

HEALTHCARE FINANCING AND REIMBURSEMENT: A GLOBAL REVIEW OF MAJOR TOPICS AND TRENDS

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LAWS AND REGULATIONS ON HEALTHCARE FINANCING AND REIMBURSEMENT

1. Please provide a bird's eye view on the healthcare economy, indicating, in general terms, the role of the government (public healthcare) and private actors (private healthcare).

The healthcare system in Honduras operates through a combination of public and private sector involvement, with distinct roles played by both the government and private actors.

The central government has a significant role in regulating and overseeing public healthcare services across the country. Its responsibilities are primarily in the areas of policy development, funding and healthcare system regulation.

The Secretariat of Health (Secretaría de Salud) is the main governmental body responsible for the overall planning, implementation and coordination of the public healthcare system. It manages and operates the public healthcare institutions, including hospitals, health centres and clinics throughout the country.

The government is primarily responsible for providing universal access to healthcare, focusing on preventive care, basic healthcare services and emergency care. It also works on health campaigns for vaccination, maternal care and epidemic prevention.

Municipalities play a key role in the local implementation of healthcare services, including the management of smaller community health centres and clinics.

Local governments have limited financial and operational autonomy, and often collaborate with the national government to allocate funds for healthcare facilities and services.

Municipalities are involved in public health awareness initiatives and local disease prevention programmes.

The private healthcare system in Honduras is primarily composed of private hospitals, clinics, specialists and laboratories that operate independently from the public sector. Private healthcare providers cater mainly to individuals who can afford to pay out-of-pocket for services or those with private insurance coverage. The private sector also serves as an important alternative for more specialised and timely care, particularly in urban areas.

While the private sector is growing, it still accounts for a smaller share of overall healthcare provision compared to the public system.

Private health insurance companies exist, and offer a variety of insurance products to both individuals and employers. These insurance plans often cover private hospital services, specialist consultations and prescription medications.

Many private insurers collaborate with hospitals and clinics to provide comprehensive care

options to their insured members, typically covering higher-quality and faster services than those available through the public system. However, private insurance remains out of reach for many people due to affordability issues and coverage may not be as extensive as in some other countries.

The Honduran Social Security Institute (Instituto Hondureño de Seguridad Social or IHSS) is the main government-run insurer. It provides healthcare coverage to employees in the formal sector, offering a range of services, including medical treatments, hospitalisation and maternity care.

The IHSS is primarily funded through payroll deductions from workers and contributions from employers, along with government subsidies. However, IHSS services are sometimes criticised for long wait times and service inefficiency.

Several private insurance companies in Honduras provide healthcare plans to individuals and businesses. These companies offer a range of plans, from basic coverage to more extensive packages that include specialist treatments, hospitalisation and surgical procedures. Coverage by private insurers can vary significantly in terms of cost and service quality, with the higher-end plans providing access to private hospitals and faster care.

In addition to government and private insurers, there are other non-governmental payors that contribute to healthcare funding:

Foundations and non-governmental organisations (NGOs)

Various foundations and NGOs play a role in health initiatives in Honduras, particularly in underserved rural areas where they may provide free or subsidised healthcare services.

Patient organisations

Certain health-related patient groups and organisations sometimes offer financial assistance or fundraising efforts to cover medical expenses for specific diseases or conditions.

International aid

Honduras receives some healthcare funding from international organisations (eg, the United States Agency for International Development (USAID)) for health programmes, especially those targeting maternal health, vaccination programmes and fighting infectious diseases like malaria or tuberculosis.

2. Please provide a high-level overview of the legal framework regarding healthcare financing and reimbursement.

The legal framework for healthcare financing and reimbursement in Honduras is composed of a mix of national laws, regulatory bodies and private norms. While the system is still evolving, several key laws and regulations govern the sector, providing a foundation for both public and private healthcare financing.

The primary legal framework governing healthcare in Honduras includes several laws that outline the financing and reimbursement mechanisms in the system. There is no single, comprehensive act covering all aspects, but rather multiple laws.

The General Health Law (Ley General de Salud), passed in 1997, is the foundational document that governs the public healthcare system in Honduras. It establishes the framework for the regulation, delivery and funding of healthcare services, aiming to provide

universal healthcare coverage for all citizens.

