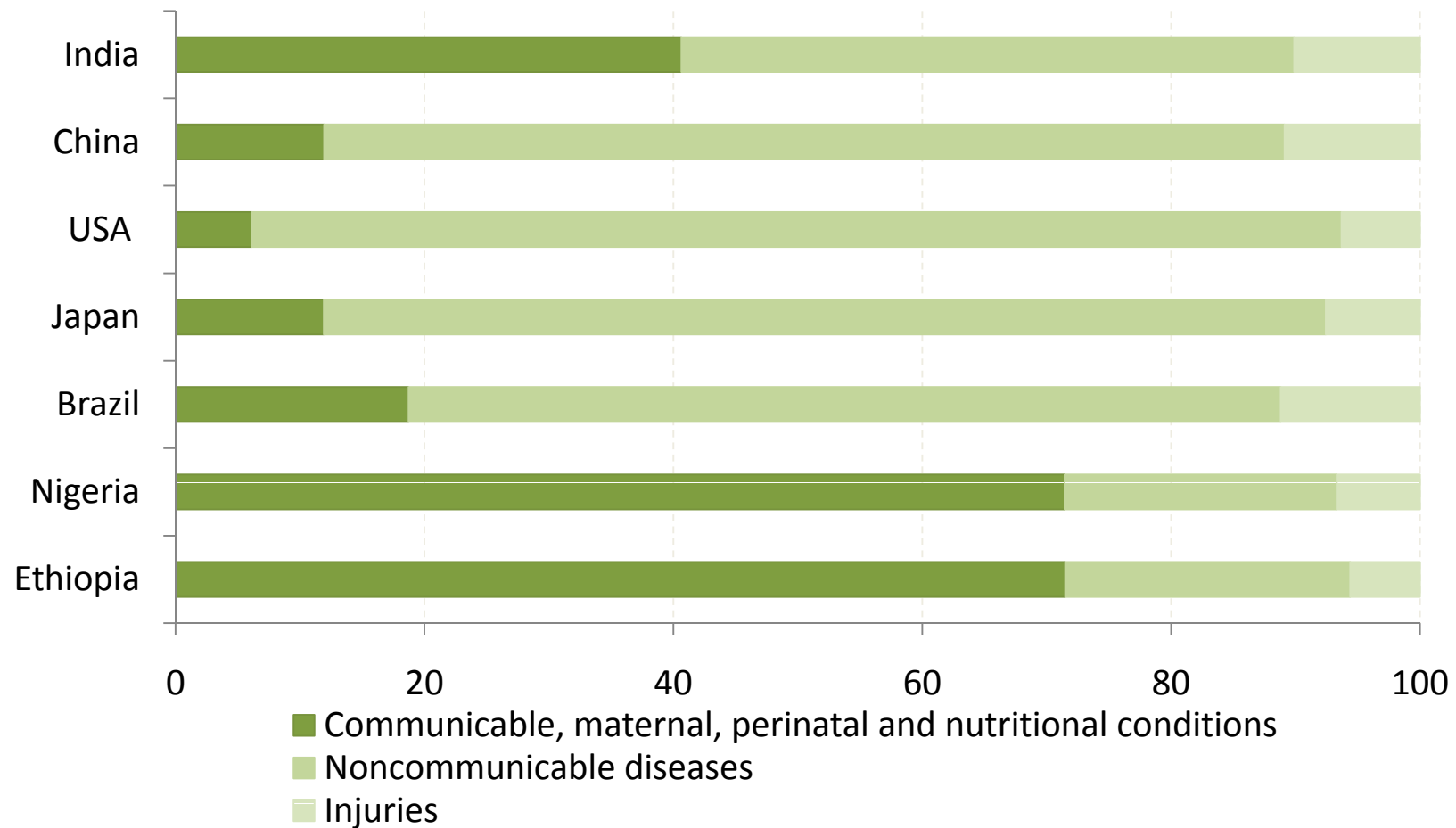
Developing countries: global burden of disease – mortality and incapacity



