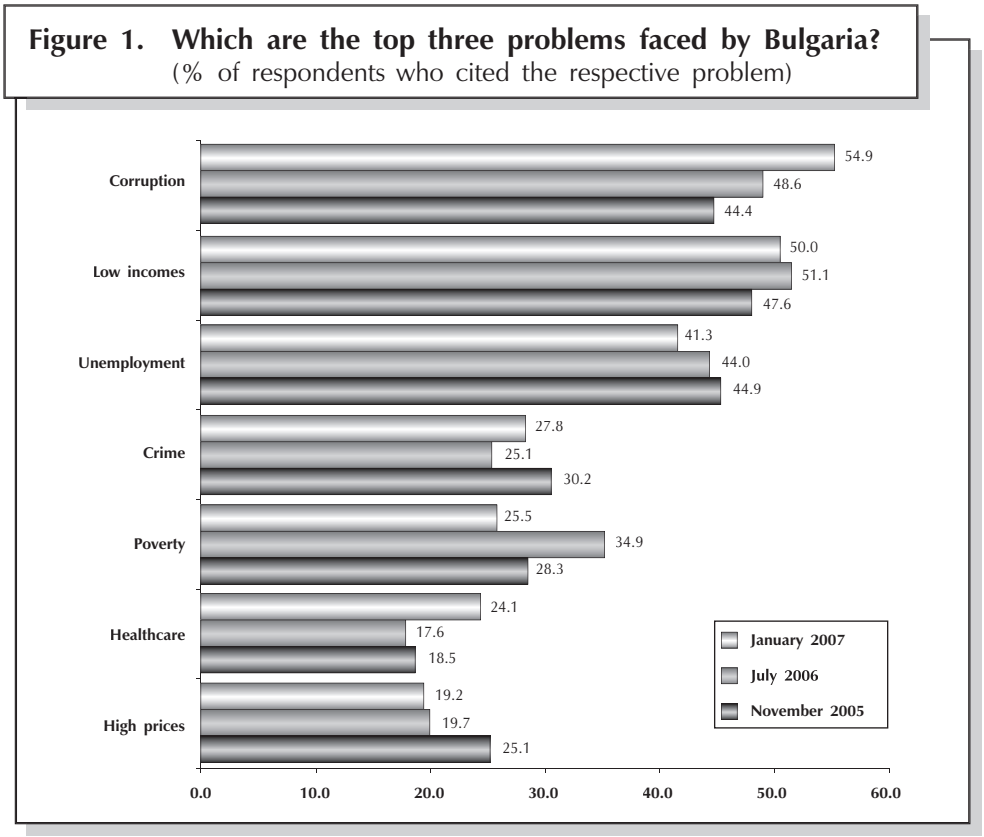
2. CORRUPTION IN HEALTHCARE

2.1. LEVEL AND SPREAD

Bulgarian society demonstrates high sensitivity to the problems of healthcare and corruption in general. Citizens traditionally rank them among the foremost challenges of Bulgarian transition. In 2007, corruption came out as the top problem faced by Bulgaria while healthcare was ranked sixth, nearly on a par with problems such as crime and poverty (*Figure 1*).

Figure 1. Which are the top three problems faced by Bulgaria?
(% of respondents who cited the respective problem)



Source: Vitosha Research

The international and national corruption assessment indexes reveal a tendency towards decline in petty and administrative corruption in Bulgaria in the past five years. Healthcare deviates from the general trend and even marks a rise in some respects. The Vitosha Research Corruption Monitoring System (CMS) shows a twofold increase in the proportion of citizens citing the health service sector among those where corruption is most prevalent: from 20% in 2002 to 40% in 2007. This places healthcare in the third position, after customs and the

judicial system. In the latest ranking they surpassed the bodies of the Ministry of Internal Affairs as the institutions most affected by corruption. The public has a similar assessment of the spread of corruption among physicians. Two-thirds of the citizens believe all or nearly all doctors are involved in corrupt practices (*Table 5*). Under this indicator, doctors follow immediately behind customs officers and law-enforcement and justice representatives, and are ranked ahead of tax officials, the political elite, ministers, and mayors.