The Social Security Law, enacted in 1959, outlines the health insurance system for formal sector workers. It established the IHSS, which is responsible for providing healthcare services, including financing and reimbursement, to its beneficiaries. This law defines how contributions are made by both employees and employers; the rights of insured individuals; and the structure for healthcare provision under the IHSS system.

There are also specific laws for public sector financing, such as the budget laws, which allocate funding to the Secretariat of Health and IHSS. These laws set the level of state investment in healthcare and the allocation of public resources for medical care.

For the private healthcare sector, there are no single, overarching laws that govern healthcare financing or reimbursement. Rather, private providers operate under a mix of general commercial laws, labour laws and consumer protection laws.

Insurance laws such as the Ley de Mercado de Valores y Seguros (Securities and Insurance Law) regulate the private health insurance industry. These laws set guidelines on how private insurance companies operate, including pricing, coverage and reimbursement rules for healthcare providers.

Private healthcare contracts between providers and payors (eg, private insurance companies) are also subject to the Civil Code (Código Civil), which ensures that agreements between parties are legally binding and enforceable.

Some laws are relevant at the municipal level, especially concerning the provision of healthcare services in rural and underserved areas. These regulations typically focus on the delivery of care rather than the financing of services.

While Honduras does not have a specific healthcare industry code, there are general ethical codes and standards that healthcare providers must follow. These codes, often established by professional associations, such as the Medical Association of Honduras (Colegio Médico de Honduras) or Pharmaceutical Association of Honduras, include guidelines on quality of care, patient rights and medical ethics.

In the private insurance sector, the National Banking and Insurance Commission (Comisión Nacional de Bancos y Seguros or CNBS) establishes regulations that insurance companies must follow, including how they manage healthcare benefits, claims and reimbursements. These guidelines are essential for private insurers to ensure they operate transparently and fairly, particularly in the reimbursement process for healthcare services.

There are also private norms that govern the pricing and contractual obligations between private healthcare providers and payors (eg, insurance companies). These norms are often developed through negotiations between providers and insurers, who agree on reimbursement rates, service coverage and payment terms.

In addition to these legal and regulatory frameworks, there is an emphasis on consumer protection laws, which ensure that patients are not exploited by private providers and that insurance products are transparent and understandable.

The reimbursement system in Honduras, particularly for private healthcare, heavily relies on negotiations between healthcare providers (eg, hospitals, clinics and doctors) and payors (eg, private insurance companies and employers offering health benefits). These negotiations typically focus on:

- reimbursement rate: the price that private insurers or other payors agree to pay providers for services rendered, which is an ongoing negotiation process and can vary depending on the type of service, provider and insurer;
- coverage of services: the scope of treatments and services covered by the insurance policy and the conditions under which a healthcare provider can bill the insurer; and
- payment terms: the timeframe and method of payment that providers agree upon with payors.

While private healthcare insurance has grown, the public sector still dominates in terms of overall healthcare financing. However, within the private sector, these negotiations are crucial to ensure the sustainability of both healthcare providers and insurers.

Professional associations and industry groups also play a significant role in shaping negotiations between healthcare providers and payors. Associations like the Honduran Medical Association (Colegio Médico de Honduras) and Pharmaceutical Association help set industry standards and provide advocacy for their members, ensuring that both providers and payors adhere to fair practices.

Payors, such as private insurance companies, often have associations that lobby for more favourable regulatory conditions and for agreements that control healthcare costs while ensuring quality of care.

There is also some collective bargaining through labour unions (eg, those representing workers in the formal sector) that negotiate with both the IHSS and private payors for better healthcare benefits or reimbursement rates. These unions may also advocate for improvements in coverage and costs related to healthcare.

3. What are the key regulators and supervisory bodies regarding healthcare financing and reimbursement?

The healthcare financing and reimbursement system in Honduras involves a complex regulatory framework with key players from both the central government and specialised industry organisations. These entities are responsible for overseeing healthcare financing, ensuring fair reimbursement practices, maintaining competition, and providing oversight over both the public and private healthcare systems. Below are the primary regulators and supervisory bodies:

- agencies of the central government:
 - Secretariat of Health;
 - IHSS; and
 - National Health Commission (Comisión Nacional de Salud); and
- specialised bodies, industry organisations and other authorities:
 - CNBS;
 - Honduran Medical Association; and
 - National Competition Commission (Comisión Nacional de Defensa y Competencia).

