

Access to Medicines Thematic Budget - OTMED 2020

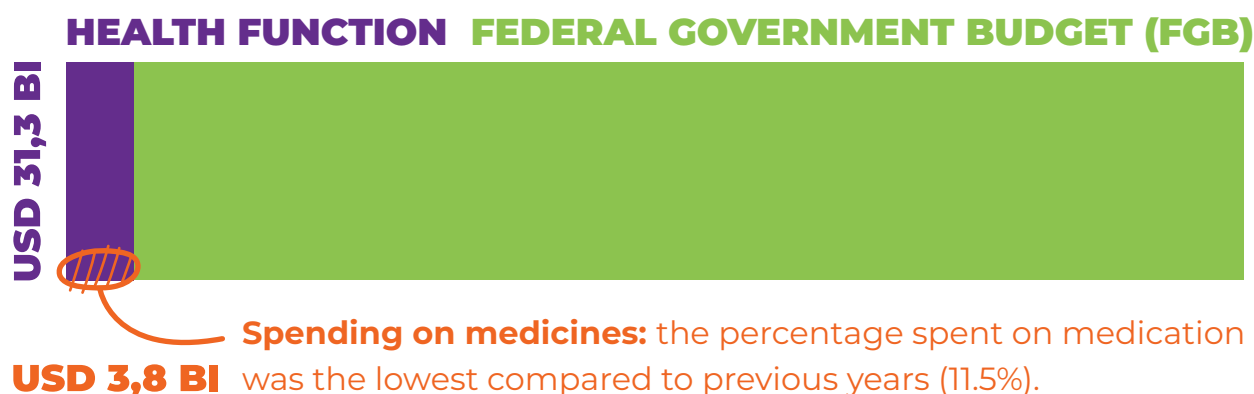
October 2021



We consider payments (outlays and carry-overs) values extracted from the "SIGA Brasil" portal, hosted by the Brazilian Federal Senate. Values are deflated to average 2020 prices using the Broad Consumer Price Index (IPCA) and converted to US dollars using 2018 average exchange rate (R\$ 5,16/dollar).

The financial execution of the Ministry of Health (MS) with pharmaceutical assistance in 2020 was **USD 3.8 billion**, remaining practically the same in relation to the previous year (reduction of 2.4%).

The general spending on health had a significant increase, due to the Covid-19 pandemic, totaling USD **31.3 billion**. The health function represented **5,5% of the Federal Government Budget (FGB)**.



The year 2020 was marked by the Covid-19 pandemic. Unfortunately, also by to the federal government's poor handling of its confrontation. Health spending on Covid-19 totaled USD 8.3 billion, and was made up of reallocated resources and extraordinary credits.

SOME OF THE FEDERAL GOVERNMENT'S FAILURES WERE:



It did not organize the efforts in a nationally coordinated manner and it was slow to execute the available budget resources

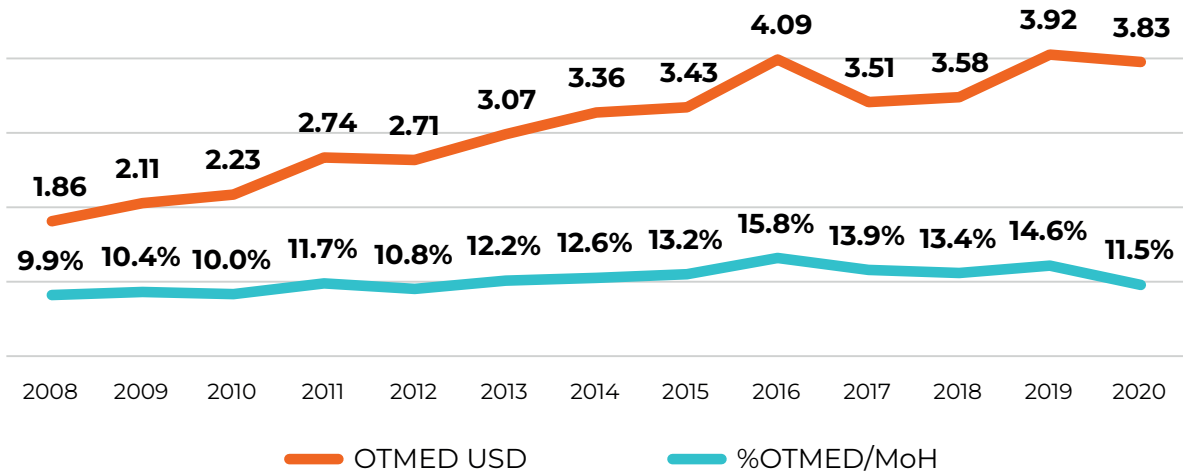


It did not carry out mass testing, it promoted ineffective treatments and took too long to buy vaccines.

