

2nd ECOFIN

*Advanced
GA*



TOPICS: Combating Brain Drain, Increasing the Affordability of Healthcare

CHAIRS: Hailey Fiallos, Heather O'Brien

LAIMUN XXIX

December 2-3

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Letter from the Secretaries-General

Dear Delegates,

On behalf of our entire staff, it is our pleasure to welcome you to Session XXIX of the Los Angeles Invitational Model United Nations (LAIMUN) conference. LAIMUN XXIX will take place on Saturday, December 2 and Sunday, December 3 of 2023 at the Mira Costa High School (MCHS) campus.

Our staff, composed of over 120 MCHS students, has been working tirelessly to make your debate experience the best it can be. You will find your dais members to be knowledgeable about the issues being debated and MUN procedure. We pride ourselves in hosting a conference that is educational and engaging, and we hope you take advantage of that as you prepare and debate.

At LAIMUN, we value thorough research and preparation. We ask that delegates write position papers following [these directions](#). The deadline to submit position papers to be considered for Committee and Research Awards is Friday, November 24 at 11:59 PM PT. The deadline to submit to be considered for Committee Awards is Thursday, November 30 at 11:59 PM PT.

We also encourage all delegates to read the [LAIMUN Rules of Procedure](#) for conference-specific information and as a reminder of points and motions that can be made during committee.

Feel free to reach out to our staff with any questions or concerns you may have. Delegates can find their chairs' contact information next to their committee profile and the Secretariat's email addresses on the staff page. Any member of the LAIMUN staff will be happy to assist you.

We look forward to seeing you in December!

Sincerely,

Akash Mishra and Lily Stern
Secretaries-General, LAIMUN XXIX
secretarygeneral@mchsmun.org



Introduction to the USG

Welcome, Delegates, to LAIMUN XXIX!

My name is Naomi Kim, and I am so excited to conclude my fourth and final year at Mira Costa Model UN by being the Under-Secretaries General of the General Assembly!

Every year, we select the GA committee topics to reflect the diversity of issues present in our rapidly modernizing world, and this year is no exception. I am excited to hear the novel, creative, and detailed solutions each of you have to address these complex problems, and I hope that all of you can leave LAIMUN not just having given an awesome speech and spectacular formal caucus sessions, but with an enriched and diversified outlook.

But in order to have another amazing LAIMUN, I want to remind you all of our strict no pre-written resolutions policy. Under no circumstances is pre-written resolutions acceptable; additionally, delegates are only allowed to work on resolutions during committee sessions, not during breaks. Your chairs will outline this policy in greater detail before the start of debate, and we urge you all to comply.

Our staff have worked incredibly hard to create an informed, professional environment, and we hope that you enjoy it. Come equipped with knowledge, strong solutions, and your sleek WBA, but do not forget—MUN is fun!

If you have any additional questions or concerns, feel free to contact me at the following address: GA@mchsmun.org. If not, I look forward to seeing you all in December!

Best Regards,

Lily Stern and Akash Mishra
Secretaries-General

Naomi Kim
Under-Secretary General

Introduction to the Dias

Hey delegates!

My name is Hailey Fiallos and I am your head chair for 2nd ECOFIN Advanced at LAIMUN and could not be more excited! I am currently a Senior at Mira Costa, meaning this is my fourth and final year in the Model UN program. I am also a freshman Teachers Assistant for the Intro to Model UN class at Costa and to say it's the highlight of my senior year right now would be an understatement so if you guys have any questions don't hesitate to ask! I've been given the opportunity to debate at NAIMUN in Washington, D.C. and BERMUN in Berlin, Germany. As for the committee, my co-chair and I will be on the lookout for creative, effective, and plausible solutions that relate directly to the topic and coincide with country policy. Because debate can be a long day, unique and attention-grabbing hooks are always welcomed :)

Outside of Model UN, I swam on Varsity for the Costa swim team for 2 years and swam competitively for 7 years. You can catch me listening to Frank Ocean, doing a crossword puzzle, or watching my favorite shows: Love Island UK (the best Love Island), Modern Family, and American Horror Story. I love movies, especially comedies or ones that make me cry, and some of my favorites are Crazy Rich Asians and Bohemian Rhapsody. I am also an avid reader (why I have reading glasses at 17) and am currently obsessed with the Bridgerton series (books > show). My father grew up in New York so my family and I are huge Yankees fans, thus explaining why we named my dog Jeter, after Derek Jeter. Lastly, I love food. As my primary source of happiness, food, lots of flavor, and an empty bank account are constants in my life.