Role of courts in healthcare financing and reimbursement

Judicial oversight

Courts play a key role in interpreting and enforcing healthcare laws and regulations, especially

in disputes involving reimbursement, health insurance claims and patients' rights.

Dispute resolution

When there are disputes between healthcare providers and payors (whether private insurers, public entities or individuals), courts are the ultimate authority for resolving contractual disagreements. This may involve decisions about unpaid claims, incorrect reimbursements or unjustified denial of services.

Legal precedents

The courts may set important legal precedents that clarify the application of healthcare financing laws, particularly concerning health insurance coverage or reimbursement practices under public healthcare systems like the IHSS.

Constitutional claims

In some cases, constitutional challenges may be brought before the courts to assert that an individual's right to healthcare has been violated, particularly when accessing reimbursement through the public system or health insurance. Courts have been used to ensure patients' rights to receive adequate care and treatment, particularly in the public healthcare sector.

Regulatory compliance

Courts also ensure that both public and private healthcare providers comply with the laws and regulations governing their reimbursement practices, making sure that they follow established payment guidelines.

4. Has there been a change to healthcare financing and reimbursement as a consequence of the Covid-19 pandemic?

The Covid-19 pandemic had a significant impact on healthcare financing and reimbursement in Honduras, as it did globally. The crisis forced governments and healthcare systems to adapt rapidly to meet the urgent demands of the pandemic while also navigating the broader economic challenges that arose. In Honduras, this led to several important changes, including increased government spending, shifts in budgets and the introduction of fast-track funding mechanisms. Below are the key changes that occurred because of the pandemic.

The pandemic led to a sharp increase in government involvement in healthcare financing as the country faced the urgent need to expand healthcare capacity and respond to the growing public health crisis. The government significantly increased spending to combat the spread of Covid-19 and provide treatment for those infected. This included:

- investment in healthcare infrastructure;
- support for public health campaigns; and
- direct financial support for hospitals and healthcare providers.

The government's role also expanded in terms of social protection, as the pandemic exacerbated poverty and unemployment. The government introduced emergency measures, such as Bono Solidario (Solidarity Voucher) support for essential workers.

As the pandemic created an immediate strain on the country's healthcare system, the government had to reallocate funds from other sectors to prioritise Covid-19 response efforts. This included shifting Funds to Healthcare and reductions in other sectors.

The IHSS, which covers the healthcare of formal sector workers, also saw a shift in its budget priorities to address the Covid-19 response.

The government utilised fast-track financing through international aid, special Covid-19 funds and emergency loans, ensuring that resources were rapidly mobilised to address the immediate health crisis.

5. Who has access to the healthcare system as a patient on the one side and as a medical service provider/supplier of medical goods on the other side? What are the conditions of admission?

In Honduras, patient access to healthcare services is determined by factors such as citizenship, residency, age and insurance status. The public healthcare system offers broad access to services for citizens and residents, although foreign nationals may face restrictions unless they have emergency needs or access to private insurance.

Healthcare providers and suppliers have access to public funding and reimbursement through contracts with the IHSS or the Secretariat of Health, and they must meet certain standards to qualify for public payments. Special cases, such as the treatment of non-residents or the provision of services by international organisations, are handled on an ad hoc basis, with emergency care generally available for all. The bidding and procurement process ensures that suppliers of medical goods can participate in the public healthcare system, although private providers typically operate independently.

HEALTH INSURANCE FINANCING AND COVERAGE

6. How are health insurance carriers financed? How are premiums determined?

In Honduras, health insurance is structured around both public and private insurance schemes. There are systems that provide mandatory health insurance for certain sectors of the population, as well as optional private insurance for individuals seeking additional coverage. The financing mechanisms for these insurers and the process by which premiums are determined vary significantly depending on whether the insurance is public or private.

The IHSS is the primary mandatory public health insurance scheme in Honduras, serving workers in the formal sector (both private and public employees) and their families. The financing of IHSS is structured as follows:

Contributions by employers and employees

The IHSS is funded by mandatory contributions from both employees and employers. The contributions are typically calculated as a percentage of the employee's salary. Employers deduct the employee's portion and contribute their own share, which is transferred to the IHSS:

- employer contribution: employers contribute a certain percentage of an employee's salary to the IHSS system; and
- employee contribution: employees also contribute a percentage of their monthly salary to the fund.

