



Thursday, 2 February 2006

CORRUPTION-HEALTH: A KILLER COMBINATION

by Sanjay Suri

LONDON (IPS) - Corruption in healthcare is killing people and denying treatment around the world, says a new report by Transparency International, the Berlin-based anti-corruption watchdog.

"Corruption in healthcare does lead to people dying, through lack of access to care and through sub-standard drugs," David Nussbaum, chief executive of Transparency International, told IPS.

And this can be the case in both the developed and the developing world, he said. "Our report points to a case in Italy where 19 patients died due to a faulty heart valve, where it turned out that the two concerned doctors were receiving payments from companies manufacturing and supplying the equipment."

In the United States the report lists the case of a doctor who was paid 400,000 dollars as consultancy fee for eight days' work. Given such arrangements, "it is very serious for all people if they risk being treated in other ways than they ought to be."

Inevitably the danger to lives as a result of corruption is greater in poor countries, says the Global Corruption Report 2006. "Corruption in health affects the poor the most because they can least afford to pay bribes for treatment," Nussbaum said. "They have to pay for treatment with money badly needed for other things."

Corruption also spreads diseases, Nussbaum said. "If people die of malaria or bird flu because they were given fake drugs, the infection can spread around the world," he said.

The report exposes corruption of many kinds within the health sector, valued at three trillion dollars a year (a trillion is a thousand billion). "While the majority of people employed in the sector perform their functions with diligence and integrity, there is evidence of bribery and fraud across the breadth of health services, from petty thievery and extortion to massive distortions of health policy and funding fed by payoffs to officials," the report says.

The report points to many forms corruption takes:

- Public health budgets become subverted by unethical officials for private use.

- Hospitals function as self-service stores for illicit enrichment, with unclear procurement of equipment and supplies, and ghost employees on the payroll.
- Health workers demand fees for services that should be free.
- Direct embezzlement of public health funds, despite increased health aid.

As an example, the report says that in Costa Rica nearly 20 percent of a 40-million-dollar international loan for health equipment "wandered into private pockets."

The report says aggressive marketing techniques buy physicians' support for specific drugs, leading to a high rate of prescriptions that are not always based on patient need.

"Corruption underpins a lucrative counterfeit drugs trade," the report says. "Payoffs at every step of the chain smooth the flow of counterfeit drugs from their source to the unwitting consumer. With pharmaceuticals often the largest household health expenditure in developing countries -- estimated at 50-90 percent of total individual out-of-pocket health expenses -- corruption in the pharmaceutical industry has a direct and painful impact on people struggling for survival."

The problems arising from bribery and fake drugs need to be tackled by both government and the private sector, Nussbaum said. "Governments need to provide better regulation, and for its part the private sector needs to have clear policies on drugs. "Professional bodies need better standards, and they need to be better enforced," he said.

Professional watchdogs need to make sure that "doctors are not just prescribing treatment because someone is treating them well, or sponsoring their research or paying for their trips around the world," Nussbaum said.

Transparency International says the cure for corruption in the health care industry starts with transparency. It has made several recommendations:

- Donor and recipient governments should grant easy access to information on key aspects of health-related projects, budgets and policies. Budget information should be available on the Internet and subject to independent audits.
- Adopt and enforce codes of conduct for health workers and private sector companies and provide ongoing anti-corruption training.
- Incorporate conflict-of-interest rules in drug regulation and physician licensing procedures.
- Public health policies and projects should be independently monitored, both at the national and international level, and their reports should be open to public scrutiny.
- Procurement processes should be competitive, open and transparent, and comply with Transparency International's minimum standards for transparency and public contracting. Rules on conflicts of interest must be enforced and companies that engage in corruption debarred from future bidding. No-bribe pledges such as TI's

integrity pact should be adopted to level the playing field for all bidders.

- Rigorous prosecution will send the message that corruption in health care will not be tolerated. To facilitate this, there must be robust whistleblower protection for both government employees and private sector health, pharmaceutical and biotech employees. (END)

Copyright **IPS**