Source: WHO Ageing and Life Course Programme

# Epidemiological Transition

**Proportional Mortality by group of causes**

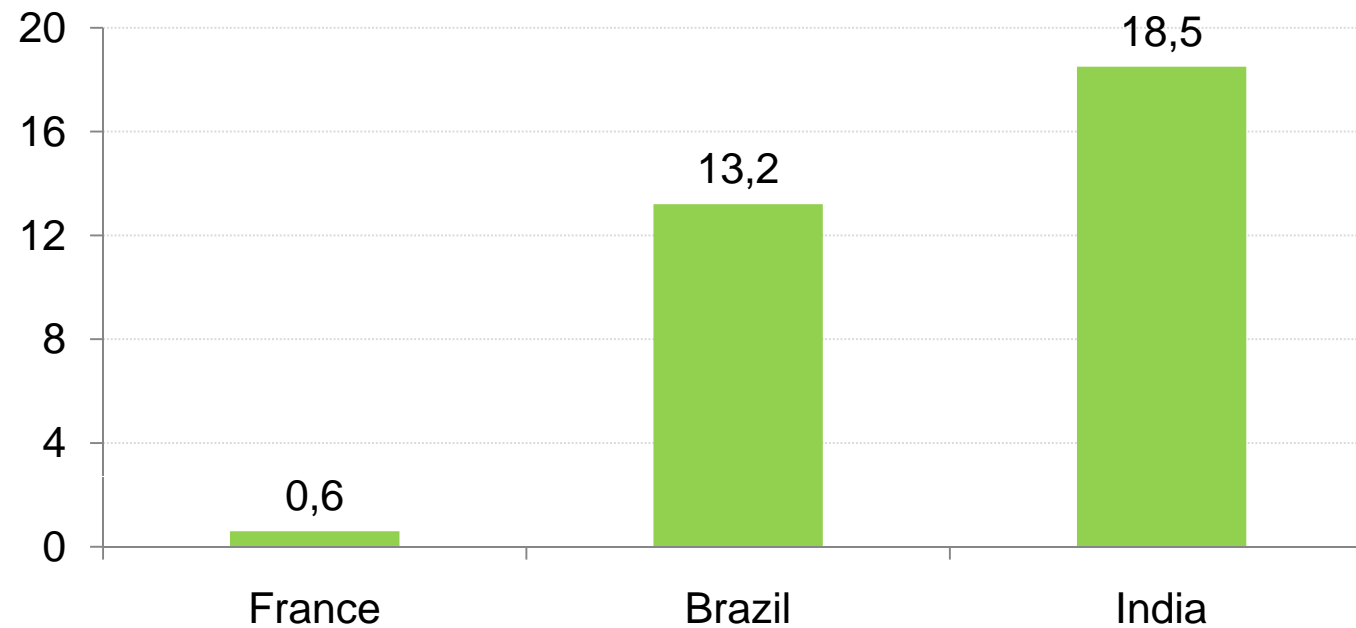


Source: WHOSIS

# Epidemiological Transition

## Infectious and contagious Diseases

Deaths among children under 5 years due to pneumonia (%)