Thus, the pandemic extended beyond 2020 and worsened in 2021.

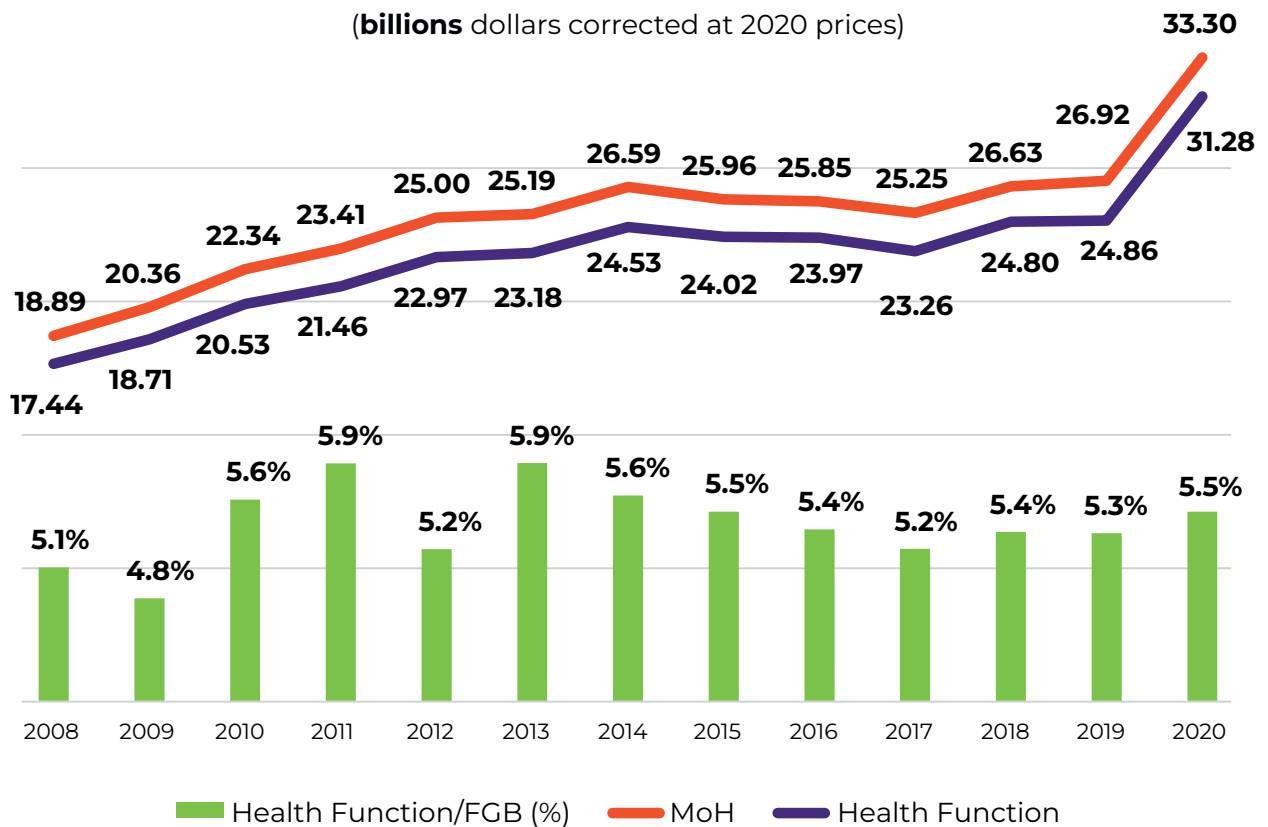
MINISTRY OF HEALTH MEDICINES EXPENDITURES

(billions dollars corrected at 2020 prices)



