

INFORMAL PAYMENTS IN THE HEALTH CARE SYSTEM – RESEARCH, MEDIA AND POLICY

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Abstract

Informal payments in the health system refer to any payment made outside the legal funding framework. The existence of the phenomenon in Central and Eastern European countries relates to the characteristics of the health systems in the communist period. The analysis is based on three types of data: a set of data gathered from literature review; a second set of data gathered from on-line media; and a third set of data collected from legislative and public policy. The analysis was pursued using the key words such as informal payment, under-the-table payment, out-of-pocket payment, envelope payment, healthcare corruption, under-the-counter payment. As reflected in the media reports and even publicly recognized by the officials of the Ministry of Health, informal payments are a serious problem of the Romanian healthcare system. Nevertheless, the studies pursued by local researchers are inconsistent with the actual magnitude of the problem. Besides that, there is a serious gap between the findings in this area and the policies intended to reduce the phenomenon.

1. Theoretical background

Informal payments are generally defined as payments made by patients in order to access a service which otherwise should be free of charge (Balabanova and McKee, 2002). Other authors labeled them as health professionals' expectations or explicit demands (Ensor and Savelyeva, 1998). However, there is no agreement upon a single definition of the concept, given the heterogeneity of the practice and the multiple aspects implied.

The causes of the phenomenon are multiple, and there are socio-cultural, legal-ethical and economic factors that play a role in the appearance and perpetuation of informal payments (Gaal and McKee, 2004). Gaal and McKee propose a different approach to explain informal payments, analyzing the options of an individual exposed to informal payments. The options, prior to the theory of Gaal and McKee, were represented by two variants: *exit* (leaving the system) and *voice* (being actively involved in a change). The proposed term of 'inexit' suggests that these payments represent an 'informal/internal exit' (Gaal and McKee, 2004).

Informal payments are most of the times regarded as a sign, indicating a wide range of underlying problems in the healthcare system. The issue of informal payments is mainly mentioned in the Central and Eastern European (CEE) countries, as well as in the members of the former Soviet Union, but also in countries such as Greece, Uganda, China, Vietnam, India or Tanzania (Gaal and McKee, 2004; Chaudhuri and Roy, 2008; Roy and Howard, 2007). As regards the CEE countries, the most plausible cause resides in the inner characteristics of the Semashko model of healthcare during the previous decades (Gaal and McKee, 2004).

Although informal payments refer to any payment made out of the legal funding framework, differences are made between payments, which are made at the explicit request of a health professional, and payments, which are made as a measure of gratitude to the doctor. The first category is usually classified as 'ex-ante' payment. Oppositely, the second category is labeled as 'ex-post' payment and reflects people's acknowledgement in front of an outstanding performance of the health professionals (Balabanova and McKee, 2002). Nevertheless, the distinction between the two categories is not as clear as it might seem. The same authors argue that patients may regard ex-post payments as a method of assuring a continuing relationship for future visits to the doctor.

The heterogeneity implied by informal payments derives, on one hand, from the differences in the means in which informal payments are made, and on the other hand, from the differences that exist in the countries where they appear. When taking a closer look at the informal payments in Albania, previous studies found that moral beliefs had no influence on the payment itself (Vian and Burak, 2006). The subjects expressed their intention to make informal payments if asked, even if frowned upon from a moral perspective. This finding may have implications for interventions in decreasing the amplitude of the phenomenon. Moreover, it also implies the character

of coercion of some informal payments, especially those included in the 'ex-ante' category. A particular challenge in tackling the informal payments occurrence is breaking the chain by convincing the patients not to pay extra for those services that are free of charge.

The existence of the phenomenon in CEE countries relates to the characteristics of the health systems in the communist period. For this category of countries, including Romania, the norm was a Semashko model of healthcare delivery. Access to healthcare services was free and all types of services were provided formally. However, due to financial shortages, hospitals and other healthcare facilities confronted the impossibility of providing quality services to the patients, in terms of time and patient satisfaction. In order to overcome this problem, patients found methods to shortcut the inadvertencies. The methods included paying money, giving gifts or approaching friends or relatives who happen to know people working in the healthcare system. By accessing these mechanisms, people got access to higher quality services, skipped waiting lists, acquired extra/better drugs or benefited from better conditions during hospitalization. Other reasons included the situation of a serious illness or access to a renowned specialist (Delcheva, Balabanova and McKee, 1997).

