



Health of the Health System

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When You Hear the Whistle Blow

Contrary to the common belief that corruption takes place only in health systems of the under-developed and transitional countries, the report of Transparency International shows that health systems all over the world are susceptible to corruption – private and state ones, rich and poor ones, technically most sophisticated and most primitive ones (1). Only in the USA, financial frauds and misuses in hospitals cost the state between \$12 billion and \$23 billion (2).

Although corrupted physicians are an ever-present topic in the media in transitional and under-developed countries, amounts in question here are fairly small (usually from a company pencil to several thousand euro), in comparison to the millions mentioned Transparency International report (3,4). The following rule best

describes corruption among the “white collars:” the higher the position of participants, the smaller surveillance over them, and the greater the sum of money involved.

Corruption = authority monopoly – transparency

Why is the health system so particularly susceptible to corruption? There are several reasons. First of all, health system has a peculiar structure characterized by the following key-elements: uncertainty, asymmetry of information, numerosity, and dispersion of the participants. Two important factors should be added here: first, society often puts confidence to the individuals who have important social positions and roles. For instance, when private pharmaceutical companies, private

health institutions, or private insurers act dishonestly to get rich, they, formally and legally, do not misuse “public service to obtain personal profit” (5). They misuse the confidence of the public because there are great expectations put into persons and organizations who deal with health regarding the protection of interests of users. Generally speaking, medical profession is given a large freedom of self-regulation in most of the countries, but with implication that it assumes professional responsibility to act according to the best interests of patients.

Another important factor, making health particularly susceptible to corruption, is the incredible amount of money spent in it – more than \$3100 billion on the world-scale. USA spends \$1600 billion and Croatia more than \$2 billion (6).

When only uncertainty is certain

But let us go back to this peculiar combination of uncertainty, asymmetry of information and knowledge, and numerosity of dispersed participants, which makes health system so different from any other social system (7). These factors not only permanently create the conditions for corruptive behavior, but also disable transparency and preventive activities. The most important factor is uncertainty, because how should one know who and when one will get ill, and will a certain cure be efficient?

Uncertainty is something that affects patients most: when they get ill, they cannot estimate by themselves whether their treatment is correct, and when they are healed they cannot tell whether this treatment has been necessary for their recovery. For instance, when patients have a viral respiratory inflammation, they receive an antibiotic to prevent bacterial superinfection. However, once healed, they are not able to know if the bacterial superinfection has been prevented by antibiotic or the antibiotic has been unnecessary. Furthermore, patients cannot go from one doctor to the other to compare the types, quality, and prices of the medical services, in order to choose which would be the most helpful for them.

Thin blue line

Because of the factor of uncertainty, the health market greatly differs from any other market. There is a large space for corruption, while uncertainty in choice, surveillance, measuring, and providing health services makes the investigation and detection of misuses very difficult.

Asymmetry of information is greatest in the patient-physician relation. Also, pharmaceutical companies know much more about their medicines than physicians who administer them; patients do know some facts about their health that are not disposable to the insurers and physicians, while insurers and physicians know much more about risks of certain patient groups than patients themselves.

Numerosity of participants and complexity of their interactions is the third important factor that makes health system so susceptible to corruption. Members of the health system include officials of the governmental control (ministries, parliaments, special bodies), intermediates in health care payments (state and private insurance companies), providers of health services (hospitals, physicians, pharmacists), and suppliers (companies producing medical equipment, pharmaceutical industry).

In a system with such numerosity, diversity, and dispersion of the participants, it is un-

avoidable to have an enormous diversity of interests and incongruence between different interests. In these conditions, it is sometimes very difficult to detect the fine line between corruption and wrong estimation or error (8).

Loath per capita

Chances that providers of medical care, ie hospitals, physicians, nurses, and pharmacists, get corrupted are indeed numerous and large, because all of them have a strong influence on making of medical decisions like drug prescription, administration of medicines, duration of hospital stay, selection of diagnostic procedures, and decisions about referrals or additional exams. Users of medical services can hardly ever participate in these decisions and choices. In other words, physicians enjoy a unique position to persuade the "consumer" what to "buy."

If paid according to the number of medical services, their financial interests force them to order a greater number of services and more expensive ones than the patient's condition may require. If paid per capita (ie, according to the number of contracted patients, regardless of the number of services given in a contracted period), it is in their financial interest to do fewer services than the condition of an individual

patient might demand. If physicians' salaries are fixed, regardless of the number of given services, they have the interest neither to do more nor to do less than needed for individual patient, but are biased to lower productivity and health care provision. This situation is not far away from the Croatian proverb: "They can't pay me as little as I can work."

Self-nonregulation

In Croatia, primary health care is paid per capita, therefore, it is in physicians' interest to give as few services as possible. In fact, the number of services in primary health care decreases from year to year. In 2003, there was even 72% fewer preventive and control examinations of the adults and more than 40% fewer home visits than in 1990 (9). Referrals to the tertiary care are constantly increasing, so that in the period from 1995 to 2000 the number of referrals increased by 14%. At the moment, the ratio of examinations performed by general practitioners and examinations performed by tertiary care specialists is approximately 10:3.