Government subsidy

In some cases, the government also provides a subsidy to the IHSS to support the system,

particularly in times of financial difficulty or during times of public health crises, like the Covid-19 pandemic.

Self-employed individuals

Self-employed or informal sector workers can opt to voluntarily join the IHSS by paying individual contributions. However, this is not mandatory and participation rates can vary.

For mandatory insurance, the Honduran Government plays a crucial role in determining the contribution rates for IHSS coverage. These rates are legislated and can be subject to government review based on economic needs and fiscal considerations. The government must balance the sustainability of the system with the affordability of premiums for workers and employers.

In general, a judicial review of premiums in Honduras is rare, particularly in the case of mandatory health insurance (IHSS). However, there are some circumstances where the courts may intervene:

- public insurance (IHSS);
- private insurance; and
- regulatory oversight.

7. How is the coverage of medical services by health insurance carriers regulated? Are there differences in coverage for in-person medical appointments and telemedicine appointments?

In Honduras, the coverage of medical services by health insurance carriers, whether public or private, is subject to various regulatory frameworks. The Honduran Government plays a significant role in defining the minimum level of coverage for mandatory insurance (like the IHSS), while private insurance carriers generally have greater flexibility in defining their own coverage, although they must comply with certain consumer protection regulations. Differences in coverage between in person medical appointments and telemedicine are also emerging as telemedicine becomes more common.

Private health insurance providers in Honduras have a relatively wide degree of flexibility in defining the scope of coverage for their plans. However, they must comply with certain laws and regulations to ensure consumer protection, fair pricing and adequate benefits for policyholders.

The government plays a central role in defining coverage under the IHSS. As the administrator of the system, the government sets the framework for what is covered under public insurance and how it is implemented.

The rise of telemedicine has brought a new area of concern for health insurers in Honduras. While it is becoming more common, its coverage can vary depending on the type of insurance (public or private) and regulatory developments.

Orphan drugs are medications developed for rare diseases or conditions that affect a small portion of the population. Coverage for orphan drugs in Honduras is a complex issue, as these treatments are typically expensive and not widely available.

Off label use refers to when a drug is used for a condition that it has not been officially approved to treat by regulatory authorities. Coverage for off label drug use is generally a grey

area in Honduras, particularly when it comes to insurance.
HOSPITAL SECTOR
8. How are services provided by hospitals in the stationary (inpatient) and ambulatory (outpatient) settings financed and reimbursed?
In Honduras, the financing and reimbursement of services in Honduran hospitals, both inpatient and outpatient, involve a mixture of fee-for-service and potential bundled payment models, with the government playing a major role in financing through taxation. Although the fee-for-service model dominates, there are critiques regarding its inefficiency and incentives for overutilisation. Alternative models, such as capitation, global budgets, and pay-for-performance, could enhance the economic efficiency of the system, especially in the context of limited resources and growing healthcare demand.
9. How are the prices of such services determined? How is economic efficiency controlled?
In Honduras, the prices for hospital services are determined by a complex combination of free market forces, government regulation and negotiation between hospitals, insurers and the government. While tariff systems and price controls help regulate costs, economic efficiency is a constant concern, particularly within the public sector, where underfunding and inefficiencies often lead to service limitations. The private sector, although more flexible, faces challenges related to price inflation and market concentration. Ongoing efforts to integrate alternative payment models, such as bundle payments and pay-for-performance, aim to improve efficiency and incentivise better care outcomes, but the overall success of these models depends on effective implementation and adequate funding.
HEALTHCARE PROVIDERS IN PRIVATE PRACTICE
10. How are services provided by physicians, therapists, laboratories and other service providers financed and reimbursed?
In Honduras, the financing and reimbursement of services provided by physicians, therapists, laboratories and other healthcare providers depend on whether the services are part of the public or private healthcare system. In the public sector, services are primarily funded through government subsidies, IHSS contributions and fixed pricing or bundled payments, with some individualised pricing for specialised care. In the private sector, services are typically fee-for-service, with prices negotiated between providers and insurers, and patients often pay directly or through insurance. The government plays a significant role in the public sector, but faces challenges like underfunding, while the private sector often faces issues related to price inflation and lack of price transparency.
11. How are the prices of such services determined? How is economic efficiency controlled?
The pricing of healthcare services in Honduras is shaped by a combination of government price setting, market-based pricing in the private sector, and negotiation between insurers and service providers. In the public sector, government regulation plays a significant role in controlling prices, while in the private sector, prices are more influenced by market dynamics and negotiated agreements. Economic efficiency is promoted through price regulation, cost