However, after the fall of the communist regime in 1989, Romania started a laborious process of reform. Unfortunately, the practice of informal payments in the healthcare system persisted. Although Romania has converted from a centralized Semashko system to a decentralized social health insurance system, the amount of money spent for health places Romania among the lasts in the list of the European countries. For instance, although the percentage of GDP allocated to health increased from 2000 to 2005, it is still one of the lowest in Europe. Caused by the increasing age of the population and of poverty level, the request for health services is constantly increasing as well. Once again, informal payments act as a saving mechanism for those wanting to escape the limitations of a continuously decaying health system.

Taking into account the above-mentioned aspects, the study aims at taking a closer look at the way informal payments are approached in the media reports, in the specialized literature, as well as in the present policies related to this type of payments.

2. Research methods

The analysis is based on three types of data: a set of data gathered from literature review; a second set of data gathered from on-line media; and a third set of data collected from legislative and public policy. The analysis was pursued using the following key words: *informal payments, under-the-table payments, out-of-pocket payments, envelope payments, healthcare corruption, under-the-counter payments*. Moreover, the translated versions of these key words in Romanian were used. Some extra key words were used, in addition to the previous ones, due to Romanian language specific characteristics: *șpagă sistemul medical/doctor/sănătate (bribes medical system/doctor/health), bacșis sistem sanitar/medic/sănătate (tip health system/doctor/health)*.

3. Research results

Narrative literature review

The following on-line databases were searched: ScienceDirect, PubMed, Scopus, Cochrane Library, Medline. The bibliography of the identified articles was considered, as well. The results numbered 61 articles written in English. From these, eight matched our theme. Additionally, we found 10 articles about the Romanian context of informal payments, written in Romanian. Only eight articles directly linked to the theme. For the match of articles/studies a filter was used, comprising the following criteria: (1) the articles must refer to informal payments in Romania; (2) the articles must specify a clear methodology; (3) the articles must have implemented an assessment on informal payments.

	Total	Out of which: in Romanian
<i>articles found</i>	71	10
<i>related articles</i>	16	8

Qualitative on-line media analysis

The results of the search (same key words), proved the existence of this theme on the sites of all press agencies, as well as newspapers, news portals, TV and radio on-line platforms. The intrinsic search engines of on-line media were not used due to their numerous limitations (limited number of results, limited number of searchable key words, limited period of time covered). Informal payments in Romania must be described within the international context. On a scale from -2 to +2 (-2 = very bad/+2 = very well), the Romania's position in international reports is on average between -2 and 0 (majority between -1 and 0).

	Permanand & Mossialos, 2000
	Transparency International, 2006
	Lewis, 2006
Mossialos <i>et al.</i> , 2002	Lewis, 2000
CEEHN, 2010	Lewis, 2007
- 2	- 1
	0
	1
	2

As regards the articles/studies written in Romanian, in the 'Barometru de opinie – Barometer of opinion' developed in 2006 by the Center for Health Policies and Services (CPSS), 31.6% of the respondents from the sample felt the constrain to pay additionally for healthcare when they were hospitalized, while 13.6% declared they paid additional payments (informal payments) (CPSS, 2006). 'The barometer of opinion for health services – Barometrul de opinie pentru servicii de sănătate', developed by the same organization in 2002 and 2005, reveals that 35% of the respondents made informal payments in 2002 comparing with 18% in 2005 (CPSS, 2002-2005).

In the governmental strategy 'Strategia Națională de Raționalizare a Spitalelor' – 'The National Strategy for Hospital Rationalization' the most significant declaration, although not evidence-based, of the Ministry of Health is that the informal payments in the Romanian Health System are deeply rooted in culture (Ministry of Health, 2010).

The study ‘Barometrul Mitei – The Barometer of Bribery’ conducted by Asociația Sf. Damian, shows that 26.2% of respondents thought that the health system is the main sector where corruption is high (as compared to 14.7% for the next one – juridical system). Moreover, 88% of those interviewed mentioned that hospitals are affected by corruption to a high or very high extent (Barometrul Mitei, 2010).