See you soon – Hailey Fiallos

ΦΨ LAIMUN XXIX ΦΨ

Hello Delegates,

My name is Heather O'Brien and I am a junior at Mira Costa High School, and will be co-chairing with Hailey Fiallos this year. I have been in Model United Nations for three years and am grateful for all the different topics I have been able to discuss through this program. MUN allows for people to discuss problems from so many different perspectives which I think has helped me to become more aware of the world's issues over the three years and understand how intertwined the world is. I have enjoyed going to conferences over the years and being able to meet other teens who are interested in world issues and want to learn more about how to fix it.

I am on a competitive swim team called Beach Cities Swimming and also have been on the Mira Costa swim team the last two years. I also enjoy spending time with my friends and family in my free time. I go to the beach often and enjoy the ocean and have been doing Junior Lifeguards for eight years and was a cadet last year at Hermosa pier. I enjoy surfing and skateboarding with friends. I love reading all books and love to discuss books with my friends after finishing them. I also love Formula one and enjoy watching all the different races and find all the different tracks to make each race exciting to watch.

I am excited to meet all of you and hear the wide variety of different solutions to Brain Drain and rising healthcare costs as they are problems that affect everyone in the world.

Sincerely,

Heather

Committee Description

The Economic and Financial Committee of the General Assembly, deals with many issues pertaining to economic growth and development. Historically, ECOFIN has worked through obstacles in the way of successful international macroeconomic policy, the financing of globalization and interdependence, and sustainable development. This Second Committee also handles special circumstances such as the sovereignty of the Palestinians in East Jerusalem and Syrian Golan. The committee was first founded on the 25th of April, 1945 and its membership is open to any member states of the UN, and follows the same parliamentary procedures as the General Assembly. With 193 members currently, ECOFIN works to encourage international growth through financial assistance and improvements in financial affairs; each of its members are considered equally and are afforded identical voting rights.

Within the General Assembly, ECOFIN is unique because it serves to lead the development of a coordinated approach to economic issues centric to local, national, and global economies. This committee largely assists in the development of lower-GDP nations to provide economic stimulus and growth through financial aid and proper resource allocation. A notable ECOFIN project is the establishment of the Sustainable Energy for the All initiative. This program aims to increase investment in renewable energy sources with the ultimate goal of widespread access to sustainable and modernized energy by 2030.

In recent years, ECOFIN has aided in resolving major disputes in the Middle East such as insisting Palestine end its occupation in Syria. This was due to the human rights violations

heavily affecting the economic environment because of the military, social, and political stress the occupation was putting on the people. ECOFIN has also illustrated a major stress on Least Developed Countries and Landlocked Developing Countries, through their collaboration with the IMF and the World Bank. Having an understanding of the involvement ECOFIN has in current affairs will be essential in understanding the topics being discussed.

Topic A: Combating Brain Drain

I. Background:

Brain drain is defined as the migration of skilled and educated individuals from a less developed country to a more economically developed country. These skilled workers are educated in their native country but eventually seek work in foreign nations due to higher standards of living or better wages. This large emigration of educated personnel results in unstable intellectual standards, preventing less developed countries from generating a more advanced and professional society. More formally known as human capital flight, this phenomenon was first recognized in the early 1960s to explain the professional and social impact of British medical personnel leaving for opportunities in the United States and other North American countries.¹ In more contemporary times, human capital flight has constituted a substantial emigration of workers from Samoa, Jamaica, Palestine, and a variety of other countries. According to the United Nations Global Migration Database, from 2010 to 2019, the amount of international migrants increased from 214 million to 272 million, thus increasing the world migration rate from 3.1 percent to 3.5 percent of the global population.²

There are countless push and pull factors that encourage the migration of skilled workers in less developed countries including career opportunities, social injustice, education, and salary. The desire for economic stability and better career opportunities are large pull factors for

¹<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2613146/#:~:text=In%20Geographical%20Mobility%20and%20the,seek%20opportunities%20in%20North%20America>