sharing mechanisms and performance-based incentives. The involvement of associations like insurers and healthcare provider unions further influences pricing strategies and helps balance cost and quality in the system.

PHARMACEUTICALS AND MEDICAL DEVICES

12. How are pharmaceuticals and medical devices financed and reimbursed?

In Honduras, the financing and reimbursement of pharmaceuticals and medical devices are a mix of public and private models. Public health systems, like those run by the Ministry of Health and IHSS, provide essential medications and basic medical devices free of charge or at low cost, but often struggle with limited resources for specialised drugs and devices. Private insurance can offer broader coverage for pharmaceuticals and medical devices, but this is typically available only to a subset of the population. Patients who lack insurance often face high out-of-pocket costs, particularly for specialised medications and complex medical devices. Orphan drugs and early access products are particularly challenging due to their high costs, limited availability and reliance on international programmes or private funding.

13. How are the prices of pharmaceuticals and medical devices determined? How is economic efficiency controlled?

In Honduras, the pricing of pharmaceuticals and medical devices is determined through a combination of market-based pricing, government negotiations and price regulation. The government plays a key role in negotiating prices for essential drugs and medical devices in the public sector, while private companies and insurers rely more heavily on market forces and reimbursement agreements.

The criteria for pricing include health technology assessments (HTAs), international price comparisons and, increasingly, pay for performance models, which aim to link prices to treatment outcomes. Confidential rebates are also a common practice in negotiations, providing discounts to government and private insurers while ensuring that prices remain competitive in the market.

Ultimately, economic efficiency in the pricing and reimbursement of pharmaceuticals and medical devices is managed through a combination of regulation, market-based negotiations, and the use of alternative pricing models that ensure accessibility and sustainability in the healthcare system.

LITIGATION INVOLVING HEALTHCARE FINANCING AND REIMBURSEMENT

14. Please provide a high-level overview of major litigation topics and landmark cases regarding healthcare financing and reimbursement.

In Honduras, like in many other countries, litigation related to healthcare financing and reimbursement plays a significant role in shaping the policies and practices that affect public health systems and insurance providers. Key areas of litigation often revolve around limits to healthcare spending, access to treatment and the financial stability of healthcare institutions. Below, we examine some of the major litigation topics and landmark cases that have influenced the healthcare financing landscape in Honduras.

One of the most contentious issues in healthcare financing is the limits on public health

spending, particularly when it comes to the allocation of funds for high-cost medical treatments or procedures. While there is no formal maximum spending per additional life year in Honduras, the government and public healthcare providers often face challenges in balancing limited resources against the growing need for expensive medical interventions.

Cases involving life-saving treatments

There have been several cases where individuals, particularly patients with rare or chronic conditions, have sued the government or IHSS over the denial of coverage for high-cost treatments. A typical example involves patients with cancer, renal failure or organ transplants, where the costs associated with chemotherapy, dialysis or transplantation exceed the amount allocated by public funding.

Legal arguments

These cases often focus on the right to health under the Honduran Constitution, which guarantees access to medical care. Plaintiffs argue that the government's failure to fund certain lifesaving treatments violates this fundamental right. Courts may rule in favour of patients, ordering the government to fund specific treatments, even if they exceed the cost limits.

Judicial precedents

In some cases, the Supreme Court of Honduras has ruled that certain medical treatments, particularly those with clear lifesaving potential, cannot be denied purely based on cost considerations. However, such decisions have led to budgetary concerns and legal complexities, especially in the context of public healthcare financing and the allocation of limited resources.

Challenges to budget allocations

Patients may also challenge public health budgets that fail to allocate adequate funds for treatments of rare diseases or high-cost procedures. While there have been no landmark cases directly addressing a specific 'maximum spending per additional life year' threshold, the issue of resource rationing and the equity of access to healthcare is often brought up during legal battles.