Contrary to primary health care physicians, hospital physicians are paid fixed basic wages, independently of the quantity of services provided (24-hour shifts and on-calls are paid extra), so that the system does not stimu-

late them to work more or better.

Specialist examinations are performed mostly in hospitals and the Croatian Institute of Health Insurance reimburses these according to the number of services provided. Therefore, hospitals tend to do more specialist examinations. This is certainly one of the reasons for the long queues and waiting lists in the tertiary care institutions. The Croatian Institute of Health Insurance checks only if the paid service was really performed and if the payment charge was accurate, while the control of the quality of services is almost entirely left to self-regulation, ie self-surveillance inside the health professions.

Certain unnecessities

In many developed health systems, unnecessary services are a large problem, although they are not caused by physicians' negligence or incompetence, but by the need for sustainable financing of medical institutions. This means that institutions provide unnecessary services to obtain money for other under-paid services, which are important for the health of population that that medical institution takes care of.

In the Netherlands (10) and Turkey (11) there was over 20% of unnecessary hospital stays and in Great Britain (12) there

was 45% of unnecessary days of care. Data from pediatric care are even more alarming, showing that 30% of hospital admissions and 56% days of stay of the pediatric patients were unnecessary (13).

Sweden has 3 medical examinations per capita annually, compared with 8 in Croatia (14) – the reason for this is surely not that the Croats are three times more ill than the Swedes.

The responsibility does not lie mainly with the medical staff and medical institutions, but within the system itself. The health system does not only allow them to perform unnecessary health services, but often does not give them any other choice if they aim to sustain their functioning and to satisfy (at least, partially) the real health needs of the population.

Bribe's in the air

It is, of course, almost impossible to provide an immediate proof of corruption, since there is neither written evidence nor testimonies given by at least two witnesses. Moreover, nobody actually says "give me this amount of money." In fact, we communicate very little by words, hardly 10%; the other 90% of information is communicated without words, by tune of voice, gesture, movements, mime, and context... There are countless ways to let someone know that

they are supposed to give bribe. The witness in a trial against a Croatian physician puts it like this: “No doctor will ask for money (for urgently needed operation, note of the author), but he will just schedule you not earlier than in two or three months. This message tells everything.” (15). But the fact that corruption is hardly visible does not mean that it does not exist – we also do not see the air that we breathe, although we do not doubt that it exists.

Transparency fights back

Awareness about the necessity to fight corruption is low, being so not only in transitional and developing countries, but also in developed countries. Thus, the Counter Fraud Service in the United Kingdom, founded by British National Health Service, has been established only very recently, in 1998 (16). Fight against corruption in health is by all means worth the trouble – for each dollar invested in the campaign against corruption, American Government was given eight dollars back (5).

One of the fundamental elements for the fight against corruption is transparency, which means making public affairs really public. The example of the USA shows that any amount of money put into this fight comes back multiplied.

Transparency International also reports that when the Argentinean government made the data on the suppliers’ prices of medications and equipment public, suppliers’ prices instantly fell by 12% (17).

Unframing the picture

We are here dealing with a problem that is extensive in time, space, means and staff, exactly as is the problem of health itself. An old proverb says that a problem cannot possibly be solved in the frame where it has appeared, which means that a solution lies outside this frame. The problem of corruption cannot be solved in the same structures that supervise the systems hit by corruption; a belief that they will suddenly decide to improve by themselves would be very naive. Therefore, change should be induced from outside.

In many countries, civilian activism gives excellent results. An example is Bolivia, which has managed to substantially lower the prices of pharmaceuticals (18).

Roaring silence

Other important method of influence “from below” is through the media. Although media-scandals can hardly oust politicians, the media are nevertheless powerful initiators of changes through fostering transparency.

Whistle-blowers are also important factor in the fight against corruption. USA does not just protect them legally but also stimulates them by a monetary award, proportional to the uncovered corruptive activity.

Because of outspread corruption, quality of health will be lower than the money invested into it. Corruption provides not only immediate profit, but also a bigger share in the market, elimination of the market competition, social prestige, and, what is especially important, political influence and power.

How to protect your country from its government

Outspread corruption in the health system to a large extent reflects the condition of the society in which this system works, so corruption in the health system cannot be taken as an isolated phenomenon but as a part of general corruption, inasmuch as a health system is a part of general social system (8).

Croatia is a very illustrative example because Croatian high administration in health, financial, and judicial systems deny corruption as a social problem, describing it as sporadic and totally individual phenomenon, while praising the systems as good, efficient, and successful. At the same time, in anonymous survey 90% of Croatian citizens described their society

as corrupt (19). Therefore, anybody who wishes to contribute to solving the problem of corruption – be it from a position of political power or through civilian organizations, free speech, the media, or simply by thinking it over, should remember the words of the American writer and naturalist Edward Abbey: “A patriot must always be ready to defend his country against his government” (20).

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