Informal payments for health care services – from gratitude to corruption

Petra Baji, PhD
Corvinus University of Budapest, Maastricht University

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Informal payments

Unofficial:
outside the official payment channels
not registered by the state
made without an official receipt of payment

Who initiates the payments?
Who receives the payment?
Who makes the payment?
What is the nature of the payment?
When the payment is made?
What is the purpose/motivation of these payments?
What is the legal status of informal payments?
Informal payments

Explanations:

- socio-cultural
- legal-ethical
- economic
Assessment of patient payment policies and projection of their efficiency, equity and quality effects. The case of Central and Eastern Europe

2008-2013

Coordinator: Maasticht University

Partner countries: Bulgaria, Hungary, Lithuania, Poland, Romania, Ukraine

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Payments for physician visits
Bars show % of those who visited a physician during the last 12 months

- Bulgaria
- Hungary
- Lithuania
- Poland
- Romania
- Ukraine

Did not pay
Paid only formal charges
Paid also informally

Payments for hospitalizations
Bars show % of those hospitalized during the last 12 months

- Bulgaria
- Hungary
- Lithuania
- Poland
- Romania
- Ukraine

Did not pay
Paid only formal charges
Paid also informally

Informal payments as a percent of total health expenditure

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>1.50%</td>
</tr>
<tr>
<td>Hungary</td>
<td>2.10%</td>
</tr>
<tr>
<td>Lithuania</td>
<td>2.70%</td>
</tr>
<tr>
<td>Poland</td>
<td>0.60%</td>
</tr>
<tr>
<td>Romania</td>
<td>6.30%</td>
</tr>
<tr>
<td>Ukraine</td>
<td>6.70%</td>
</tr>
</tbody>
</table>

Attitudes towards informal cash payments for health care

Pies show % of actual and potential health care users

- Bulgaria: 85%
- Hungary: 48%
- Lithuania: 72%
- Poland: 78%
- Romania: 72%
- Ukraine: 75%

Sources:
- ASSPRO CEE 2007
- Collaborative Focused Research Project
- FP7-SSH-2007 Grant Agreement No.: 217431

Project funded by the European Commission under FP7 the Socio-economic Sciences and Humanities theme
Informal payments in Hungary

The overall magnitude of informal payments was estimated to 235 million Euros, 2% of the total health expenditures.

Every 2nd patients pay for hospitalization, every 5th pay for physician visits, on average 100 and 15 Euros.

Relevant income for physicians
they earn 60 - 236% of their net official income from informal payments in 2001 (Gál et. al 2006).

Unequally distributed
5% of the physicians get the 60%.
Informal payments in Hungary

Legal status:

Since July 2012, the Labor Code in Hungary prohibits receiving informal payments. BUT the employer has the right to dispense the employees from this decree.

Ethic Codex of the Hungarian Medical Chamber: „...one of the explanations of the existence of informal payments is the low salary of the physicians and the dysfunction of the health care system.”
Informal payments in Hungary
Do you AGREE with the following statements? (yes/somewhat/no)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Agreeance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informal CASH payments to physicians and medical staff are similar to corruption.</td>
<td></td>
</tr>
<tr>
<td>Gifts IN KIND to physicians and medical staff are similar to corruption.</td>
<td></td>
</tr>
<tr>
<td>Informal CASH payments to physicians and medical staff are an expression of gratitude.</td>
<td></td>
</tr>
<tr>
<td>Gifts IN KIND to physicians and medical staff are an expression of gratitude.</td>
<td></td>
</tr>
<tr>
<td>Informal cash payments and gifts in kind to physicians and medical staff are INEVITABLE because of the low funding of the health care sector.</td>
<td></td>
</tr>
<tr>
<td>Cash or gifts in kind, given informally to physicians and medical staff, should be ERADICATED.</td>
<td></td>
</tr>
</tbody>
</table>
Do the following statements apply to YOU PERSONALLY? (yes/somewhat/no)

<table>
<thead>
<tr>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>I will feel UNCOMFORTABLE if I leave the physician's office without a</td>
</tr>
<tr>
<td>gratitude cash payment or gift in kind.</td>
</tr>
<tr>
<td>I would RECOGNISE the hint of physicians or medical staff for an informal</td>
</tr>
<tr>
<td>cash payment or a gift in kind.</td>
</tr>
<tr>
<td>I will REFUSE to pay if a physician or medical staff ask me to pay</td>
</tr>
<tr>
<td>informally for a medical service.</td>
</tr>
<tr>
<td>I will PREFER to use private medical services if I have to pay informally</td>
</tr>
<tr>
<td>for public medical services.</td>
</tr>
<tr>
<td>If I have SERIOUS PROBLEMS with my health, I will be ready to pay as</td>
</tr>
<tr>
<td>much as I have in order to get better medical services.</td>
</tr>
</tbody>
</table>
Attitudes towards informal payments in Hungary

Cash or gifts in kind, given informally to physicians and medical staff, should be ERADICATED.

Informal cash payments and gifts in kind to physicians and medical staff are INEVITABLE because of the low funding of the health care sector.

Informal CASH payments to physicians and medical staff are an expression of gratitude.

Informal CASH payments to physicians and medical staff are similar to corruption.
Attitudes towards informal payments in Hungary

Group 3: Corruption; Not inevitable

Group 2: Rather corruption; Prefer private

Group 1: Gratitude; Inevitable

N=1037
Attitudes towards informal payments in Hungary

Group 1
- Gratitude
- Inevitable

Group 2
- Rather corruption
- Prefer private

Group 3
- Corruption
- Not inevitable

Budapest
For some consumers the perceived “poor service quality and low salary of physicians” legitimate the existence of informal payments.

For them informal payments are an indication of the solidarity of health care consumers with the medical personnel.

= economic explanation

Those who oppose informal payments...
For further discussion

Should these payments be eradicated?

What is the role and task of the governments in the eradication of informal payments?

How our results can be used in policy making?

What about other sectors? Is health care different?
Suggested readings

Petra Baji

Tetiana Stepurko
Informal Patient Payments in Central and Eastern European Countries
Suggested readings


Suggested readings

ASSPRO Policy Briefs:

ASSPRO CEE 2007 - Informal patient payments for health care services: policy challenges and solutions 2010

ASSPRO CEE 2007 - The price of a childbirth: out-of-pocket payments for maternity care in Central and Eastern Europe (April 2013)

ASSPRO CEE 2007 - Can patients in Central and Eastern European countries cope with increased charges for public health care services? 2011
Suggested readings

Ecorys

Study on Corruption in the Healthcare Sector 2013

Acknowledgement

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Contact: Petra Baji, Department of Health Economics, Faculty of Economics, Corvinus University of Budapest  petra.baji@uni-corvinus.hu