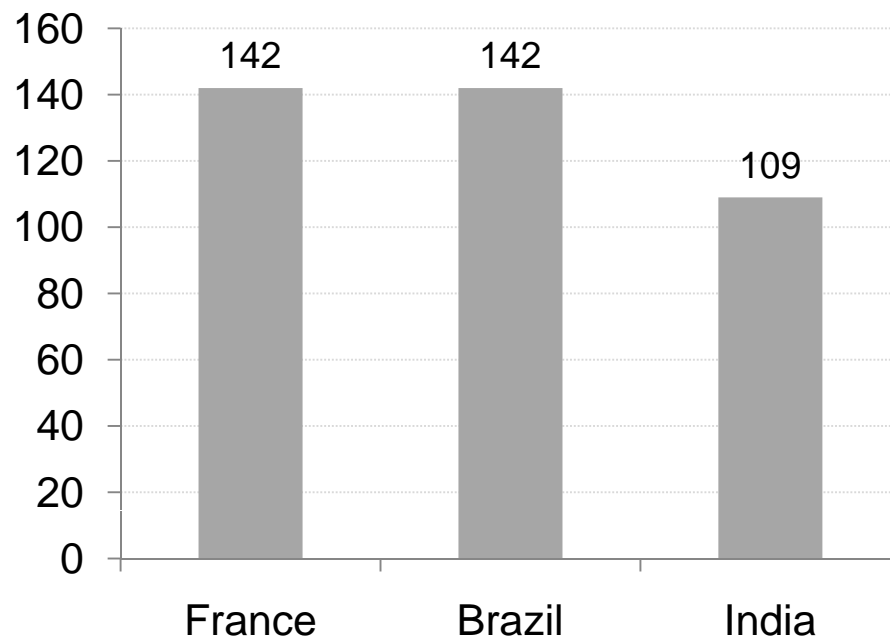


Source: WHO 2002

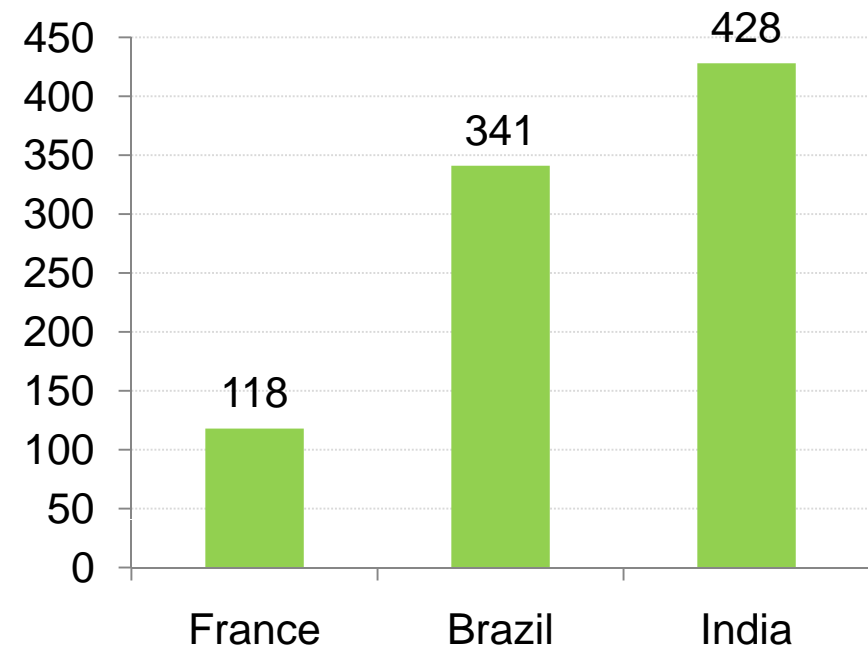
# Epidemiological Transition

## Chronic diseases

**Mortality rate for cancer  
(per 100 000 population)**



**Mortality rate for cardiovascular  
diseases (per 100 000 population)**



