

Corruption Risks in the Healthcare Marketplace: Why Transparency is the Right Medicine

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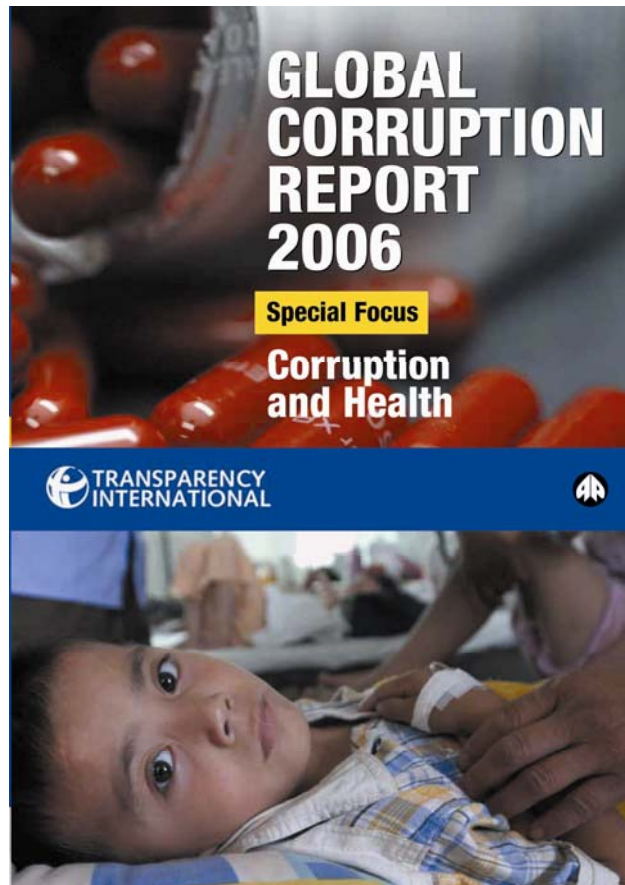
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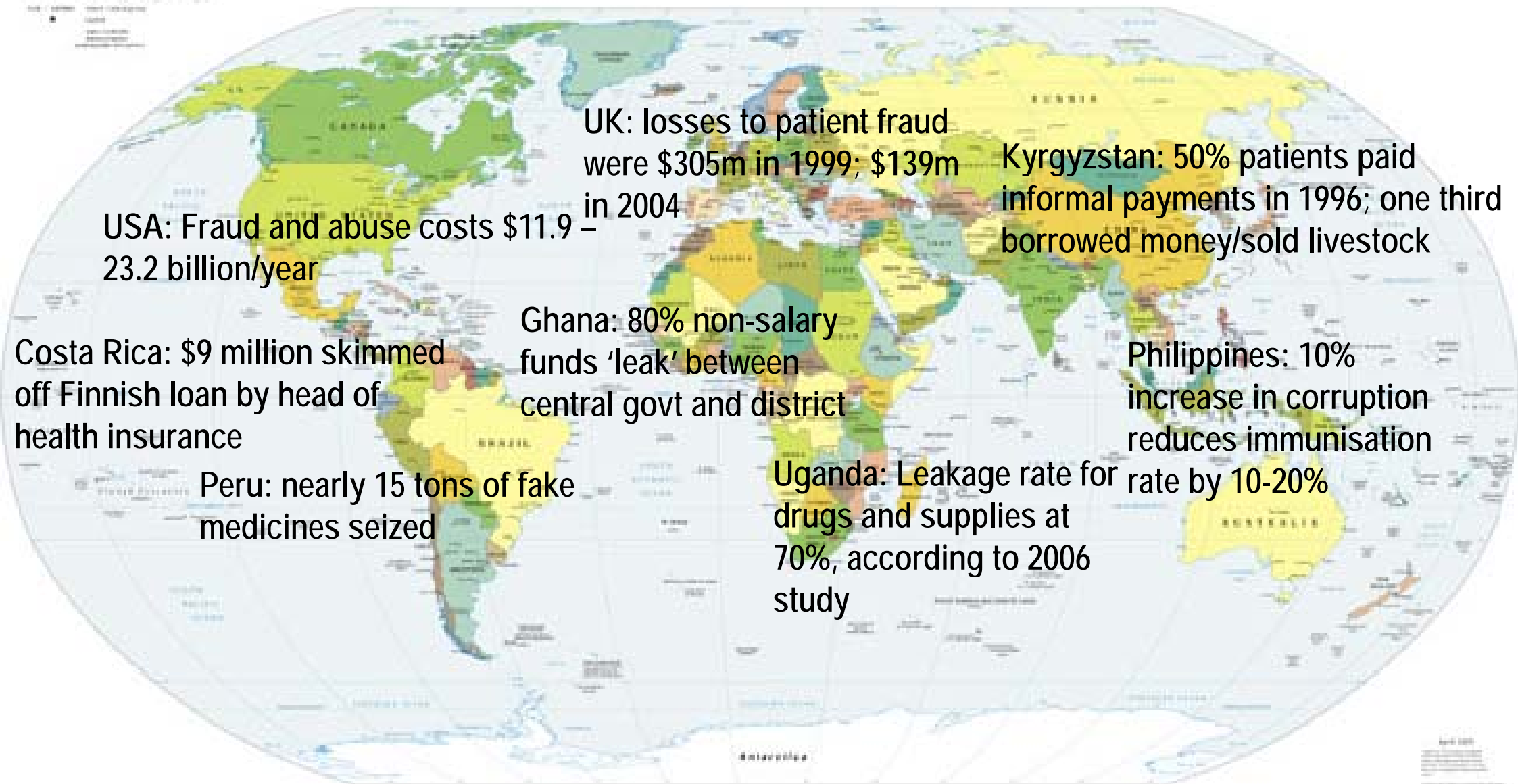
Why focus on corruption and health?