Table 4. Where in Bulgaria is corruption most widespread?
(% of those citing the respective institution)

	2002/10	2003/10	2004/11	2005/11	2007/01
In customs	30.4	49.5	50.9	52.6	63.1
In justice administration	28.5	42.0	40.8	43.0	49.8
In healthcare	**20.6**	**27.8**	**35.2**	**35.1**	**39.6**
In the Ministry of Interior (MoI) system (incl. Traffic Police)	19.9	33.9	33.8	32.3	39.4
Among the political elite	30.3	26.1	16.9	16.4	33.0

Source: Vitosha Research

Naturally, the conclusions about the actual level of corruption drawn on the basis of the assessments of the public should be taken with certain reservations. In many cases they may reflect real achievements in the fight against corruption in a particular area, the exposure of more cases, better anticorruption control within a given institution, as well as rising public intolerance of these corrupt practices. All of this can increase the values of public assessments of the rate of corruption in the short term, whereas the actual incidence of corrupt practices may have different dynamics. For this reason, the indicators should not be used to draw definitive conclusions about the scope of corruption. They rather reveal the public's attitude to the problem and its perceived importance, and it is in this sense that they are useful tools in anticorruption policy-making. They show that prevention and counteraction of corruption in healthcare are among the top priorities on the Bulgarian anticorruption agenda.

Table 5. Assessments of the Spread of Corruption in Various Occupational Groups
(Percentage of those who answered "all" or "nearly all" are involved in corruption)

	2002/10	2003/10	2004/11	2005/11	2007/01
Customs officers	79.2	74.5	70.3	71.8	78.0
Judges	63.0	57.3	56.1	59.3	67.5
Prosecutors	63.0	55.7	55.3	57.1	66.9
Lawyers	62.3	55.8	54.9	54.7	64.5
Police officers	59.6	59.2	58.8	56.1	65.4
Physicians	**54.9**	**52.9**	**55.4**	**54.5**	**64.1**
Tax officials	58.0	49.3	49.9	53.5	63.8
MPs	56.2	54.5	50.7	53.4	63.8
Political and party leaders	54.0	47.6	50.5	51.6	62.7
Ministers	50.8	52.6	45.4	51.1	61.7
Investigators	57.5	49.2	51.7	50.5	60.3
Mayors and municipal councilors	48.3	43.4	47.0	47.5	58.0
Ministry officials	48.3	40.1	42.6	44.4	50.8
Municipal officials	49.1	36.5	44.3	43.4	43.8
University teachers	33.4	36.5	33.1	29.9	32.3
NGO representatives	21.4	22.3	23.7	26.6	31.7
Teachers	13.9	11.0	14.0	14.4	15.7

Source: Vitosha Research

A more reliable indicator about the actual dynamics and spread of corrupt practices is the patients' shared personal experience. This indicator reflects what portion of the population has actually experienced requests for undue compensation in their contacts with doctors. Revealingly, by respondents' self-reported experience, doctors head the CMS ranking, having moved up from the fourth to the first place over the past 5 years (*Table 6*). Of course, this does not necessarily mean that physicians are more corrupt than the remaining groups in the ranking. The reported higher incidence of corruption pressure may result from more frequent interaction with doctors than with customs or police officers.[4] However, what the results definitely imply is that corruption in healthcare affects more people than corruption in any other occupational group, i.e. it has the strongest adverse impact felt throughout society.

[4] In this sense, a more accurate indicator would be the percentage of those who have been asked for money or favors out of the respondents who have interacted with the respective group, but such a breakdown would require a very large sample.

Table 6. Personally Experienced Corruption Pressure by Occupational Group
(% of those citing the respective group in answer to the question "If, in the course of the past year, you have been asked for something (money, gift or favor) in order to have a problem of yours solved, the request came from:...")