² <https://www.un.org/development/desa/en/news/population/international-migrant-stock-2019.html>

educated individuals in less developed countries, which leaves these native countries with few skilled workers. In the World Bank's Monitor Report of Malaysia, they identified that the central cause for migration is attributed to a more attractive salary and the various benefits offered in developed countries.³ This report also conducted a survey and concluded that 66 percent of respondents stated their main reason for migration was career prospects and better salaries. This emigration is additionally caused due to an absence of employment opportunities within the country of origin. Highly qualified professionals such as engineers or doctors are compelled to search for work abroad as domestic jobs do not match their skill sets and may interfere with their potential to be a profession in their field. Furthermore, developing countries often lack sufficient technology and have poor infrastructure, making it difficult for professionals to work in such environments. Amongst the variety of professions, the brain drain of healthcare workers is often recognized as the profession with the greatest amount of emigration. During the COVID-19 pandemic, the World Health Organization declared in 2020 that the brain drain of healthcare workers causes an unequal distribution of nurses across the globe, which had a drastic effect on both the quality and the quantity of care available for citizens in developing countries⁴. Prior to COVID-19, the United Nations estimated that 56 percent of emigrating physicians migrated from developing countries to developed ones and in return, developing countries only received 11 percent of emigrating physicians, mainly from other developing countries.⁵

³ <https://www.worldbank.org/en/country/malaysia/publication/malaysia-economic-monitor-reports>

⁴ <https://aricjournal.biomedcentral.com/articles/10.1186/s13756-020-00719-4#:~:text=The%20brain%20drain%20of%20healthcare,shortages%20in%20the%20health%20system.>

⁵ <https://www.un.org/esa/documents/HRD%20Rep%20Final30AUG.pdf>

While brain drain poses a variety of challenges, it can also pose different benefits. Otherwise known as brain gain, this gain is when a country benefits as a consequence of immigration of highly skilled people. Within the EU alone, countries such as Romania, Italy, and Portugal are highly affected by brain drain, meanwhile countries such as Ireland, Sweden, and Denmark notice the opposite effect and experience brain gain. This influx of educated personnel can be extremely beneficial to the country of relocation. Healthcare workers constitute the majority of professionals that relocate and in doing so, this can increase knowledge transfer. In a study conducted by the World Bank in 2000, the United States dramatically increased the number of available visas for foreign nurses and in 2007, reduced the availability back to pre-2000 levels.⁶ Within the Philippines, the study measured that total four-year enrollment in various nursing organizations rose from 90,000 to 400,000 in 2006 and later declined in 2007. With this data, it was concluded that nursing enrollment within the Philippines increased by 129 percent following the United States visa expansion. As a result of this, it was concluded that for each new nurse that moved abroad, an estimated nine supplementary nurses were newly licensed, demonstrating the significant brain gain of nurses in the Philippines.

Despite some of the benefits of brain drain, the negative effects outweigh the positives. Brain drain places a burden on both the economy of the country to which skilled workers emigrate and the country where brain drain occurs. The primary issue with brain drain is that it halts the progression of developing countries. In losing skilled individuals who can help improve a society and an economy, these developing countries are often left with a society consisting of

⁶<https://blogs.worldbank.org/peoplemove/brain-gain-providing-healthcare-workers-opportunities-migrate-can-increase-education-and>

unskilled workers, therefore declining the transfer of knowledge. Human capital flight also leads to a shortage of skilled professionals which makes it difficult for governments to develop essential sectors such as education, technology, and healthcare. With a lack of highly educated individuals, governments are often less likely to invest in education and training that would benefit society. As governments invest a plethora of money in professional education and development, once these individuals emigrate and leave the workforce for greater opportunities, that large investment is lost. On average, developing countries invest roughly \$500 million (USD) each year to train healthcare workers which is 25 percent of the gross Official Development Assistance fund that developing countries receive to improve their healthcare sectors. However, these workers are later drawn to work in more developed countries for numerous reasons.

Another vital facet to the negative impacts of brain drain is brain waste. This describes a situation where qualified personnel immigrate to a new country, however, this country lacks employment opportunities, thus leaving the qualified individual unemployed in a foreign country. In the event of brain waste, neither the host country nor the country of immigration benefits from the situation. For example, in 2021, the European Union launched a fight against brain drain in the Western Balkans against Europe's war on drugs. The World Bank estimated that 4.4 million people from 1990-2015 emigrated from the Western Balkans to economically developed European countries such as Germany in search of work. However, during this period, there were only 1.3 million vacant jobs. As a result of this, Germany passed a skilled immigration act to ease labor market access for non-foreign EU citizens. As a result,

qualifications for jobs have reached equilibrium between native Germans and Western Balkan workers.

