

Importance of Investing in Health: Jamaica

April 2020

The *Vision 2030 Jamaica National Development Plan* aspires to the provision of “quality and timely healthcare for the mental, physical and emotional wellbeing of our people” in order to achieve a “happy, stable population” (Planning Institute of Jamaica, 2009). Achievement of this vision, however, will require greater domestic health investment to fill the current and future health financing gap, as acknowledged in Jamaica’s 10-year strategic plan for the health sector, *Vision for Health 2030* (Ministry of Health and Wellness [MOHW], 2019a). In clearly identifying its future goals and current challenges, Jamaica has taken steps to strategically increase domestic health investment in pursuit of its health sector and development goals.

Investing in health leads to economic development. Among the contributions of five sectors—education, natural resources, climate, capital, and health—improved health leads to more wealth than the other sectors combined (Yamey et al., 2016). There is a large body of evidence that shows the positive association of health investments and development (Basta et al., 1979; Bleakley, 2003; Bleakley, 2010; Lucas, 2010). Also, population health has been directly linked to income growth in developing countries, where investments in health can lead to a more productive, educated, and therefore wealthier population (Bloom & Canning, 2008). Investing in health now will generate savings to the health system and foster prosperity as well as economic growth.

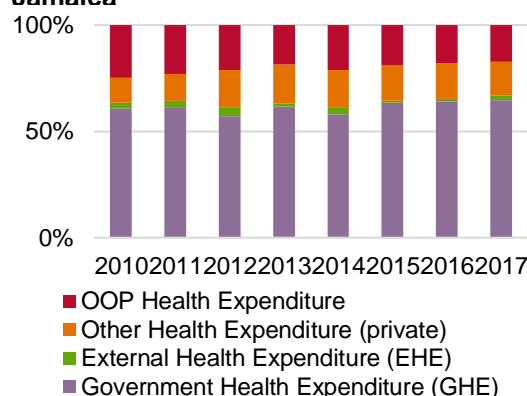
Health expenditure has a high return on investment (RoI). Investing in health pays off. It is estimated that each dollar of government spending on health has an estimated return of US\$4.3 (Reeves et al., 2013). A 2016 meta-study identified a very favorable RoI for public health interventions with an economic return of 14 to one (Masters et al., 2017). Investing on health shows favorable returns on investment under different economic contexts.

Public spending on health contributes to poverty reduction. While Jamaica has increased government health expenditure and seen greater use of private insurance in the past decade, current health expenditure in PPP Int\$ was 543 per capita in 2017 and well below the regional average of PPP Int\$1,270 (Figure 1).

Why should Jamaica invest further in health?

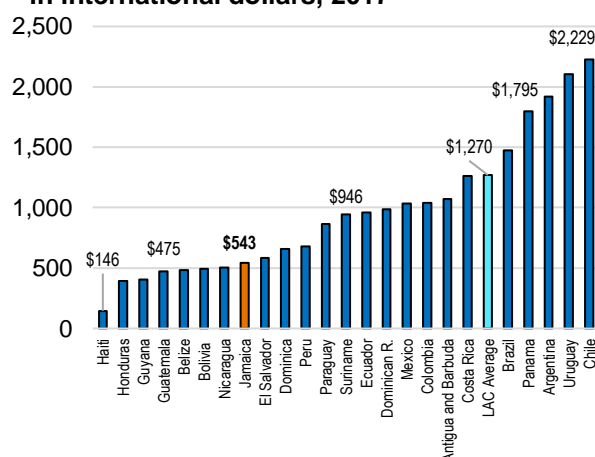
1. Investing in health leads to economic development.
2. Investing in health has a high return on investment
3. Public spending on health contributes to poverty reduction
4. Jamaica faces a complex epidemiologic transition that requires continuous investment in health in order to tackle the triple burden of health challenges.
5. Greater investment of public resources is needed to achieve national and global commitments.
6. Investing in global health security is essential to protect lives and the economy.