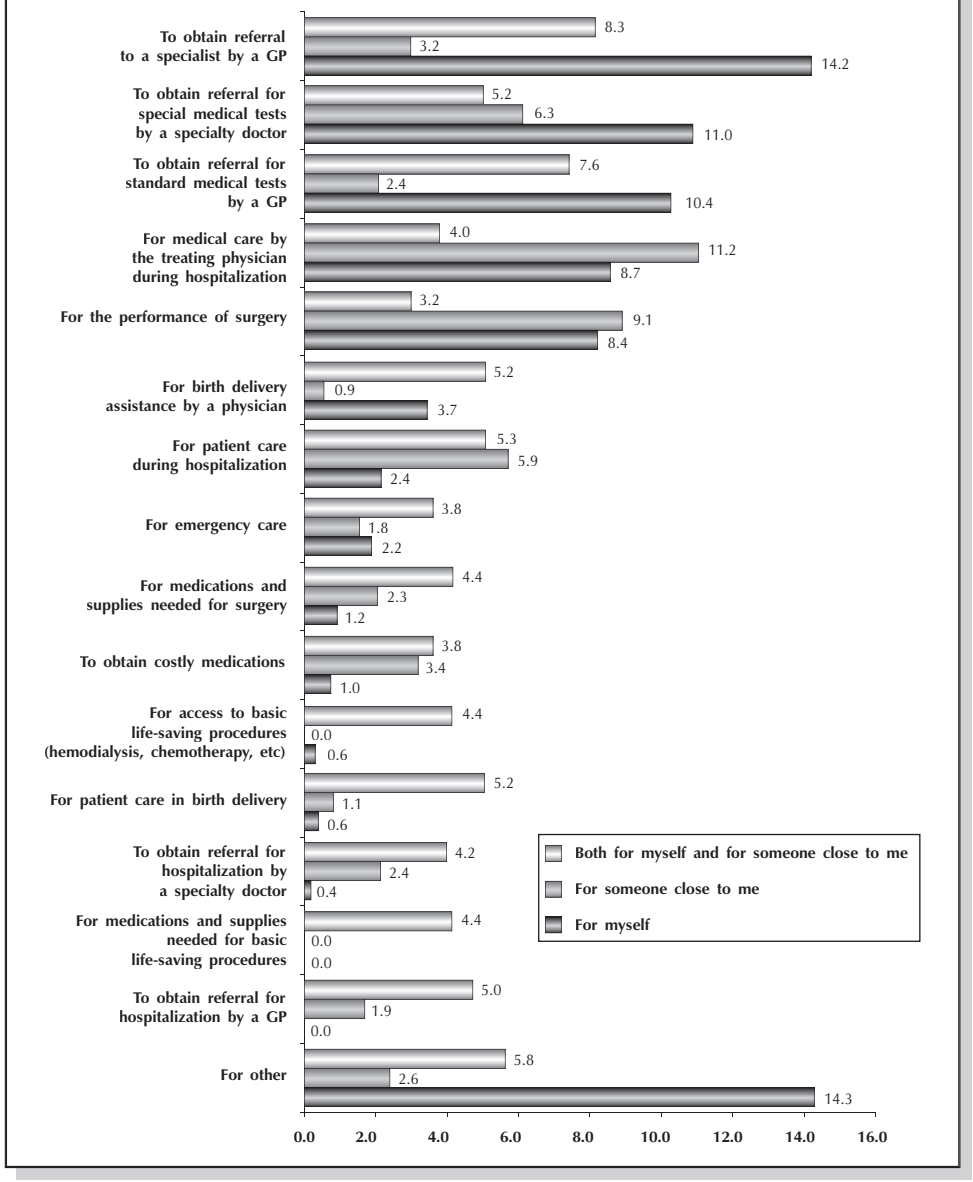
	2002/10	2003/10	2004/11	2005/11	2007/01
Doctors	**20.3**	**16.6**	**22.5**	**26.2**	**30.1**
Police officers	22.3	13.9	22.2	27.7	26.7
Customs officers	19.4	15.3	13.8	22.1	23.8
Lawyers	26.5	13.8	16.5	22.0	18.9
Prosecutors	12.3	4.2	5.1	1.2	14.3
Investigators	8.3	9.6	5.0	1.3	13.3
Judges	16.6	8.5	5.8	3.4	11.7
Ministry officials	5.6	8.2	6.3	8.2	11.5
Tax officials	4.2	5.9	5.1	8.1	11.3
University teachers	11.9	16.6	12.6	15.3	10.7
University employees	5.6	9.0	9.0	10.1	9.8
Mayors and municipal councilors	5.3	3.3	6.6	6.5	9.8
Municipal officials	10.9	6.4	10.3	9.5	9.5
Politicians and political party leaders	7.1	4.1	5.0	2.5	7.7
Teachers	7.4	5.6	6.2	6.0	4.0
NGO representatives	5.0	1.4	1.3	1.5	2.5

Source: Vitosha Research

2.2. TYPES OF CORRUPT PRACTICES

The most common corrupt practices in healthcare involve offering gifts or payments beyond the officially established fee rates. Unlike other types of "petty corruption", here the end users of health services are subjected to corruption pressure leaving them little freedom of choice as to their corruption behavior. This is a typical instance when the bribe giver is a victim rather than an accomplice or beneficiary. The patients pay bribes in order to ensure the proper quality of service to which they are in fact entitled under their health insurance. This is what makes healthcare one of the areas where victimization surveys are an effective diagnostic tool. *Figure 2* presents the most common corrupt practices in healthcare.

Figure 2. What was the specific purpose or occasion for the provision of gifts/favors/payments beyond the official fees?
(% of those who gave the respective answer)



Source: Vitosha Research, 2005

The idea is currently being advanced that informal payments in the health sector do not constitute a corrupt practice as long as they follow, rather than precede, the service delivery. In other words, if a patient pays the surgeon 300-400 Leva after the operation, it is an expression of gratitude rather than a bribe since it is entirely up to the patient whether to pay or not and the doctor does not have any levers of corruption pressure. We shall not go into the legal arguments that the time when it is obtained is irrelevant to determining an undue gain. Moreover, experience shows that some doctors can be quite firm in defining the

anticipated ″proportions″ of gratitude and may even refuse to accept less than they expected.