Moreover, developing countries often suffer from economic loss in addition to skilled workers as they are not required to pay taxes in their home country once they leave. With a loss of tax revenues for the native country, this eventually minimizes the potential for spending and reduces country development. The loss in tax revenue can additionally lead to higher taxation in an attempt for governments to make up for the money they lost along with the skilled workers. With the emigration of skilled individuals, this also results in a substantial loss of human capital, which can be detrimental to a nation's economic development.⁷ According to the World Bank, human capital is a vital component to economic growth at all income levels, especially with the growing demand for better health and education increasing around the world.⁸

II. United Nations Involvement:

The United Nations has taken numerous steps to aid countries who are suffering from brain drain. Amongst these measures is the Regional Conference on Brain Drain and Capacity-Building in Africa in 2000.⁹ With 130 participants, this conference was a joint initiative of the International Organization for Migration (IOM), the Economic Commission for Africa (ECA), the Development Research Centre (IDRC) and several other development partners. The purpose of this conference was to situate the issues and implications pertaining to brain drain in

⁷https://www.investopedia.com/terms/b/brain_drain.asp#:~:text=Brain%20drain%20or%20the%20exodus,make%20up%20for%20the%20shortfall.

⁸<https://www.worldbank.org/en/news/immersive-story/2018/08/03/investing-in-people-to-build-human-capital#:~:text=No%20country%20can%20afford%20to,and%20health%20is%20increasing%20everywhere.>

⁹<https://press.un.org/en/2000/20000217.afr210.doc.html#:~:text=The%20Regional%20Conference%20on%20Brain,in%20cooperation%20with%20the%20International>

the African continent where human capital flight is the most prevalent. Under this initiative, the number of development partners make The IOM and the ECA estimated that from 1960 to 1975, upwards of 27,000 educated individuals left the continent and migrated West. The following decades from 1985 to 1990, the African continent lost 60,000 professionals, averaging a loss of 20,000 skilled workers annually. Since the Regional Conference, various African regional organizations have committed to monitor the migration of individuals among their member states. Organizations such as the Southern African Development Community (SADC), the Economic Community of West African States (ECOWAS), and the African Union have embraced the movement of its members since 2011.

In 2005, the United Nations passed Res/58/207, which addresses the impact of the migration of skilled workers. Under this resolution, the UN emphasizes that brain drain contributes to depleting scarce resources within developing countries along with the capacity to acquire the resources necessary to sustain economic growth. Additionally, this resolution recognizes Information and Communications Technology (ICTs) as a means to counteract brain drain. In Mexico, this program reaches upwards of 700,000 students in 100,000 remote communities that have very few teachers. Such programs increase the amount of educated personnel within a country, which not only increases the number of educated workers, but also contributes to human resource development in developing countries and has proven to be successful in exposing individuals to a sufficient education.

The United Nations has additionally recognized the possibility of turning brain drain into brain gain for developing countries. In 2018, the International Labor Organization founded the

Recognition of Prior Learning (RPL) initiative, a program that works with Jordanians and Syrian refugees to formally recognize and assess any skills or expertise these refugees already have. Furthermore, this initiative incorporates a training component that offers unskilled workers a practical training to improve their existing skills. Through integrating refugees and migrants into labor markets and societies, the ILO has been successful in reducing vulnerabilities and in supporting the development of less developed economies.

III. Topics to Consider:

A. Lack of Skilled Workers

A lack of skilled workers to replace the ones lost due to Brain Drain has made the migration of workers that much more severe. As positions lay vacant there aren't enough young people with the necessary training to fill the positions. A main problem with this is the prioritization in school, there is an emphasis on college instead of manufacturing jobs at most schools.¹⁰ However not every family can afford college and not every student is meant for college so providing kids with the tools to get jobs is important. Factory jobs offer chances for promotion and help to bolster the economy as they move trade. Schools teaching manufacturing skills and offering those options along with college would help students to make smart choices for their lives as well as help to replenish workers that are lost.

Many jobs have also become less favorable in the last few years, specifically the healthcare industry. Covid-19 hit the industry hard and left it so that new nurses and doctors have

¹⁰<https://princemanufacturing.com/shortage-of-skilled-workers-in-the-united-states/#:~:text=As%20baby%20boomers%20age%20and,Misunderstanding%20of%20positions%20in>

been dropping the job. This major need for more medical personnel is not necessarily new, as nurses have been on short staff for years but these new rates of burnout have left the industry struggling.¹¹ This problem has left hospitals struggling to find people to fill positions for long periods of time which is why promoting the skills needed for nursing and ensuring they have the resources needed for their mental health would allow students to join companies/hospitals and ensure that they understand what they are getting into to limit the burnout.

Giving students access to more resources has proven to help the employment rates across the board and lessened the need for many to move to jobs. Bringing jobs to people and opening up multiple avenues allows for people to have a larger field of jobs available and lessens limits on what they can choose.