‘Percepția populației asupra corupției, plăților informale și introducerii coplății în sistemul public de sănătate din România’ – ‘Population’s perception on corruption, informal payments and the introduction of co-payments in the public health system in Romania’ is a study where respondents were asked about the weakness of the health system. The most visible weakness in the Romanian health system is corruption, according to 20.5% of the respondents (Fărcășanu, 2010).

Answering to the question ‘To what extent do you think bribery is spread in Romania?’ 23% of respondents from Bucharest chose the health system, by comparison to public administration, which was chosen by 11% of the respondents (Giurgiu *et al.*, 2002).

In a study made by the Agency for Governmental Strategy, ‘The Health System in Romania’, 8% of the respondents declared that they were directly asked by medical staff to pay additionally for healthcare. Another percentage of 26.3% felt the pressure to give gifts or to pay additionally (ASG, 2008). The biggest problem of medical care in Romania is the lack of drugs/medicines – 17.5% and the informal payments is just another one – 7%. The second study done by the same Agency for Governmental Strategy, the ‘Barometer of Public Policy’ reveals that out of 68% of those who used medical services, 40% made informal payments (ASG, 2006).

To search the number of articles related to informal payments theme, a function of Google search engine was used, allowing the search by key words limited to a domain (results belonging only to a website).

Evidence of the recurrent referral to informal payments was found in the most significant TV channels, radio, newspapers and news portals in Romania (AMP, 2006; MMFPS, 2009; Florian, 2007; AWAMP, 2009; Giurgiu *et al.*, 2002). The three mostly present keywords were used. Additionally, the terms ‘elections Romania’ and ‘education bribery Romania’ were used as controls. In the study developed by ‘Active Watch Agenția de Monitorizare a Presei’ – ‘Active Watch the Press Monitoring Agency’ – ‘Campania electorală în prime-time. Analiza emisiunilor electorale difuzate de posturile Antena 3, B1TV, Realitatea TV și TVR – Electoral campaign in prime time. The analysis of electoral TV shows made by TV channels Antena 3, B1TV, Realitatea TV and TVR’, the authors revealed the importance of the theme ‘elections’ in Romanian mass media and its value as a proxy. The second control key word – ‘education bribery Romania’ – is also used to see how the phenomenon of informal payments in education is expressed in on-line media comparing to that in health system (Barometrul Mitei, 2010).

Table 1: Articles in on-line mass media

		<i>Bribery doctor Romania</i>	<i>Bribes health Romania</i>	<i>Informal payments health Romania</i>	<i>Elections Romania</i>	<i>Bribery education Romania</i>
TV	<i>Realitatea TV</i>	1,320	3,830	101	20,100	826
	<i>Pro TV</i>	971	2,170	109	1,400	1,390
	<i>Antena3</i>	822	628	234	2,480	311
	<i>TVR</i>	233	3,590	30	3,720	223
	<i>Antena1</i>	99	402	5	284	100
	<i>Money Channel</i>	26	153	89	134	12
Radio	<i>RRA</i>	557	390	18	11,600	271
	<i>Europa FM</i>	134	188	5	232	58
Newspapers	<i>Cotidianul</i>	8,930	1,460	59	7,500	3,970
	<i>Adevărul</i>	7,140	4,550	42	1,840	1,050
	<i>Gândul</i>	2,220	5,800	137	6,190	1,440
	<i>Jurnalul Național</i>	748	139	90	1,830	180
	<i>Evenimentul Zilei</i>	589	1,360	850	3,550	241
	<i>România Liberă</i>	204	421	111	12,300	227
	<i>Financiarul</i>	154	58	82	579	52
News portals	<i>Ziare.com</i>	3,910	1,840	560	51,000	3,400
	<i>Hotnews</i>	831	1,890	141	16,800	361

Legislative and policy framework

In the Romanian Constitution, article no. 33 guarantees the right to healthcare (Romanian Constitution, 2003). The Romanian health system is regulated by the Law no. 95/2006, which does not contain any references to the phenomenon of informal payments within the health system.