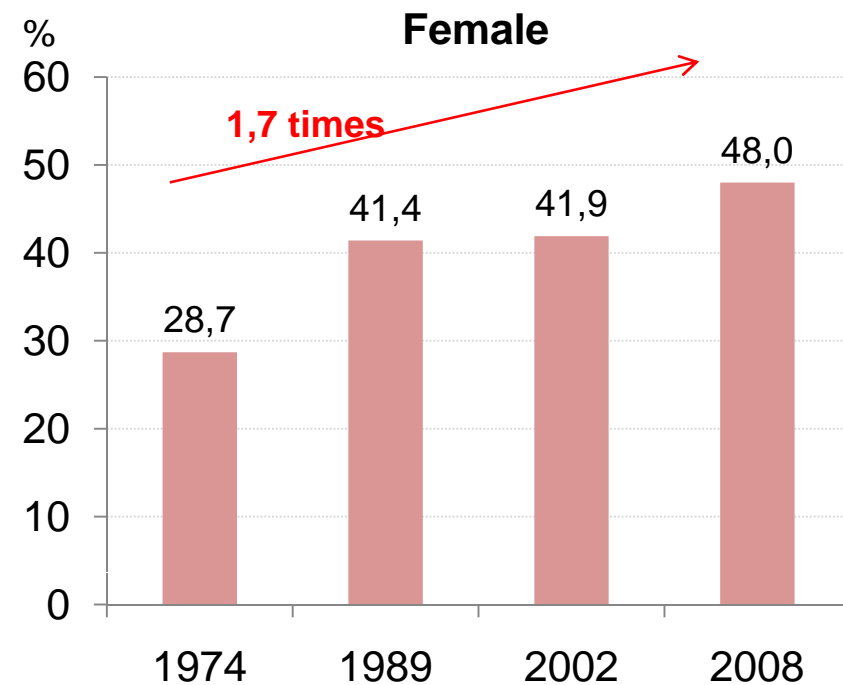
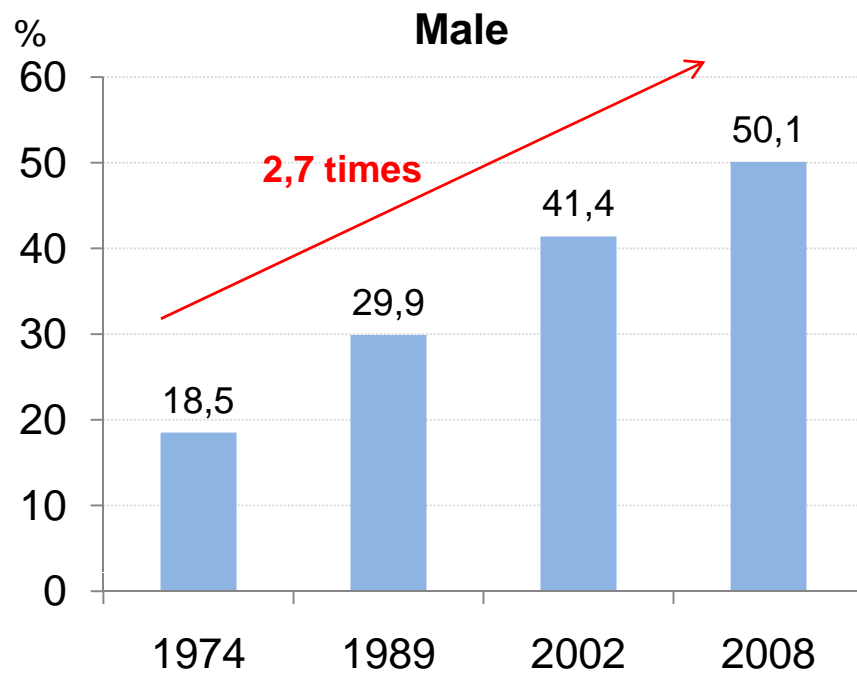
Source: WHO 2002

# Nutritional transition

- Diet diversification
  - Green revolution
  - Transport facilities
    - ➔ improved nutrition
    - ➔ reduced death rate and increased longevity
- Caloric and fatty food
  - ➔ overweight and obesity

