

# WEEKLY REPORT

10/14/2023



## **TCU OPENS GAP FOR HEALTHCARE FLOOR TO BE VALID ONLY IN 2024**

A technical opinion by the Federal Court of Accounts (TCU) in response to a query by Finance Minister Fernando Haddad indicated that the constitutional minimum expenditure in health and education only needs to be met from next year onwards. The opinion, which still needs to be endorsed by TCU judges, would represent a relief of around R\$20 billion for the federal government. With the approval of the new fiscal framework and the end of the spending cap last August, the constitutional minimum floors came into effect again. In the case of healthcare, it is 15% of net current revenue. The federal government had asked whether this applies to this year or only from the next. The government would need an additional R\$20 billion to meet the healthcare floor this year. The government's main argument was that the 2023 budget was drafted under the old spending cap, failing to include any additional disbursement to comply with the minimum floors. Officials even considered the risk of a government shutdown if it were forced to meet the minimum this year. Despite liberating the government from complying with the minimum expenditure this year, the court report considers there is no impediment to higher payments if the budget allows it. [Read more.](#)

## **BRAZIL NEEDS CONGRESS TO FIX \$33 BILLION BUDGET GAP, HADDAD SAYS**

Brazil is on track to balance its budget next year if congress does its part to help raise the 168 billion reais (\$33 billion) in revenues necessary to hit that target, Finance Minister Fernando Haddad said in an interview. Haddad has spent the last month pushing legislative leaders to approve a series of measures to raise revenue, after President Luiz Inacio Lula da Silva in August unveiled a 2024 budget proposal that seeks to boost spending by 129 billion reais while also delivering on Haddad's promise to zero Brazil's primary budget deficit next year. The finance minister successfully steered his first major initiative — a fiscal framework plan to replace Brazil's so-called spending cap rule — through Congress but has faced pushback from lawmakers over Lula's efforts to raise taxes on the wealthy to balance his spending plans. "The appeal we are making to congress is to reestablish a minimum of budgetary discipline so that we can return to talking about fiscal targets," Haddad told Bloomberg News on Friday in Morocco, where he is attending the International Monetary Fund and World Bank' annual meetings. "For the new fiscal framework to work well, we have to accelerate the process of recovering the state's fiscal base." [Read more.](#)

## **PARLIAMENTARY AMENDMENTS IN HEALTH: THE DILEMMA BETWEEN POLITICAL AND STRATEGIC CRITERIA**

Parliamentary Amendments (EP) have increasingly gained prominence in the health budget. According to a Technical Note from the Institute of Health Policy Studies (IEPS), in 2014 (the year in which the amendments began to be identified in the budget), its allocation was R\$ 7.6 billion, highlighted an article signed by Victor Nobre (Relations Assistant IEPS Institution); Marcella Semente (Institutional Relations Analyst at IEPS); and Antonio Carlos Junior (technical advisor and coordinator of Administration and Finance at CONASS). In 2023, this amount practically doubled, totaling R\$ 14.6 billion. In the same period, the relative share of amendments in the budget of the Ministry of Health (MS) also increased, by four percentage points, accounting for 8% of the department's total allocation. They point out that although EPs represent the constitutional instrument through which parliamentarians participate in the preparation of the budget, their growth, combined with the mandatory execution of them,

requires attention. This is because inspection during and after its transfer is not always conducted. In other words, resources are sent to areas that are fundamental to the functioning of the SUS, but without clarity on which projects from the different budgetary subfunctions (such as Primary, Medium and High Complexity Care) were applied, nor real effectiveness. [Read more.](#)

### **CONGRESSWOMAN SPONSORS BILL TO CREATE NATIONAL MENOPAUSE AWARENESS DAY**

Representative Lêda Borges (PSDB-GO) sponsored Bill 4950/2023, which aims to establish National Menopause Awareness Day. According to the Congresswoman, establishing National Awareness Day is an important initiative to promote information and support for women who are going through this phase. Furthermore, she claimed that it will be a way of drawing attention to the importance of menopause and stimulating discussion on this topic. Lêda Borges is the Chair of Committee for Defense of Women's Rights and [requested a public hearing about Climacteric and Menopause](#), which was held last week in the House. [Read more.](#)

### **SENATOR WITHDRAWS REQUEST FOR A PUBLIC HEARING ON THE BILL ABOUT POLICY FOR NATIONAL CANCER PREVENTION AND CONTROL IN THE SUS**