In practice, however, the physicians who expect extra compensation for their efforts (and all or nearly all of them do, according to two-thirds of the representative sample) rarely leave it up to the patients' sense of gratitude. They either use as a pretext costly medical procedures and supplies or refer the patients to their private practices for diagnosis and treatment. Under the conditions of artificially maintained market deficit in high-quality specialized services, those in need have to resort to connections and string-pulling in order to get access to good doctors in which case direct cash payment, at tacitly agreed rates, is the norm rather than the exception.

Not all corrupt practices in the health sector, however, can be assigned to this type. There exist other forms related not so much to the use of health services as the exercise of certain social security and health insurance rights such as temporary incapacity for work (sick-leave certificates), permanent disability, and vocational rehabilitation. With these types of corruption, the patients may be victims of extortion but likewise accomplices to the doctors for the purpose of unduly profiting (the gain by far exceeding the value of the bribe or gift) from social security and pension funds.

In another type of corrupt practices in healthcare, the interests of the patients are indirectly affected while they are not directly involved in a corruption transaction. It includes corrupt practices in the medicine market and in the financing of hospitals by NHIF, administrative corruption related to the supervision of health service providers, as well as to the implementation of hygiene and work safety standards in regulating commercial activity. These types of corruption may involve various other participants and stakeholders in the economy of healthcare and may reach the higher ranks of government. Thus for instance, irregular practices in the trade in medicines fall within ″petty corruption″ when distributors are giving commissions or bribes to physicians in order to have them prescribe their medications; or within the area of public procurement corruption, when supplies to hospitals are involved; or even, corruption in the high ranks of power, when it comes to approving the lists of medications reimbursed by NHIF and the centralized public procurement of medicines and medical products.

Sociological surveys among patients indicate that the big problems with corruption in the health system are related to hospital treatment. In a survey conducted by ASSA-M sociological agency in 2006, the largest proportion of respondents perceived corruption as most prevalent in the hospital sector (*Table 7*).

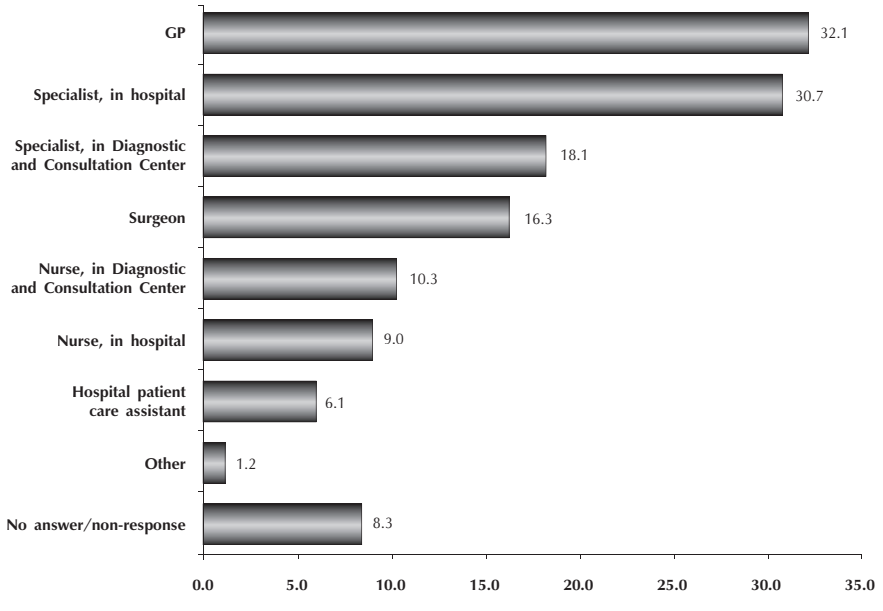
Table 7. Assessment of the Spread of Corruption in Healthcare
(% of respondents who perceived corruption as widespread in the respective sector)

In hospitals – performance of surgical operations	47.9%
In hospitals – birth delivery assistance	39.5%
In hospitals – daily care	28.9%
In hospitals – hospital admission	24.8%
Among specialty doctors in outpatient care	19.5%
Among GPs	9.9%

Source: ASSA-M, 2006 N = 1028

While of a more limited scope and variety, the informal provision of money and gifts is common in the outpatient sector, as well, despite the prevalence of private practices. According to the 2005 survey by Vitosha Research on corruption in healthcare, 32% of the respondents had given money or gifts to their GPs, and 18% had resorted to this kind of "stimulation" of specialists in the outpatient sector (*Figure 3*). The next two paragraphs consider the preconditions for corrupt practices in the two sub-sectors of healthcare.

Figure 3. To whom have you made unregulated gifts and payments?
(% of those who gave the respective answer)



Source: Vitosha Research, 2005