

2015 health care outlook Mexico

Although Mexico's health care spending growth historically has trailed other regional markets (e.g., Brazil), an improved economic outlook is expected to keep growth robust in the medium term. Mexico spent an estimated US\$85.7 billion on health care in 2013; spending is expected to rise by an annual average rate of 8.2 percent in 2014-18 to US\$127.2 billion.¹

Mexico's total expenditure on health care as a share of gross domestic product (GDP) has grown steadily in recent years, to an estimated 6.8 percent in 2013 and a projected seven percent of GDP by 2018. The rate could increase further if the country's fiscal reform raises enough revenue.²

**Estimated health care expenditure:
\$85.7 billion in 2013**

**Health care as a share of GDP:
6.8 percent in 2013**

Public health care in Mexico is mainly provided by three organizations: the Instituto Mexicano del Seguro Social (IMSS, for formally employed private-sector workers); the Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado (ISSSTE, for public-sector workers); and the Seguro Popular, for informal workers, unemployed people, and the rest of the population. IMSS and ISSSTE are funded by employer and employee contributions, returns on investments and, in the case of the ISSSTE, increasing transfers from the federal government to avoid insolvency. Seguro Popular is financed mainly by contributions from federal and state governments.³

Mexico occupies the last position in average life expectancy among Organisation for Economic Co-operation and Development (OECD) countries. Between 2000 and 2012, the life expectancy average of the OECD countries, increased from 77.1 to 80.2 years. Meanwhile, in Mexico, it only increased 1.1 years, from 73.3 to 74.4 years.⁴ Factors such as harmful health behaviors, poor nutrition habits, high obesity rates, increasing mortality rates from diabetes, and non-reduction of mortality rates from cardiovascular diseases, explain the slow progress in life expectancy in Mexico. Other high-rated causes of death are homicides, road traffic accidents, and lack of quality care access for a large portion of the population.⁵

Mexican President Enrique Peña Nieto's proposal to combine public health services and establish a universal social security system is projected to cost three-to-five percent of GDP, making the goal challenging even under the current fiscal-reform targets.⁶

¹ *Industry Report, Healthcare: Mexico*, The Economist Intelligence Unit, June 2014

² *Ibid*

³ *Ibid*

⁴ OECD (2014), *OECD Health Statistics 2014 How does Mexico compare?*, Retrieved from <http://www.oecd.org/els/health-systems/Briefing-Note-MEXICO-2014.pdf>

⁵ *Ibid*

⁶ *Industry Report, Healthcare: Mexico*, The Economist Intelligence Unit, June 2014

The latest OECD data reveals that Mexico has the second-highest adult obesity rate at 32.4 percent of the population (the United States has the highest rate at 35.3 percent)⁷. Likewise, more than 70 percent of adults in Mexico are overweight, a higher proportion than in any other OECD country.⁸ Similarly, Mexico has one of the highest proportions of overweight children within the OECD countries. Data of the International Association for the Study of Obesity reveals that in Mexico, 28 percent of boys and 29 percent of girls are overweight, in contrast, in other OECD countries the average is 23 percent for boys and 21 percent for girls.⁹ The growing prevalence of obesity brings associated health problems (such as diabetes and cardiovascular diseases) and foreshadows future increases in health care costs.¹⁰

Although in recent years Mexico's infant mortality rate has considerably decreased, it continues to be almost four times higher than the world average considering the OECD countries, this means approximately 13.6 per every 1000 births, in contrast to an average of 4.1 per every 1000 births in the rest of the countries.¹¹

To address these and other health-related issues, the government has reinforced its commitment to increasing access to health care professionals and facilities for all Mexicans. A key proposal of Mexico's President, Enrique Peña Nieto, is to establish a universal social security system, with affiliation open to all, regardless of employment status. This would involve merging the three existing public health systems to reduce administration costs (about 11 percent of total health care spending).¹² At a projected cost of three-to-five percent of GDP — many question whether the country's recently implemented fiscal reform (which aims to raise three percent of GDP in extra revenue by 2018) will be sufficient to accomplish this goal.¹³

Mexico's government is also investing in preventive medicine to minimize avoidable health care costs. Initiatives include patient education to reduce the negative impact of unhealthy behaviors and habits, such as excessive consumption of tobacco, alcohol and illicit drugs, sedentary lifestyle and consumption of high calorie diets; as well as raising awareness of road safety and the dangers of driving under the influence of alcohol to help reduce accidents.¹⁴

In other efforts to improve population health, the government is expected to continue promoting the use of new health-related technologies to assist in diagnosis, monitoring, control, and treatment of diseases; telemedicine and electronic prescription practices to expand health care access¹⁵; and indigenous language and dialect translators within hospitals to improve the patient experience.¹⁶

⁷ OECD (2014), *OECD Health Statistics 2014 How does Mexico compare?*, Retrieved from <http://www.oecd.org/els/health-systems/Briefing-Note-MEXICO-2014.pdf>

⁸ OECD, (2014, May 27). *Obesity And The Economics Of Prevention: Fit Not Fat - Key Facts –Mexico*, Update 2014. Retrieved from http://www.oecd.org/mexico/Obesity-Update-2014-MEXICO_EN.pdf

⁹ Ibid

¹⁰ OECD (2013), *OECD Better Life Index: Mexico, How's Life? 2013: Measuring Well-being*, Retrieved from <http://www.oecdbetterlifeindex.org/countries/mexico/>

¹¹ OECD (2014), *OECD Factbook 2014: Economic, Environmental and Social Statistics*, OECD Publishing. Retrieved from <http://dx.doi.org/10.1787/factbook-2014-en>

¹² *Industry Report, Healthcare: Mexico*, The Economist Intelligence Unit, June 2014

¹³ Ibid

¹⁴ D.R. Secretaría de Salud (2014), *Programa Sectorial de Salud 2013-2018 Gobierno de la Republica*, Retrieved from <http://www.salud.gob.mx/indicadores1318/pdf/programa.pdf>

¹⁵ D.R. Secretaría de Salud (2014), *Programa Sectorial de Salud 2013-2018 Gobierno de la Republica*, Retrieved from <http://www.salud.gob.mx/indicadores1318/pdf/programa.pdf>

¹⁶ Camara de Diputados H. Congreso de la Union (2014), *Boletín N°. 4885 Piden incorporar traductores de lenguas indígenas en hospitales para atender a población originaria*. Retrieved from <http://www5.diputados.gob.mx/index.php/esl/Comunicacion/Boletines/2014/Diciembre/30/4885-Piden-incorporar-traductores-de-lenguas-indigenas-en-hospitales-para-atender-a-poblacion-originaria>

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