

- separation of financing and delivery of services;
- re-organization of health care by function instead of by target population;
- assignment of regulatory functions solely to the *Secretaría de Salud (SS)*, the Secretariat of Health; and
- services from both the public and private sectors.

These proposals have been featured in speeches of incoming President Ernesto Zedillo and they are likely to become government policy under his administration.

The need for improved quality and efficiency has also been recognized by Mexican health care authorities. New standards for hospitals have been introduced and a pilot certification program is underway.

The private sector is expected to play a growing role in the Mexican Health Care System, as higher standards of quality and efficiency become the norm. Incoming President Zedillo has stressed that the National Health Care System will be maintained, strengthened and modernized. An expanding private sector will be expected to complement the public system.

The drive to increase both the quantity and quality of health care in Mexico, within the constraints of existing budgets, will create important opportunities for Canadian suppliers of medical devices and equipment. The best opportunities are for technologies that benefit the most number of people at the lowest cost.

THE MEXICAN HEALTH CARE SYSTEM

Mexico's *Sistema Nacional de Salud*, National Health Care System, has been substantially expanded in recent years, and now makes health care services available to virtually every Mexican. Primary care clinics

have been established in a growing number of remote towns and villages. By the end of 1992, health care services were available to an estimated 90 million people. The budgets of the nine principal entities in the National Health Care System total about US \$10 billion.

Individuals are eligible for different programs that make up the National Health Care System, depending mainly on their employment status, their economic resources and their location. Some more affluent Mexicans choose to use the services of a parallel private health care system.

Roughly half of the population consists of formally employed persons and their families. They are covered by the *población derechohabiente*, the premium-based system. This premium-based system is funded by employer and employee contributions to a variety of health care entities. There are several programs covering different types of employers. A separate system serves the health care needs of Mexicans who are not employed, who are self-employed or who are engaged in the informal economy. It is referred to as *población abierta*, or open system.

The National Health Care System is based on an extensive infrastructure of more than 14,000 medical service

centres, of which about 13,000 are primary care facilities. About three-quarters of these facilities fall under the jurisdiction of the *población abierta*, open system. General hospitals are a key element of both systems, but two-thirds of specialized hospitals are in the open system. Although some hospitals in the larger cities are comparable to those in Canada, Mexican facilities average only 86 beds.

FOREIGN TRADE

Mexico's purchases of imported medical devices and equipment increased by 133 percent, from US \$260 million to US \$607 million, over the period 1990-1993. Imports of the more technologically-sophisticated products increased even faster. For example, imports of pacemakers were up by 210 percent, electrocardiographs by 179 percent and X-ray equipment by 289 percent.

Canada's medical equipment trade with Mexico traditionally has been very small. Exports to Mexico totaled only about \$1 million in 1990*. In 1993, however, Canada exported \$4.7 million worth of ambulances to Mexico. Between 1990 and 1993, Mexico's imports of ambulances from all sources jumped 126 percent from US \$111 million to US \$253 million.

Exports to Mexico of medical equipment from Canada, other than ambulances, totaled \$1.5 million in 1993, an increase of 41 percent over 1990. These exports fell into four categories: reagents, needles and catheters, artificial body parts and radiation apparatus. Canadian value-added included in U.S. exports to Mexico are not included in these figures.

Imports from three countries account for 80 percent of Mexico's imports of medical devices and equipment (see chart). The U.S. share of the

*Note: Unless otherwise specified, the currency used is Canadian dollars.

THREE LEVELS OF SERVICE

Public sector medical units in Mexico are classified into three levels of care:

- **primary care** includes out-patient services which are primarily diagnostic, with no hospitalization facilities;
- **second level** medical units are general hospitals that may or may not offer specialized services; and
- **third level** facilities provide hospitalization and specialized medical treatment, and do not offer out-patient facilities.