Senator Dr. Hiran Gonçalves (PP-RR) requested the withdrawal, from the Social Affairs Committee (CAS) of the Federal Senate, of request 106/2023, which requested a public hearing to instruct Bill 2952 /2022, of which he is rapporteur. The bill aims to establish the National Cancer Prevention and Control Policy in the Unified Health System (SUS). According to the parliamentarian's advisors, the request was withdrawn after Congressmen Weliton Prado (Solidariedade-MG) and Silvia Cristina (PL-RO), president and rapporteur of the Special Committee to Combat Cancer of the Chamber of Deputies, asked for speed in the vote of the bill by the senators. [Read more.](#)

### **SANCTIONED LAW CREATING NOVEMBRINHO AZUL, TO GUIDE BOYS UP TO 15 YEARS OLD ABOUT DISEASES OF ADULT LIFE**

President Luiz Inácio Lula da Silva sanctioned the law creating Novembrinho Azul, a program designed to alert boys up to 15 years old about childcare health in adult life, reported Agência Câmara. Law 14,694/23 was published in the Official Gazette of the Union this Wednesday (11). The rule originated in Bill 3930/21, by deputy Dr. Zacharias Calil (União-GO), approved by the Chamber of Deputies last year and by the Federal Senate last September. Among the planned actions are debates with experts on disease prevention and awareness campaigns with informative material. The campaigns should clarify doubts and guide boys about pain or enlarged testicles, the human papillomavirus (HPV) vaccine, as well as other information about risk factors for diseases in adulthood. Novembrinho Azul also provides for the continuous training of teams from the Unified Health System that deal with boys. [Read more.](#)

### **THE POSSIBLE RESUMPTION OF THE PDPS PROGRAM IN HEALTH**

Discussions about the implementation of technological solutions aimed at national health have returned with force, highlighted Juliana Neves – Partner at Licks Attorneys and specialist in intellectual property law – in an article published on the Jota website. According to her, last week, Decrees 11,714 came into force, [which provides for the Deliberative Committee and the Technical Assessment Committee within the scope of the Health Economic-Industrial Complex \(CEIS\)](#); and 11,715, which establishes the National Strategy for the Development of the CEIS. The objective of the National Strategy is to guarantee the CEIS as an instrument for advancing public policies to strengthen the SUS, through the country's productive and innovative development, and universal access to technologies in the health area, which improve the population's quality of life. Among the programs that are part of the CEIS National Development

Strategy is the resumption of Partnerships for Productive Development (PDP), which aim to transfer technology from the private to the public sector, in exchange for exclusivity in public sector purchases. for a period of up to ten years, with the aim of encouraging the local production of medicines, guaranteeing the population's access to medicines and reducing the national industry's dependence on the international market. However, the PDP program involves the investment of millions from public budget and, to date, it has not proven to be an effective project for the objectives it proposes, he criticizes. Furthermore, there are other sensitive points that need to be considered when implementing new PDPs, such as respect for the intellectual property rights of third parties and the limitations of public laboratories in receiving the technologies covered by the partnerships. Not surprisingly, on the same day that the decrees came into force, the Federal Audit Court (TCU) decided that the Ministry of Health suspend the signing of new PDPs, until certain weaknesses identified in the program are remedied, such as the lack of objective criteria in defining the list of medicines eligible for PDP proposals; legal uncertainty in relation to the choice of a public partner, which is not always carried out in compliance with the constitutional principles of publicity, legality and morality; and the absence of objective criteria for analyzing PDP proposals submitted by public and private partners. [Read more.](#)

## MORE HIGHLIGHTS

[Patients with rare diseases will have expanded assistance in Rio Grande do Sul state](#)

[Ministry of Planning and Budget says there is no information about the number of patients with rare diseases in Brazil](#)

[Appointed rapporteur of the project that creates National Biosimilar Medicine Day](#)

[Pharmaceutical retail delivers legislative agenda to the federal government](#)

[Brazil has more than 90,000 drugstores](#)

[Anvisa's innovation policy encourages the pharmaceutical industry](#)

## POLITICAL NEWS

[Lula makes appeal in defense of Palestinian, Israeli children](#)

[U.S. opposed UN Council meeting organized by Brazil](#)

[Governments repatriate citizens from Israel](#)

[Trade deficit with the U.S. down 80% this year](#)

[An offensive grows to ensure advancing tax overhaul](#)

[Brazil central bank chief says governments must address fiscal issues to avoid market disruption](#)

[Market sees stronger real by year's end](#)

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