# Nutritional Transition

## Overweight

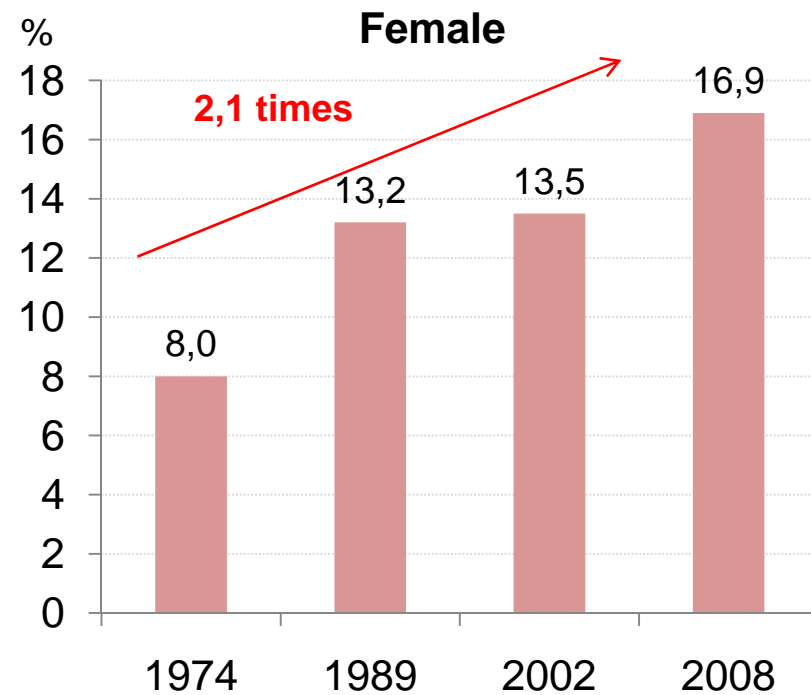
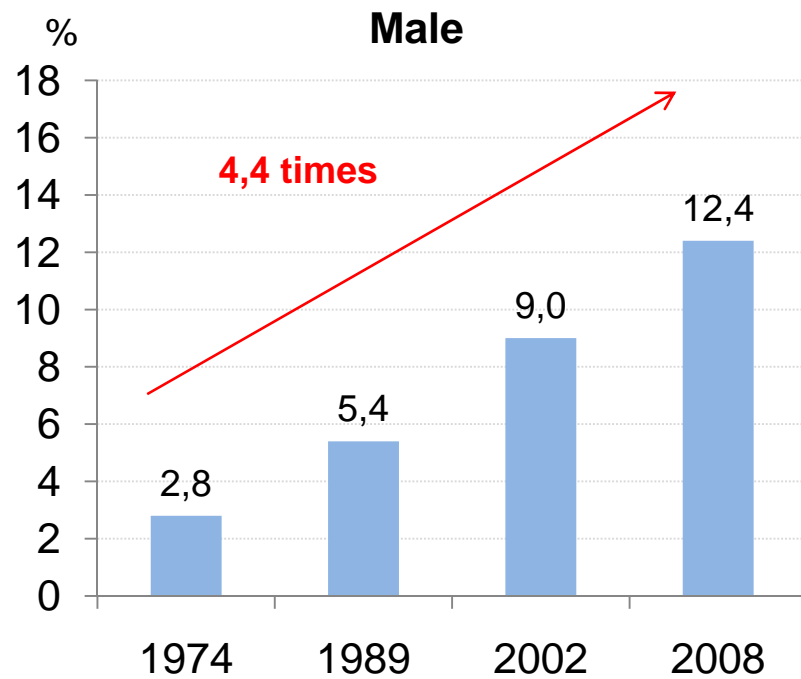


Source: IBGE



# Nutritional Transition

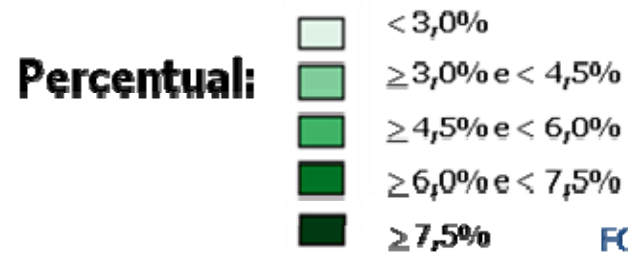
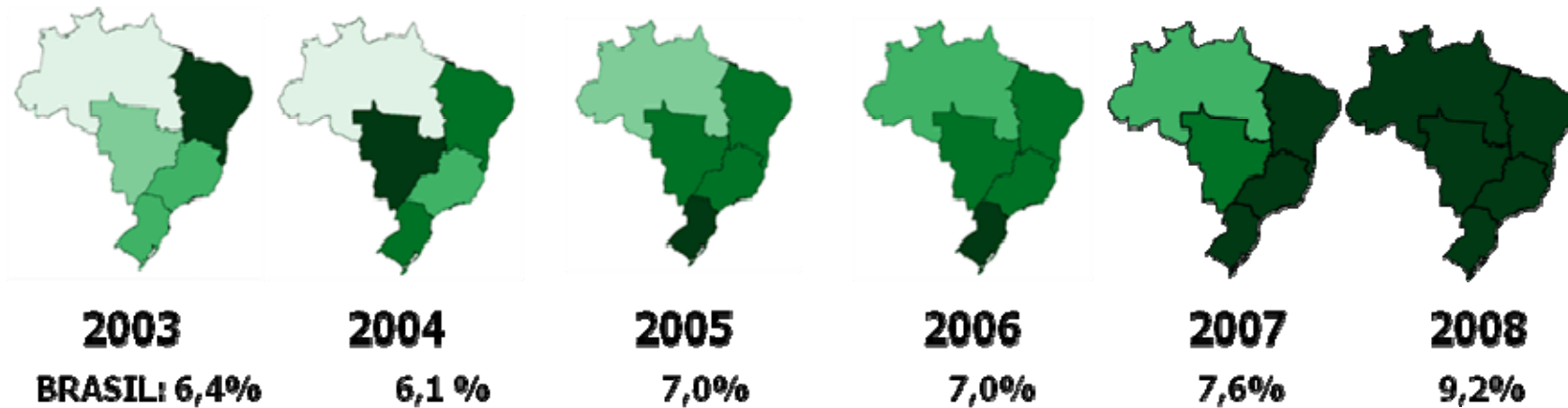
## Obesity