Corruption undermines achievement of human development priority

Corruption puts lives at risk

Legend
Country
Capital
City
Sea level
1000m
2000m
3000m
4000m
5000m
6000m
7000m
8000m
9000m
10000m



USA: Fraud and abuse costs \$11.9 – 23.2 billion/year

UK: losses to patient fraud were \$305m in 1999; \$139m in 2004

Kyrgyzstan: 50% patients paid informal payments in 1996; one third borrowed money/sold livestock

Costa Rica: \$9 million skimmed off Finnish loan by head of health insurance

Ghana: 80% non-salary funds 'leak' between central govt and district

Philippines: 10% increase in corruption reduces immunisation rate by 10-20%

Peru: nearly 15 tons of fake medicines seized

Uganda: Leakage rate for drugs and supplies at 70%, according to 2006 study

What creates corruption risk in health systems?

- Uncertainty
- High levels of public spending
- Complexity of systems: multiple stakeholder and decision points
- Government regulation
- Competing objectives: commercial v. health
- Imbalance of information

Corruption risks in the selection and delivery of pharmaceutical products

- Registration
- Selection
- Procurement
- Distribution
- Service Delivery

Addressing corruption: Why transparency?

- Transparency supports public accountability
- Transparency leads to less corruption
- Transparency is in the interest of private companies and corporations
- Transparency supports effective market regulation leading to lower pricing
- Transparency is vital to promote equitable access to medicine

Critical areas of transparency in the healthcare marketplace

- Regulatory policies
- Price
- Quality
- Quantity
- Procurement data

Transparent solutions...

- Harmonised regulation
- Transparency of information
- Greater access of information on drug and clinical trials
- Reporting financial contributions made to medical research
- Implementing and publicising standards on how to avoid conflicts of interest
- Strengthening marketing and promotion codes
- Public commitment and reporting on anti-bribery programmes

Transparency "plus": What else can be done?

- **Integrity pacts** for major procurement agencies in the health sector
- **Civil society** participation in hospital boards, open forums and public oversight of procurement and drug selection
- **Whistleblower protection** for health sector workers
- **Other measures:** enforceable codes of conduct, decent wages for health workers, rigorous prosecution of counterfeit drugs producers, etc.

The challenges of transparency

- Reliability and accuracy of data
- Reporting compliance
- Reporting standards
- Transparency and access to information are not enough

Return to transparency

- Less corruption
- Accountability
- Business case
- Equity and accessibility: the right to health



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