Figure 1. Sources of health expenditure in Jamaica



Source: World Bank, 2019

Figure 2. Total health expenditure per capita in international dollars, 2017



Source: World Bank, 2019

Out-of-pocket (OOP) spending remains the second largest source of health expenditure at 17 percent (PAHO, 2019; World Bank, 2019). Particularly for poor and vulnerable groups, OOP spending on health can lead to catastrophic health expenditure, pushing households into poverty. Catastrophic health expenditure occurs when OOP exceeds 25 percent of total household expenditure (PAHO, 2017). In 2012 about 20 percent of Jamaicans were living below the national poverty line, and thus particularly vulnerable to damaging consequences from OOP health spending (World Bank, 2019). The government needs to increase its health expenditure share to reduce the financial burden of health services on the country's poorest and most vulnerable populations, thereby contributing to poverty reduction.

Jamaica faces a complex epidemiologic transition that requires continuous investment in health to tackle the triple burden of health challenges. Jamaica's 10-year strategic plan for the health sector identifies a triple burden of injuries, communicable and non-communicable diseases as a threat to the sustainability of the health system (MOHW, 2019a). Despite progress made towards Millennium Development Goal indicators for maternal, infant, and under-five mortality, high mortality rates remain a key concern for the health sector (MOHW, 2019b; MOHW, 2019c). Simultaneously, the aging population is experiencing a greater incidence of chronic diseases: one in eight Jamaicans suffers from diabetes, and one in three suffers from hypertension (MOHW, 2019d). Infectious diseases including HIV, tuberculosis, mosquito-borne diseases, lymphatic filariasis and measles represent priorities to epidemic control in the country. To maintain progress on all these fronts, now is the time for increased domestic investment in the health of the population

Greater investment of public resources is needed to achieve national and global commitments. The Regional Strategy for Universal Access to Health and Universal Health Coverage advises that government health spending should total six percent of GDP for

countries in the Latin America and the Caribbean (LAC). However, Jamaica's health spending has remained at four percent of GDP since 2015 (World Bank, 2019). Identifying new revenue sources is one way to jumpstart health spending and reach the six percent target. The government should increase the share of public health spending and avoid placing the additional funding burden directly on patients through the reintroduction of user-fees, even if targeted at users with an ability to pay (Chao, 2013). A recent study estimates that on average, upper-middle-income countries like Jamaica will need annual spending of US\$536 per person in total health expenditure (THE) during the 5-year run-up to 2030 to achieve the SDG health goals (Stenberg et al., 2017). Although Jamaica's THE per capita reached \$543 in 2017 (Figure 2), this limited amount requires strategic prioritization and is behind many other upper-middle income countries in the LAC region. Now is the time for boosting investment in health to ensure THE reaches the levels required to achieve the SDGs and Jamaica's ambitious goals in the *Vision for Health 2030* strategic plan by the end of the decade.

Investing in global health security is essential to protect lives and the economy. Although it is too early to quantify the impact of COVID-19 at the national level, the global economy is projected to contract by 3 percent in 2020. As economic activity normalizes, a rapid recuperation and growth by 5.8 percent is expected in 2021 (IMF, 2020). In fact, getting the COVID-19 pandemic under control is required to save livelihoods. The IMF and WHO recommend that countries place health expenditures at the top of the priority list. The course of the global health crisis and the fate of the global economy are inseparably intertwined and fighting the pandemic is a prerequisite for the economy to rebound (Georgieva & Ghebreyesus, 2020). Epidemic preparedness is an investment to protect the economy (WHO, 2018) and effective policies and investments to protect lives are essential to achieve human and economic health.