B. Boosting Industry in Countries

One of the hardest hit industries was the food industry, as Covid-19 hit it made it so much harder for restaurants to operate, as well as many staff not returning after the pandemic restrictions were lifted. Studies have shown that the food services and hostility jobs have struggled to maintain workers for longer periods of time.¹² The problem also lies in the loss of workers to more developed areas. Providing benefits to skilled workers who remain in their home country to work and boost their field, subsequently boosting their economy, would greatly benefit less developed countries. Since these less developed countries are the ones that often feel the harsh side effects of brain drain then preventing the loss of more workers would be

¹¹<https://www.managedhealthcareexecutive.com/view/replenishing-a-depleted-workforce-how-to-support-healthcare-workers-through-covid-19>

¹² <https://www.uschamber.com/workforce/understanding-americas-labor-shortage-the-most-impacted-industries>

beneficial. The International Development Association (IDA) has worked to create more jobs that can support people in less developed countries while also keeping them in the country, and allowing room for advancement as they learn.¹³ The effort to build industry in countries that lack it opens up larger job opportunities and more chances for advancement to the people there so that people do not need to go out to search for jobs outside of the country.

C. Improving Healthcare and Housing

A big component to Brain Drain is a lack of safety and security forcing people to leave to more favorable conditions. Leveling the field for opportunities and benefits in countries would help to dissuade people from emigrating to different countries. Programs that promote rehabilitation, weather protection, which overall improve the safety and quality of homeowners lives. As well, providing tax incentives to land owners who keep their properties nice for their tenants would help to improve renters happiness.¹⁴ Affordable and clean housing leaves money for healthcare and food, on the other hand overcrowding can lead to tense living conditions.

Healthcare and insurance can be very pricey for many and while some jobs provide them, few offer good coverage. A plan to require a minimum coverage plan to ensure that people are able to work and not need to go far for doctors would ensure civilian happiness. The problem is many developing countries lack the humanitarian and financial resources to support universal health care.¹⁵

¹³ <https://blogs.worldbank.org/voices/jobs-challenge-bigger-ever-poorest-countries>

¹⁴ <https://health.gov/healthypeople/priority-areas/social-determinants-health/literature-summaries/quality-housing>

¹⁵ <https://www.apha.org/policies-and-advocacy/public-health-policy-statements/policy-database/2014/07/23/09/09/strengthening-health-systems-in-developing-countries#:~:text=The%20health%20systems%20in%20countries,of%20services%2C%20absence%20of%20community>

IV. Case Study: Puerto Rico Medical Personnel Shortage

The ongoing debt Crisis in Puerto Rico has left many to flee. The loss of medical professionals particularly hit the country hard. Puerto Rico doesn't have a strong independent health care system and many Puritoricans use Medicare or Medicaid. However Puerto Rico doesn't receive much federal help meaning that paired with its massive debt, Puerto Rico struggles to pay doctors, nurses, and the other medical staff necessary. With many medical jobs being offered on the mainland Puerto Rico experienced a mass exodus of healthcare personnel around 2019. In the past thirteen years alone over 8,000 doctors have left Puerto Rico to pursue jobs elsewhere. This makes up almost half of their doctors in the last decade and leaves civilians without doctors.¹⁶ The problem of insurance and federal funding no longer becomes a problem when there are no longer doctors for people to see. However the link between funding and the doctor shortage is not long, with many doctors leaving the country in search of higher salaries.¹⁷ Puerto Rico can not afford to pay the doctors more so they are on the bottom of the list for many doctors. The average salary for a doctor who has one to two years experience in Puerto Rico is 101,000, meanwhile in the United States it can be 170K to 280K per year, making the appeal quite clear. However without federal assistance the Puerto Rican government is in no place to help as they are in massive debt. The government had already tried to borrow money to keep its

¹⁶<https://grupocne.org/2023/03/05/exodus-of-doctors-a-problem-that-defies-simple-solutions/#:~:text=According%20to%20Health%20Department%20officials,little%20more%20than%20one%20decade.>

¹⁷<https://www.magazine.medicaltourism.com/article/puerto-rican-doctors-jumping-ship-for-mainland#:~:text=The%20island%20has%20roughly%207%2C000%20primary%20care%20physicians.&text=Family%20and%20general%20practitioners%20in,the%20U.S.%20Bureau%20of%20Labor.>

medical program when the problem started, but it has now gained millions in debt and no way to recover. Therefore, Puerto Rico is at a loss for what to do: they can't borrow more money, they can't file for bankruptcy, and they continue to lose doctors every year. This has put Puerto Rico at a standstill for the past few years, with nothing to do but wait until another country can come and help with their doctor shortage or until they receive enough federal funding to provide a compatible wage to doctors.