TOTAL HEALTH EXPENDITURES AND CORRESPONDING PERCENTAGE IN THE GENERAL UNION BUDGET

(billions dollars corrected at 2020 prices)



SPENDING WITH STRATEGIC COMPONENT DECREASES, BASIC COMPONENT INCREASES

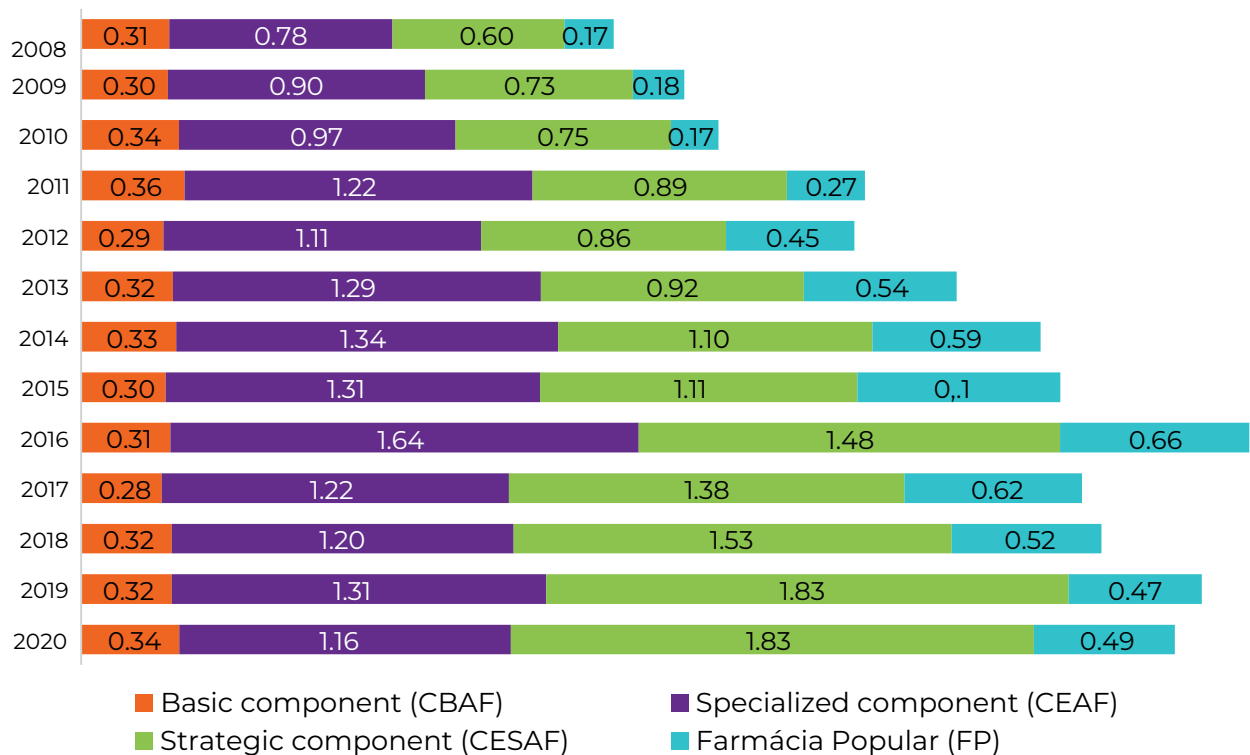
The distribution of expenditures by components remained similar to the previous year, with the Strategic Component (CESAF) being the most representative.

The Specialized Component (CEAF) had a 12% decrease, which may be related to the significant drop in spending on the judicialization of medicines (26% reduction). On the other hand, spending on the Basic Component (CBAF) and the Farmácia Popular Program increased.

These two points may be related to Covid-19: the drop in the use of CEAF medications may result from the reduction in demand for health services during the pandemic for other health problems. As for the increase in the CBAF and the Popular Pharmacy Program, it is likely that it is associated with greater care with health during the pandemic, mainly, people who began to strictly follow the treatment for chronic diseases with continuous use of medication.