Conclusions

Jamaica is currently facing an epidemiological transition that will require increased investment to prevent and treat infectious diseases and manage growing numbers of chronic conditions. Current levels of health expenditure are not adequate to meet these needs and, while the government has made efforts to increase its health budget, out-of-pocket spending remains sizeable, threatening the health and economic well-being of Jamaica's most vulnerable populations. Efforts must be continued and increased to close the health financing gap so that Jamaica can reach its targets for the SDGs and universal healthcare, reduce poverty, and spur further economic growth.

Investing Further in HIV

April 2020

HIV is a major public health concern in Jamaica, with 40,000 people living with HIV and a prevalence of 1.9 percent among adults in 2018 (UNAIDS, 2019). Figure 3 shows trends over the last 25 years in HIV-related spending and progress made in containing the epidemic. Numbers of new infections fell sharply between 1995 and 2005 but have since remained steady; around 2,400 new infections have occurred each year since 2007. The number of HIV-related deaths peaked at 3,038 in 2004 but declined steadily thereafter when spending increased and more people were placed on antiretroviral therapy (ART). In order to further reduce new infections and HIV-related mortality, Jamaica must allocate additional resources and intensify its efforts to ensure access to HIV testing, prevention, and treatment.

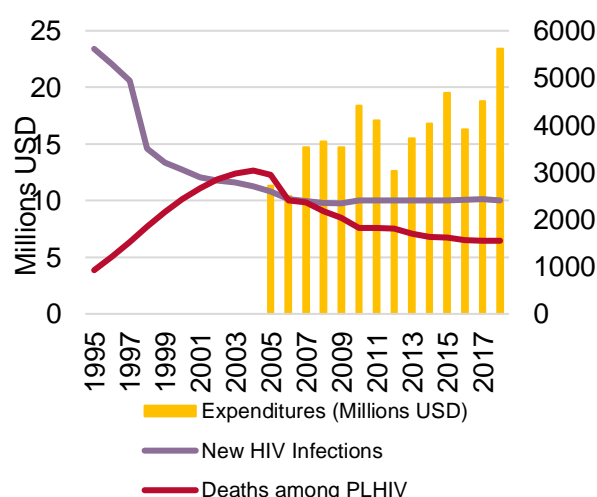
Epidemic control of HIV is achievable, but it will require additional investment. Jamaica is making progress in its HIV response but has a long way to go towards achieving the UNAIDS 90-90-90 targets. As of March 2019, 57 percent of people living with HIV know their status, 58 percent of those with known status are on ART, and 57 percent of those on ART are virally suppressed (PEPFAR, 2019). Thus, with only 33 percent of people in need of ART receiving it and an even lower rate of viral suppression, the potential for continued spread of HIV and the accompanying disability and death remains high. Increased investment is urgently needed to expand access to HIV testing, linkages to care, ART coverage, HIV prevention and treatment education programs, and more. Investing in these interventions will continue the progress Jamaica has made to date and prevent HIV, along with its monetary and societal costs, from becoming an even greater challenge in the future.

HIV has important economic impacts. The income of HIV-affected households is 35 percent to 50 percent lower than that of non-affected households, and, in some countries, HIV is also associated with a six percent increase in the likelihood of unemployment (Yamey et al., 2016). HIV, whether affecting students or caregivers, can also negatively impact educational outcomes, including school attendance, behavior, and completion rates (Guo et al., 2012; Pufall et al., 2014), in turn affecting future economic productivity.

Why should Jamaica invest in HIV?

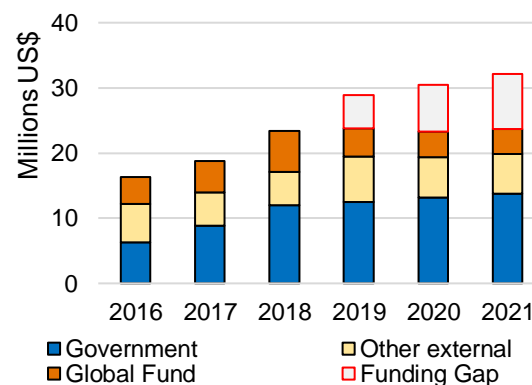
1. Epidemic control of HIV is achievable, but it will require additional investment.
2. Investment in HIV has important economic impacts.
3. Investment in HIV has important social and economic returns.
4. Jamaica's HIV response is heavily dependent on donors, creating a risk for continued financing.
5. More resources are needed to protect key and vulnerable populations and to achieve epidemic control.