IV. Guiding Questions

1. What impact does brain drain have on various sectors such as education and healthcare?
2. How can the international community strive to minimize the consequences of human capital flight on developing nations?
3. Is brain drain an issue in your country? Will solutions that have previously worked in your country prove effective in new regions?
4. How can brain drain turn into brain gain for developing nations?
5. How can developed nations combat an overabundance of skilled workers and how can the international community combat the unequal distribution of skilled workers?
6. What causes brain drain and how may we mitigate it?

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Topic B: Increasing the Affordability of Healthcare

I. Background:

As technologies within the healthcare sector begin to grow exponentially, the cost of these technologies follow suit. Between 2000 and 2018, a report from the World Health Organization displayed that global spending on health care reached \$8.3 trillion USD, which is 10 percent of the global GDP.¹⁸ Furthermore, the report demonstrated that out-of-pocket spending within lower-middle and low income countries remained relatively high and constituted a total of 40 percent of health spending in 2018. The cost of healthcare began to increase rapidly in the 1960s and has grown exponentially ever since. Insurance, an increased demand for advanced healthcare services, and greater research for preventable diseases are all facets to the rise in healthcare prices. The United States, Germany, Sweden, Canada, and the United Kingdom are the countries with the most expensive healthcare; however, these countries foster some of the most advanced technology within the healthcare sector. In 2022, a survey conducted by Global Medical Trends revealed that benefit costs increased from 2021 to 2022 by 0.6 percent and was expected to hit 10 percent by 2023.¹⁹

The COVID-19 pandemic had a drastic impact on the cost of healthcare. From 2019 to 2020, the cost of healthcare within the United States increased by 10.3 percent and again increased by an additional 2.7 percent from 2020 to 2021. This dramatic increase in healthcare

¹⁸ <https://www.who.int/publications/i/item/9789240064911>

¹⁹ <https://www.medicaleconomics.com/view/global-health-care-costs-expected-to-increase-10-next-year>

prices was largely due to unexpected medical care utilization by hospitals within the first year of the COVID-19 pandemic, thus resulting in high administrative costs in 2020. In addition to a lack of preparedness, many global healthcare sectors saw smaller uses of healthcare services as well as a decline in private healthcare insurance registry.²⁰ As a result, adults diagnosed with COVID-19 found that medical costs were 5.2 percent higher during the first 6 months of the pandemic for those who were hospitalized. As for children, medical costs increased greatly by 15.6 percent in 2020, thus generating an average price increase of 70% for children and 46% for adults during the first 6 months of the pandemic. Moreover, this increase in healthcare costs economically burdened an estimated \$308 million USD for adults and \$47 million USD for children worldwide. While many countries and citizens benefit from such advanced healthcare sectors, many civilians are unable to realistically pay their medical bills while simultaneously paying for other daily commodities. Despite the world coming to a slow end with the COVID-19 pandemic, many healthcare facilities have yet to drop the cost of the majority of services to pre-pandemic levels, leaving civilians to pay for expensive healthcare.

In addition to the various impacts from COVID-19, the rise in healthcare costs has been centered around the introduction of innovative technology. A common trend many healthcare facilities are executing is that because health insurance removes a financial barrier for consumers, facilities are inclined to raise the demand for technology and encourage providers to supply more advanced and expensive services²¹. Many healthcare experts believe that medical

²⁰<https://www.cms.gov/newsroom/press-releases/national-health-spending-2020-increases-due-impact-covid-19-pandemic#:~:text=This%20was%20due%20to%20a,of%20total%20health%20care%20spending.>

²¹<https://www.ncbi.nlm.nih.gov/books/NBK234309/#:~:text=Researchers%20generally%20agree%20that%20medical,more%20expensive%20mix%20of%20services.>

technology advancements account for roughly two thirds of annual spending growth. The introduction of new machinery leads to more expensive products and procedures worldwide, leaving civilians with advanced healthcare they cannot afford²². While healthcare technology is expected to benefit patients physically, many countries experience the opposite of this. For example, the United States fosters one of the most advanced healthcare sectors globally, however, patient outcomes remain poor as over 20 percent of the US population dies or is disease burdened.²³ Similarly to other OECD countries, healthcare costs are high while health quality remains low.