In some cases, the courts have deferred to the Ministry of Health or IHSS to make budgetary decisions, citing the need to balance health needs with financial sustainability. However, when a treatment is deemed to be of critical importance for a patient's survival, courts may intervene and issue an order for funding or coverage.

Healthcare institutions, especially public hospitals, often face financial distress due to underfunding, mismanagement and increased demand for services. As a result, there have been legal cases regarding the emergency financing of hospitals and service providers that cannot meet their financial obligations.

State intervention in financial crises

Hospitals, especially those under the IHSS or Ministry of Health, have occasionally reached the point of financial collapse, leading to lawsuits filed by the hospitals, unions or advocacy groups seeking emergency government intervention. In these cases, the courts may rule in favour of the state stepping in to provide emergency funding, ordering the Ministry of Finance or the President to allocate additional funds for the operation of these facilities.

Labor and health worker rights

There have also been cases involving hospital workers' rights, where unions have sued the government to ensure that healthcare providers receive funding for wages and essential services. Often, these legal actions are based on the right to work and the right to healthcare, arguing that the government has a constitutional obligation to ensure both are met, even in times of financial distress.

When emergency situations arise (eg, during disease outbreaks like Covid-19 or natural disasters), hospitals have sometimes sued for the immediate release of emergency funding to procure medications, medical equipment or personnel. In these cases, courts may issue urgent orders to the government or public health entities to release funds for medical supplies, often citing public health emergencies and the right to health as grounds for intervention.

Access to orphan drugs (medications for rare diseases) and early access products (drugs or treatments not yet fully approved for general use) is another area where litigation has played a role in shaping healthcare policies in Honduras.

Legal actions for rare disease treatments

Patients suffering from rare diseases have occasionally sued the government or IHSS for failing to provide coverage for orphan drugs. Orphan drugs are often extremely expensive, and public health systems like IHSS may not have the resources to cover these treatments. In these cases, plaintiffs argue that the right to health includes access to treatment for rare diseases, even if the costs are high.

Case law on orphan drugs

While there are no prominent cases in Honduras specifically addressing orphan drug pricing, international precedents and constitutional arguments regarding right to life and right to health have been used to demand access to these drugs. Courts may order that IHSS, or other public entities cover these treatments, although funding for such treatments is often limited, requiring careful negotiation between patients, government agencies and drug manufacturers.

Emergency access to unapproved drugs

In some cases, patients have pursued legal action to gain access to early access programmes for experimental treatments that are not yet approved by health authorities in Honduras but are available in other countries. These drugs are usually in the final stages of clinical trials and are sometimes used under compassionate use provisions or as part of clinical research.

Legal precedents

There have been instances where patients suffering from terminal diseases like cancer or HIV/AIDS have successfully sued the government or IHSS to provide early access to experimental treatments. These legal cases often hinge on the argument that withholding potentially lifesaving drugs violates the right to health and human dignity, especially when no alternative treatments are available.

Ethical and financial concerns

While early access programmes and compassionate use schemes are viewed positively from an ethical standpoint, they raise significant financial concerns. Governments are often

reluctant to fund unapproved drugs, particularly in the public healthcare system because of the uncertainty of outcomes and high costs. As a result, these cases often involve balancing the right to access with the sustainability of public health funding.

RECENT DEVELOPMENTS AND TRENDS

15. What are the recent developments and trends for the next few years? Please outline any unresolved issues, proposed changes or trends for healthcare financing and reimbursement, and briefly indicate how these may foreseeably affect the medical sector in the near future.

Healthcare financing and reimbursement in Honduras are undergoing significant transformations, driven by several economic, legal and policy-related trends. The country is grappling with funding gaps, the rising demand for healthcare services and budgetary constraints, particularly in public healthcare. There are also pending legislative reforms and legal challenges that will shape the future of healthcare delivery and financing.

Here's an overview of the recent developments, ongoing litigation, proposed legislative changes and key trends expected to influence the Honduran healthcare sector in the next few years.

Healthcare system restructuring

One of the primary discussions in the Honduran Government revolves around healthcare system reforms to address the growing demand for services and to ensure equitable access to healthcare for all citizens. The Ministry of Health and IHSS are exploring measures to integrate public and private healthcare systems more effectively, with the goal of increasing coverage and improving quality while reducing cost inefficiencies.