The analysis of health-related and health professions-related legislative acts revealed two isolated evidences of this phenomenon – even in a wider approach search. The Law no. 46/2003, referring to patients' rights, mentions informal payments in a limited fashion. Patients' healthcare cannot be constrained by medical staff, in exchange of additional payments. Moreover, there are no references to any kind of corrective measures for such acts. The National Strategy for Hospital Rationalization (*Strategia Națională de Raționalizare a Spitalelor*) only mentions the effects of informal payments.

Due to lack of information in the public policy sector, a search for informal payments was employed in the officials' declaration. The analysis offered little evidence. The most significant declaration belonged to one of the former directors of the National Health Insurance House (Irinel Popescu), he estimated the amount of informal payments in Romania around 500 million euro, without backing data or studies though (David, 2009).

4. Discussions

Both in the reports of the media and in the existing research papers, informal payments have a broad extent in the Romanian healthcare system. The most concerning fact is that in Romania informal payments might represent a barrier in the way of people's right to access healthcare services (CEEHN, 2002). On the other hand, health policy does not seem to have a systematic approach, appropriate to the extent of the problem.

The situation is quite paradoxical. On one hand, the situation is recognized as ubiquitous in the healthcare sector, both by population and stakeholders, including Health Ministry and National Insurance Fund officials. On the other hand, there is a lack of consistent and assumed regulation to address the issue. This seriously influences the whole process of reform in the health sector. Any intention of reforming the health sector in a country facing informal payments should start with tackling this particular problem (Thompson and Witter, 2000).

In a recently released document by the Health Ministry, entitled – 'National Strategy for Hospital Rationalization 2010-2012' – 'Strategia Națională de Raționalizare a Spitalelor 2010-2012', relatively small importance is given to informal payments, judging by the approach offered. The document is limited to recognizing that informal payments are a serious problem of the Romanian healthcare system, with serious financial implications. As for possible solutions, the document is only enumerating a few measures implemented by other countries. Therefore, the legislation and active policy presents only a brief summary of the actual situation, without proposing or presenting any actual solution.

In 2009, the Ministry of Health issued a document 'Definition of the general medical services package within the social health insurance system and the health tickets', in order to support the proposal of co-payments and health tickets use. According to the document, informal payments express the population's will to contribute directly to the financing of the healthcare system, hence the necessity to formalize this action under the form of the above-mentioned health tickets. Nevertheless, the document was not evidence-based. One of the expressed objectives of the policy makers is that co-payments would reduce the magnitude of informal payments. However, the fact that co-payment may act as an additional barrier to access the services is disregarded.

Institutional weakness tends to be a favoring factor for the development of corruption (Radin, 2009). Change will not come from physicians' part. This derives from the fact that informal payments represent a significant part of the doctors' income. Since informal payments are generally associated with scarcity of funds, doctors cannot afford to lose this outcome source.

The main motivation of the participants in the transaction is the aspect that decides the prevailing factor (ex-ante or ex-post). This might be a starting point for policy makers. As experienced by other countries, one of the first steps should be assessing the reasons for accepting and/or requesting informal payments. This should

be followed by modeling and then putting in practice mechanisms that address the issues discovered.

Nonetheless, it is crucial that the concept of patient-centered care is embedded in doctors' conscience. Undoubtedly, this begins with the medical education. To address this, medical schools curricula should include comprehensive courses in doctor-patient relationship and ethics of care. Even more important, this theoretical knowledge should be translated into competencies. Obviously, a last step would be properly assessing these competencies. However, there will always be barriers in front of the doctors, since the knowledge and competencies gained during the studies will be at least partly contradicted by the practice. Hence, solid mechanisms to prevent young doctors from giving up their desirable practice should be developed for the doctors' support.

Overall, the work done until now is mostly descriptive. Almost none of the approaches of informal payments in Romania imply in any way a solution/potential action. This represents a signal for an expressed need for every category of professionals having to deal with informal payments – physicians, researchers, policy makers.

5. Conclusions

As reflected in the media reports and even publicly recognized by the officials in the Ministry of Health, informal payments are a serious problems of the Romanian healthcare system. Nevertheless, the studies pursued by local researchers are not consistent with the actual magnitude of the problem. Besides that, there is a serious gap between these findings and the policies intended to reduce the phenomenon. Hence, more solid evidence is needed about key issues regarding informal payments, as well as coherent policies, accompanied by realistic means of application, in order for them to be successful.

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