However, the rise in healthcare prices not only impacts the quality of care being provided, but additionally poses a problem for resource depleted nations with the rise of diseases. For instance, developing countries such as India, Bangladesh, and Nepal spend roughly 4 percent of their gross domestic product on healthcare, resulting in total spending of over \$1 trillion USD on healthcare. In comparison, underdeveloped countries spend only a quarter of this amount on healthcare advancements. As a result of this, the healthcare systems within these countries are underdeveloped, underfunded, and expensive due to demand for different healthcare services. The lack of financial affordability of healthcare to all parties has proven to be a large obstacle to countries that lack the resources to foster adequate healthcare. Payments that are not reimbursed by insurance otherwise known as out-of-pocket payments account for the unmet medical

²²<https://www.pgpf.org/blog/2023/01/why-are-americans-paying-more-for-healthcare#:~:text=There%20are%20many%20possible%20reasons,insurance%20and%20provider%20payment%20systems>.

²³<https://www.toptal.com/insights/innovation/three-healthcare-technology-innovations-driving-better-outcomes-and-lower-costs>

requirements within middle and low income countries. As a result, citizens below the poverty line are disproportionately affected by such large payments leading to further impoverishment and disease burden for those who cannot afford healthcare services. With this, the dramatic increase in healthcare prices can lead to prevention of treatment for those who cannot afford medical expenses. In a study conducted by McKinsey Medical Company in the United States, it was discovered that only 22 percent of workers within the low-income group were insured meanwhile in the high-income group, an estimated nine out of ten workers were insured.²⁴ Moreover in 2009, one-fifth of the United States middle-income population under the age of 65 reported that they spent over 10 percent of their income on healthcare services. Both of these studies display the income inequality within a country rising healthcare costs can cause and how that affects the wellbeing and stability of a family.

II. United Nations Involvement:

The United Nations has overseen multiple studies regarding the rapid increase in healthcare prices. In 2019, the United Nations conducted the “Primary Health Care on the Road to Universal Health Coverage” study and concluded that there were large healthcare service gaps in low-income countries and further estimated that 60 million lives would be saved if less developed countries increase their annual spending on advanced healthcare. This report also suggested that rural areas are more susceptible to suffering from lower coverage as a result of poor infrastructure and a lack of health workers. In addition to this study, the World Health Organization orchestrated the beginning of the pilot universal health coverage programs in

²⁴<https://www.mckinsey.com/industries/healthcare/our-insights/how-health-care-costs-contribute-to-income-disparity-in-the-united-states>

various Kenyan counties in 2019. The pilot program aims to improve healthcare by eliminating any fees at local healthcare facilities and instead introduces a social healthcare insurance system. The United Nations' blueprint for a prosperous future relies on the progression of universal health coverage, as seen as one of the main elements for the 2030 Agenda.²⁵ More specifically, Sustainable Development Goal 3 for the 2030 Agenda urges the international community to “ensure healthy lives and promote well-being for all, at all ages.” The Agenda strives to make universal healthcare accessible to everyone, especially to those in less developed countries who additionally lack sufficient healthcare supplies.

In 2017, the UN adopted A/RES/72/139 which organized a high-level summit on universal health coverage.²⁶ Under this resolution, the United Nations and its members highlight the main facets of this issue, such as out-of-pocket spending and “impoverishing spending on health,” which causes households to divert spending on non-medical commodities in favor of healthcare services. At the summit, which took place in 2019, the General Assembly adopted A/RES/73/131, which approved a political declaration on universal health coverage (UHC) and also established the Global Conference on Primary Health Care. This resolution additionally reasserted the leadership of the World Health Organization as an active supporter and leader in regional policy forums and in the establishment of universal health coverage systems in less developed countries.

²⁵https://sustainabledevelopment.un.org/sdg3?_gl=1*_ih942g*_ga*MjEzMTY2OTU0Ni4xNjgyMDU0MjIz*_ga_TK9BQL5X7Z*MTY4NzcyMjExNi4zLjAuMTY4NzcyMjExNi4wLjAuMA..

²⁶ https://apps.who.int/gb/ebwha/pdf_files/WHA72/A72_14-en.pdf

Amongst the drastic increase in healthcare prices during the COVID-19 pandemic, the General Assembly adopted the resolution A/RES/75/L.41, which urges member states to ensure affordable healthcare, strengthening national systems, and called upon members to reinforce their resilience of their preparedness for various emergencies. Lastly, this resolution also expressed the importance of monitoring the impacts of the pandemic on healthcare services. Under these terms, member states emphasize the need for access to affordable and quality healthcare to everyone and its obligation for international development. The General Assembly also passed resolution A/RES/75/L.47 which called upon member states to put forth greater action to monitor, address, and prevent the effects of COVID-19 to promote human rights while simultaneously ensuring that healthcare decisions do not violate a person's dignity. Under this resolution, member states recognize the importance of affordable healthcare and the various effects the COVID-19 pandemic had on accessible and affordable healthcare.