Source: IBGE

# Nutritional Transition

## Overweight in children under 10 years



FONTE: SISVAN – sistemas informatizados

# Sedentarism

# Sedentarism

---

From African savannas

To air conditioned  
soft chairs furnished  
meeting saloons

From

- predator and prey
- walker
- manual worker
- physically active leisure

To

- mechanized work
- motorized transport
- passive leisure in front of screens

Biological constitution out of pace with  
surrounding environment and life styles

*All four transitions lead to obesity and chronic  
diseases*

*“The new global menace” according to WEF  
(WEF 2008 Report)*

# Climate and global warming

# Climate change

---

## Different sorts of effects

- frequency and intensity of natural disasters
- agricultural productivity
- populations
- geographical migration of diseases
- spread of tropical diseases

# Health insurance



## Health insurance and health plans

---

### Impacts of a changing world

- Aging, non-functional diets, sedentary life styles and epidemiology all contribute to increase the prevalence of chronic diseases, hence of healthcare expenditures
- Global warming brings its own challenges to insurance industry, particularly to health insurance
  - Revival and intensification of tropical diseases
  - Spread to newly warmed geographical areas

*All this points to growing healthcare expenditures*

---

# Health insurance structure – main numbers

<b>Brazil</b>	<b>March/2010</b>		
<b>Types</b>	<b>Operators</b>	<b>Beneficiaries (%)</b>	<b>Revenues (%)</b>
Insurers	13	11,9	20,3
HMO	480	37,0	30,9
Cooperatives	339	35,5	34,2
Self-maintained	244	12,2	12,3
Beneficent	97	3,4	2,3

# Revenues and Healthcare Expenditures

R\$ billion

<b>Health Plans 2009</b>	<b>Revenues</b>	<b>Healthcare Expenditures</b>
<b>Medical</b>	<b>64.14</b>	<b>53.27</b>
<b>Odontological</b>	<b>1.33</b>	<b>0.65</b>
<b>Total</b>	<b>65.47</b>	<b>53.92</b>

Source: ANS

## Health Expenditures by source

Health Expenditures 2009	R\$ billion	%	% GDP
Federal	58	22	1.9
State	34	13	1.0
Municipal	35	13	1.1
<b>Public sector</b>	<b>127</b>	<b>47</b>	<b>4.0</b>
Health plans & insurance	64	24	2.0
Out of pocket	24	9	0.8
Medicines	55	20	1.7
<b>Total private</b>	<b>143</b>	<b>53</b>	<b>4.5</b>
<b>Total Brazil</b>	<b>270</b>	<b>100</b>	<b>8.5</b>

Source: MS and ANS (Gilson Carvalho)

# Financing and access

## Financing and access

---

### Health insurance is expensive

- Majority of wealthy people do have health insurance
- Access difficult for medium and low income classes
- Need to curb the growth of expenditures
  - Promotion of adequate life styles
- Diversification of products - insurance and plans
  - Consumer driven health plans
    - HSA
    - High deductibles health plans