Proposed expansion of public insurance

There are ongoing debates about expanding mandatory public health insurance, possibly making it more inclusive for informal sector workers who are currently not covered by IHSS. Expanding coverage to this large segment of the population would require significant investment and may lead to higher taxes or contributions from both employers and employees.

Regulation of private health insurers

The Superintendency of Insurance and Pensions (SIP) has been considering stronger regulation and oversight for private health insurance companies. This includes possible price controls, standardisation of benefits and the implementation of risk adjustment mechanisms to avoid discrimination against high-risk patients (eg, those with chronic diseases).

Establishing transparent budget allocations

With rising concerns over healthcare spending efficiency, there are discussions in the Honduran Congress regarding more detailed tracking of public healthcare expenditure. Proposals aim to create a more transparent budgeting process, ensuring that funds are allocated effectively to address priority areas like hospital infrastructure, medication procurement and universal healthcare access.

Proposed framework for HTAs

The government is also moving toward incorporating HTAs into the decision-making

process for the reimbursement of new treatments and drugs. This approach would make the introduction of new therapies more evidence-based, ensuring that high-cost interventions represent good value for money. This could improve the cost-effectiveness of spending, but might limit the adoption of innovative but expensive therapies unless they demonstrate strong evidence of clinical efficacy.

Access to lifesaving treatments

Legal battles continue regarding the right to healthcare in cases where lifesaving treatments (eg, cancer therapies, expensive surgical procedures and orphan drugs) are denied to patients due to financial limitations or insufficient public funding. Patients or advocacy groups continue to bring cases against the government, arguing that denying treatment violates constitutional rights to health and life. These cases are likely to escalate as the government faces budgetary constraints and is unable to meet increasing demand.

Hospital financial crisis

Public hospitals facing severe financial distress have brought several legal challenges over inadequate funding, delayed reimbursements and the inability to provide essential services. There may be further litigation on this issue, with unionised healthcare workers and hospitals seeking emergency financial support from the government to prevent closures or mass layoffs. The judiciary could intervene to force the government to allocate additional funds to these hospitals.

Reform of IHSS

One of the ongoing discussions is the need to reform the IHSS system, which has faced financial instability and management challenges. There is litigation related to the implementation of new payment models, particularly the privatisation of certain services or shifting to risk-based management for healthcare providers. These reforms are expected to generate disputes over whether these changes violate the social security rights of formal sector workers who contribute to the system.

Compassionate use and early access

In some cases, patients seeking access to experimental treatments or orphan drugs have filed legal actions against public insurers (eg, IHSS) or the government, arguing that denying access to these therapies violates their constitutional rights to health. The legal landscape on early access programmes and orphan drug coverage remains contentious, with some court's ruling in favour of patients based on the right to life, while others have ruled in favour of the financial sustainability of the healthcare system, highlighting budget constraints.

Increased healthcare spending

As healthcare needs grow, the Honduran Government is expected to increase its healthcare spending. This could be in response to population growth, aging demographics, and the rising prevalence of chronic diseases. The government may need to allocate more resources to public healthcare, especially hospital infrastructure, drug procurement and medical staff salaries.

Covid-19 aftermath

The Covid-19 pandemic has forced the government to reassess its healthcare financing strategies, especially in the context of emergency preparedness and pandemic response. There may be increased public spending on health infrastructure and pandemic-related services in

the coming years. The long-term fiscal implications of this expenditure could prompt a re-evaluation of the allocation of healthcare funds, with some areas (eg, hospital emergency services, health surveillance and vaccine programmes) receiving higher funding.

Increased role of private insurance

With the limitations of public health funding, private health insurers are expected to play a growing role in financing healthcare services, especially for individuals in the formal sector who can afford private coverage. This is likely to result in an increase in private healthcare expenditure as a share of overall healthcare spending. However, this trend may exacerbate inequalities in access to care, as the poor and informal workers are left behind.

Shift in funding from general taxes to payroll contributions

The government is likely to investigate alternatives to fund the public healthcare system, including a shift from general tax-based funding to payroll contributions from employers and employees, especially as efforts are made to expand the formal insurance system.