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Working Papers on Economics - Macroeconomic Effects of Healthcare Financing in Colombia

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Publication Date: Friday, 30 of August 2024 **Abstract**
Healthcare expenditure in Colombia is expected to increase by 35% over the next eight years, due to population aging, rising costs, and domestic policies. These trends, in a context of high levels of informality and affiliation to the subsidized regime, add significant pressure to public finances. Using a dynamic general equilibrium model with heterogeneous households, we analyze the macroeconomic impact of financing a higher public healthcare expenditure through different taxes. The funding sources play a significant role in shaping the aggregate dynamics and income inequality. While consumption taxes are the best option in terms of output, financing with taxes on high-skilled labor improves income distribution.

Fuente: https://d1b4gd4m8561gs.cloudfront.net/en/publications-research/working-papers-economics/macroeconomic-effects-healthcare-financing-colombia