Figure 3. HIV/AIDS spending, new infections, and deaths among people living with HIV, 1995–2017



Source: Global Fund, 2019; UNAIDS, 2019

Figure 5. Funding for HIV by source (2016–2021)



Source. Jamaica: country funding landscape table submitted by the country to the Global Fund

Investment in HIV has important social and economic returns. It is estimated that each dollar spent on HIV treatment and prevention can have a major positive economic impact. The projected economic returns of the Fast-Track strategy to end the AIDS epidemic by 2030, a declaration adopted by the United Nations General Assembly, indicate that in the LAC region, HIV programming could yield US\$2.6 in benefits for every dollar invested when considering productivity gains during 2017–2030 (Lamontagne, 2019). Spending on treatment yields a particularly high return on investment. For every dollar spent on antiretroviral therapy (ART), LAC countries obtained almost US\$4 of returns in economic benefits (Forsythe et al., 2019). The Copenhagen Consensus (2015) reported that each dollar spent on HIV treatment generates up to US\$10 in returns through better health and higher productivity. Across programmatic and economic contexts, HIV is a smart investment showing consistent favorable cost-benefit returns.

Jamaica's HIV response is heavily dependent on donors, creating a risk for continued financing. According to the latest *National AIDS Spending Assessment* (NASA, 2017), 55 percent of Jamaica's HIV response was financed by donors in fiscal year 2016/17, an increase from 51 percent in fiscal year 2015/16. The government of Jamaica has doubled HIV expenditure from US\$6 million in 2016 to US\$13 million in 2020. There is a coming reduction in donor financing and the estimated funding gap between what will be available and needed for an optimal HIV response is growing (Figure 5) (Global Fund, 2019). In order to close the gap and ensure a sustainable HIV response, it is critical that the Government of Jamaica increase

its commitment to domestic financing of HIV treatment and prevention.

More resources are needed to protect key and vulnerable populations and to achieve epidemic control. Jamaica's HIV epidemic disproportionately affects key populations. The prevalence of HIV is 30 percent among men who have sex with men and two percent among female sex workers, highlighting the need for targeted outreach and services to key and vulnerable populations (MOHW, 2017). These populations deserve adequate services not only because of their rights as Jamaicans, but also because HIV is not bounded by borders, class, or sexual preferences (Pape, 2011). Government of Jamaica spending accounted for less than 2 percent of key and priority population HIV prevention activities in 2018, with the remainder of funds coming from PEPFAR and the Global Fund (PEPFAR, 2019). International evaluations have demonstrated that HIV prevention programs that benefit groups at high risk and that are implemented at scale are cost-effective, providing good value for money expended in low-resource settings (Vassall et al., 2014). The sustainability of Jamaica's HIV response depends in large part on the Government of Jamaica investing adequate resources in prevention, particularly among key and vulnerable populations.

Each dollar spent on HIV treatment generates up to US\$10 through better health and higher productivity if other social benefits are considered.

Source: Copenhagen Consensus Center



Conclusions

Jamaica must invest further in HIV to reduce deaths and the number of new infections, particularly among key populations. The cost of inaction will be more infections, more lives lost, and a greater ongoing burden to the health sector. In sum, financing the HIV response, as well as the Jamaican health sector more broadly, should be a key priority for the Government of Jamaica. Only with sustained investment will Jamaica be able to implement the ambitious goals set forth in the Vision for Health 2030 Strategic Plan and the Vision 2030 National Development Plan

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