INSTITUTO DE ESTUDOS  
DE SAÚDE SUPLEMENTAR

*José Cechin*

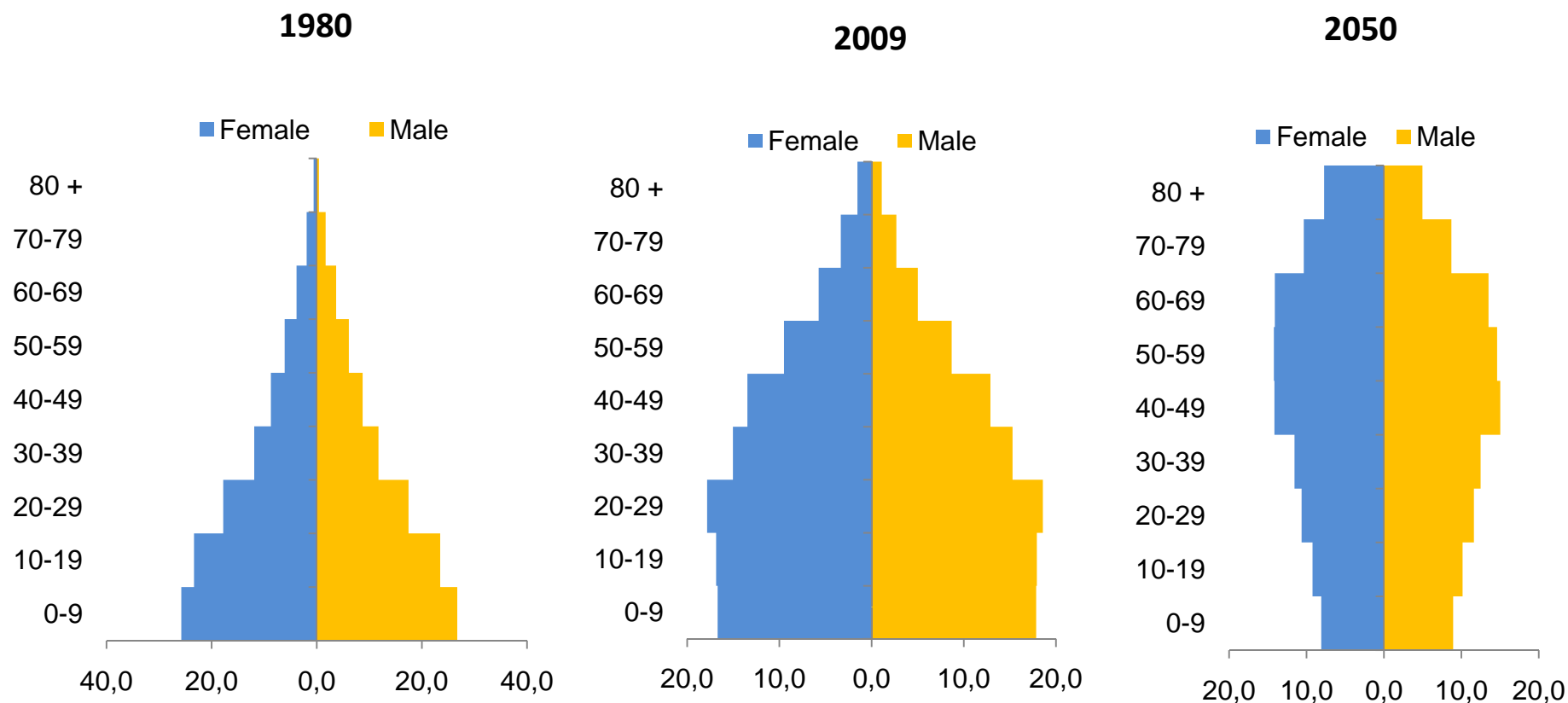
INSTITUTO DE ESTUDOS DE SAÚDE SUPLEMENTAR

[jcechin@iess.org.br](mailto:jcechin@iess.org.br)

[www.iess.org.br](http://www.iess.org.br)

