

Costa Rica: Lottery Contributions for Immunization in a Mixed Financing System

KEY POINTS

- * Costa Rica's immunization program is financed primarily by the national health insurance program, known as the Caja, which provides health services to about 90% of the population.
- * Financing for vaccines comes from three sources: the Caja, the Ministry of Health, and the national lottery. The Caja covers all immunization delivery costs.
- * The national lottery is an innovative financing source but accounts for only about 1% of the annual cost of vaccines.
- * New vaccine introduction is a challenge in Costa Rica due to financial pressures faced by both the Caja and the Ministry of Health. An added challenge is lack of clarity on the two institutions' respective roles in financing vaccines.

IMMUNIZATION SERVICES in Costa Rica are provided through the national health insurance program, Caja Costarricense de Seguridad Social (Costa Rican Department of Social Security), also known as the Caja. The Caja was established in 1943 with coverage initially for salaried workers. Coverage was gradually expanded, and now about 90% of the population is covered. In the 1990s, the Caja took over provision of health services from the Ministry of Health, and the ministry's role has since been one of norm-setting, regulation, strategic guidance, and coordinating health efforts across ministries.

This brief describes how the immunization program in Costa Rica is financed and some of the achievements and challenges. A unique feature of the program is that some funding for vaccines is generated by the national lottery. Given global interest in innovative financing mechanisms, the brief describes this source of financing in some detail.

2001 NATIONAL IMMUNIZATION LAW

Costa Rica's 2001 National Immunization Law guarantees free access to immunization for the entire population. The law also created the National Commission on Vaccination and Epidemiology, which is charged with establishing and periodically updating the national immunization schedule. The

commission is also charged with formulating overall policies and strategies for immunization, approving norms, approving manuals and educational materials related to immunization, overseeing the quality of vaccines, administering the national vaccine fund, coordinating vaccination campaigns, and overseeing surveillance. It is chaired by the minister of health or the minister's representative.

The 2001 law also established the National Vaccine Fund and stipulates that financing to support the immunization program should come from the Ministry of Health and from the Caja. The law requires both institutions to ensure sufficient amounts in their budgets to purchase vaccines and cover other costs of the program. It also stipulates that a portion of the funds raised from the national lottery go into the National Vaccine Fund, after deducting administrative and operating costs (and the lottery payout). The law further mandates that vaccines and related materials not be taxed.

HOW IMMUNIZATION FINANCING HAS EVOLVED

The Caja finances all immunization delivery costs. Financing of vaccines is shared by the Caja, the Ministry of Health, and the national lottery proceeds. The Caja is the largest contributor to vaccine



A lottery ticket in Costa Rica. (Tico Times, 2013)

purchases, accounting for 70–85% of the total over the past five years. The Ministry of Health is the second-largest contributor, at 15–30%, and national lottery funds are a distant third, at less than 1%.

Although the 2001 law established the National Vaccine Fund and called for pooled funding, in practice Caja funding for vaccines is kept separate from the National Vaccine Fund. The Ministry of Health and lottery funds are pooled and used by the ministry to purchase vaccines through the Pan American Health Organization (PAHO) Revolving Fund. (See Brief 12.) The Caja also purchases vaccines through the Revolving Fund. The funds from the lottery, held in November or December of each year, are made available for vaccine purchases by March or April of the following year.

The Caja's budget previously had separate lines for pharmaceuticals and for vaccines. Around 2013, vaccines were folded into the pharmaceuticals budget line. Initially, there was some concern that this might pose a risk to vaccine financing, but government representatives report that it has not been a problem to date. In fact, when the need arose for some unexpected purchases of influenza vaccine in 2015, the shared budget line offered more flexibility and the increased demand for influenza vaccine was

easily met. Safety boxes and injection supplies are financed through service provision budget lines that cover the purchase of injection supplies and handling of biohazard waste for all types of health services.

The 2001 law also specified that 2% of any Caja surpluses be earmarked for the National Vaccine Fund. The Caja has not had any surpluses to date and has in fact faced strong financial pressures.

THE NATIONAL LOTTERY

Costa Rica established a national lottery in 1885 with the goal of raising funds for the public hospital, San Juan de Dios. The country now has six different lottery games, all managed by Junta de Protección Social (the Social Protection Council). The tradition of using lottery proceeds for social welfare purposes continues, and the demands on these resources are numerous. Funds raised by the lottery are used for hospitals, retirement homes, HIV/AIDS programs, the Red Cross, cancer prevention, substance abuse programs, and more. As stipulated in the National Immunization Law, one lottery per year, held in November or December, is devoted to immunization. The Ministry of Health has made efforts to promote the immunization lottery and has raised about US\$100,000 to US\$200,000 each year for immunization. This innovative financing source plays a small role in total vaccine financing (at less than 1%), and prospects for expanding financing from this source, given all the competing demands on the lottery proceeds, are limited.

ONGOING CHALLENGES

New vaccine introduction is a challenge in Costa Rica due to financial pressures faced by both the Caja and the Ministry of Health. An added challenge is lack of clarity on the two institutions' respective roles in financing vaccines.