III. Topics to Consider:

A. Rise in EpiPen Prices

The rise in epiPen prices is not necessarily new; studies show that since 2007, the price has risen from 100 US dollars to 600 US dollars in 2018.²⁷ This is mainly due to the lack of regulation in the healthcare industry. A company Mylan produces most epiPens and as they have observed a lack of competition and spiked the price over the years. This problem often leaves the

²⁷<https://www.proskauer.com/blog/264-million-settlement-in-epipen-price-gouging-litigation#:~:text=Mylan%20has%20increased%20the%20price,epinephrine%20remaining%20at%20around%20%241.>

less advantaged without a necessary life saving equipment, as well cheap healthcare doesn't often provide coverage. A shortage in epipens has also left the prices to skyrocket and kids and their families in a state of anxiety over a loss of life saving tools.²⁸ The rise in cost for an epipen is something not usually considered and something that those with life threatening allergies are expected to just live with. Besides already needing to rigorously check what their food is cooked with when eating out or buying groceries they also have to consider the hundreds of dollars they would lose if they had to use one pen to save their life. There is question over how this might affect people, and their typical enjoyment of life.

B. Shortage of Insulin

People with type-two diabetes need insulin to live. Yet, it is predicted that over 40 million people will not be able to have access to it. A spike in the amount of people with type-two diabetes has led to a sharp increase in demand that the healthcare industry has been able to keep up with. With COVID-19 slowing down, the manufacturing of insulin has left many without it. This shortage is being overall added to by the high levels of obesity after the pandemic and the need for more medical assistance after it. Insulin is something needed for people to live, it is something that most people's bodies naturally make, yet for some it is a struggle just to get these basic needs.²⁹ For all with type-one diabetes, it is needed for them to have insulin and for type-two, it is needed when oral medication doesn't work. While insulin

²⁸<https://www.proskauer.com/blog/264-million-settlement-in-epipen-price-gouging-litigation#:~:text=Mylan%20has%20increased%20the%20price,epinephrine%20remaining%20at%20around%20%241.>

²⁹<https://www.proskauer.com/blog/264-million-settlement-in-epipen-price-gouging-litigation#:~:text=Mylan%20has%20increased%20the%20price,epinephrine%20remaining%20at%20around%20%241.>

takes little money to produce, usually between three and six dollars it can be charged to seventy two dollars or more for one vial. This extreme upselling is only due to the large demand and little to no cap on how much a company can charge for insulin.³⁰

IV. Case Study: Aids Epidemic in Africa

In 2016 the continent of Africa announced that it would provide free aids medication to all no matter their stage of infection.²⁹ This mobilization by the African Government to help their people against life threatening diseases was gradual. Originally it left many without treatment until people showed signs of late stages of AIDS and needed immediate treatment to live. However, this left many to live in dire states before being too sick to recover. The epidemic has become more controlled over the years since 2016 as more people can be treated quicker, but it is still a large problem in Sub-Saharan Africa. 28.5 of 40 million people suffering from aids live in sub saharan Africa and many are untreated.³⁰ Before the wide spread of AIDS medication it was off limits to many in Sub-Saharan Africa due to its high prices, as it was at 10,000 in US dollars or above. These high prices were due to the high demand for life saving medication.

The lack of infrastructure set up for medication distribution and the manufacturing meant that the United Nations had to get involved to monitor the new spike in need for the AIDS medication now the the recruitments changed. The World Health Organization helped to establish the manufacturing of the drugs and transportation to African people so that everyone

³⁰<https://www.proskauer.com/blog/264-million-settlement-in-epipen-price-gouging-litigation#:~:text=Mylan%20has%20increased%20the%20price,epinephrine%20remaining%20at%20around%20%241.>

who needed the vaccine could get it.³¹ This support was vital to help Africa get a handle on the AIDS epidemic and left the country to follow the outside help.³² With the help of the World Health Organization, the cases of AIDS has gone down in Africa and continues to do so.

IV. Guiding Questions:

1. Do the effects of COVID-19 on rising healthcare costs still stand as an issue today?
2. How can universal health coverage be beneficial to both developing and developed countries?
3. What can a nation's government change to foster affordable and quality healthcare?
4. Do technological advancements pose a benefit or a threat to all individuals?

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³² <https://www.prb.org/resources/the-status-of-the-hiv-aids-epidemic-in-sub-saharan-africa/>

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