55 11 37069747

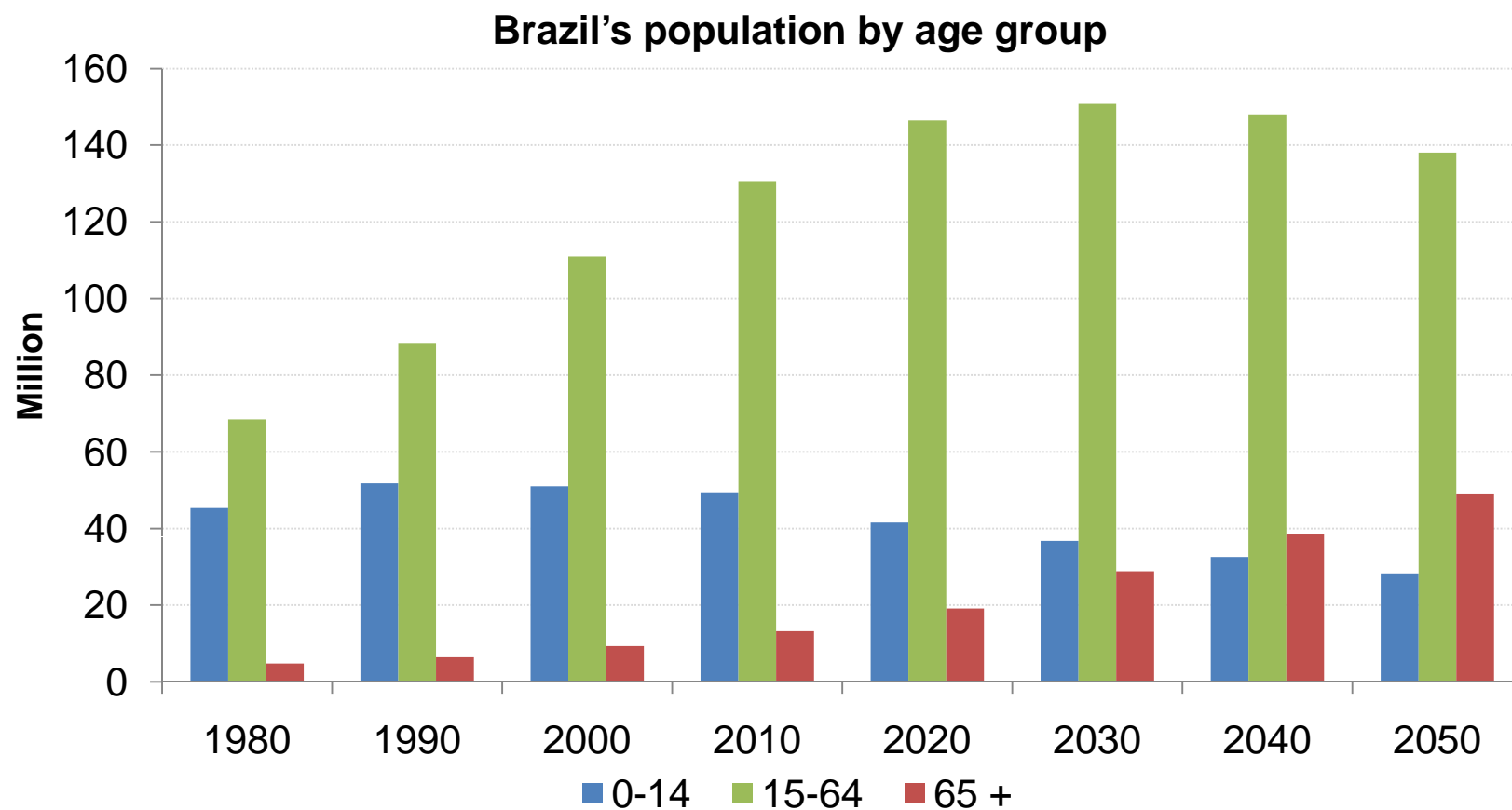
# Demographic Transition



Source: IBGE projeção população revisão 2008



# Demographic Transition



Source: IBGE