

## **Assessing Health Reform in Colombia: From Theory to Practice**

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**Abstract:** In 1993, Colombia implemented an ambitious health reform. Its key component was a radical transformation of the manner in which health care provision, particularly care that was directed toward lower-income individuals, was financed. We first describe the institutional aspects of the reform and discuss the difficulties that transferring funding from supply- to demand-side channels entailed. We emphasize that while the reform substantially increased health insurance coverage, progress was slower than forecast and entailed a substantial increase in expenditure. The second part of the paper evaluates the impact of the subsidized regime that the reform introduced to benefit the low-income population. We explore the subsidized regime's effect on health outcomes measured through self-reports on health status and on the number of days in which individuals were unable to perform regular activities, the use of medical services, household consumption of nonhealth goods, and labor force participation.