EXPENDITURE BY COMPONENT

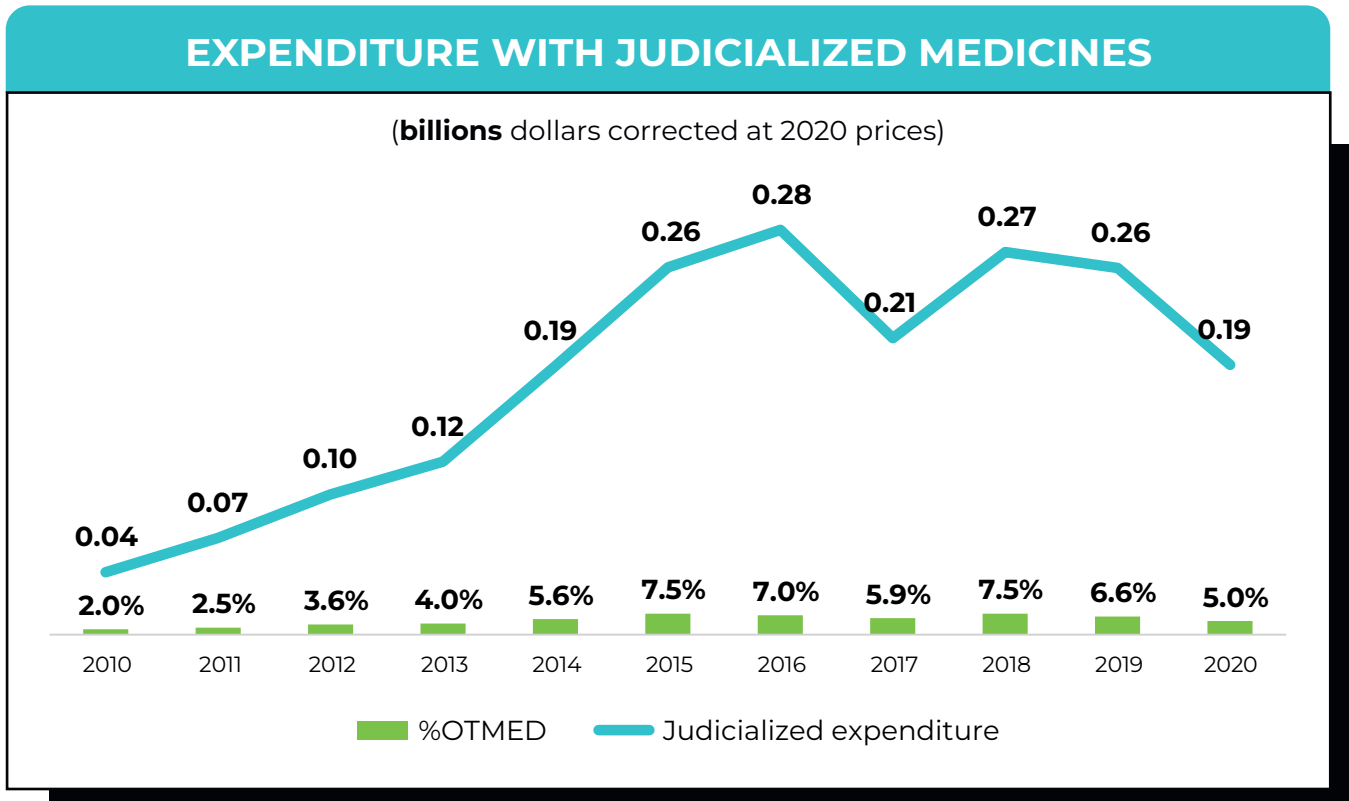
(billions dollars corrected at 2020 prices)



SPENDING ON JUDICIALIZED MEDICINES HAD A SIGNIFICANT DROP IN 2020 (REDUCTION OF 26%)

The Ministry of Health had already been carrying out actions to rationalize these expenses, such as collaborating with the Judiciary for technical training and improving decisions or the incorporation of high-cost drugs with a recommendation for price reductions by the National Commission for the Incorporation of Technologies in the Unified Health System (Conitec).

But the Covid-19 pandemic could have an important influence, as it caused the demand for specialized services to decrease, thus causing the demand for medicines through this route to be reduced.



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Since 2015, the Institute for Socioeconomic Studies (INESC) has been preparing the Thematic Budget for Access to Medicines (OTMED), which aims to assess the allocation of federal resources in promoting access to medicines in Brazil and its impacts on ensuring this fundamental part of the right to health. All publications are available here:

www.inesc.org.br/acoes/acesso-a-medicamentos