Advisory Note: Corruption in Healthcare Systems in the Pacific

Corruption in healthcare systems costs lives, increases suffering, disrupts livelihoods, and wastes public and private financial resources. Damaging health outcomes at individual and population levels hinder health promotion and prevention programmes, reduce trust in governments, and disproportionally affect vulnerable groups.

> "Corruption in the health sector can mean the difference between life and death. It has severe consequences for access, quality, equity, efficiency, and efficacy of health services and is an obstacle to the long-term goal of achieving universal health coverage." – Chr. Michelsen Institute.[i]

The World Health Organization (WHO) suggests that corruption in health financing poses a significant risk to the achievement of Universal Health Coverage and the health targets of the Sustainable Development Goals.[ii] Independent research between 1997 and 2013 examining US$444 trillion expenditures at 33 healthcare organizations in seven high-income countries[1] found losses from fraud and abuse to range between 0.6 percent and 15.4 percent, and average 6.19 percent.[iii] This represented US$455 billion of US$7.35 trillion global healthcare expenditure in 2015.[2] Other research identifies significant associations between corruption and health outcomes, with one estimate suggesting that 140,000 child deaths result from corruption annually.[iv]

> "Corruption is embedded in health systems. Policy makers, researchers, and funders need to think about corruption in the same way we think about diseases. If we are really aiming to achieve the Sustainable Development Goals and ensure healthy lives for all, corruption in global health must no longer be an open secret." – Patricia Garcia, The Lancet Lecture 2019.[v]

The COVID-19 pandemic has highlighted the danger corruption poses to healthcare systems, healthcare workers, and individual citizens.[vi] As countries emerge from its consequences, healthcare systems are coming under increased pressure to be more efficient and effective.

By virtue of their complexity, critical importance, high status, global supply chains, multiplicity of actors, and huge financial value, healthcare systems are particularly vulnerable to corruption. Healthcare systems present particular characteristics in every country. Thus, the forms in which corruption arises will be determined by these characteristics.

As corruption is inherently a concealed activity, patient confidentiality and asymmetries in information between patient and carer are also relevant. In the case of public, community, and individual health, everyone involved is entrusted to act with integrity. Likewise, as trust and integrity are assumed to be embedded in healthcare, the line between corruption and fraud – intentional deception or misrepresentation for unauthorized benefits – is less clear than in other domains.[vii]

How does corruption affect healthcare?

Corruption in healthcare systems can take a pivotal role at all governance levels, from high level policy and legislative decision-making to everyday interactions between healthcare providers and patients.[viii] For example, a European Commission study suggests the following six types of corruption are commonly-occurring in some European countries: (i) bribery in medical service delivery; (ii) procurement corruption; (iii) improper marketing; (iv) misuse of (high level) positions; (v) undue reimbursement claims; and (vi) fraud and embezzlement of medicines and medical devices. [ix]

The Pacific Context

All Pacific Island Countries (PICs) are parties to the UN Convention against Corruption (UNCAC). Although research is limited, it is especially true that public

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[1] Australia, Belgium, France, Netherlands, New Zealand, UK, and USA.
[2] More recent figures indicate that global spending on health reached US$8.3 trillion in 2018, or 10 percent of global GDP, and the share of personal 'out-of-pocket' spending was above 40 percent in low and lower middle-income countries.

services such as healthcare are vulnerable to acts of corruption.[x], [xi] All PICs have endorsed the aim of providing Universal Health Coverage as part of the Healthy Islands Vision, with services supplied by public and non-profit organizations.[xii] This regional commitment to providing quality services is reinforced by the Sustainable Development Goals, specifically SDG 3: Ensure healthy lives and promote well-being for all at all ages.[xiii]

Even before the COVID-19 pandemic, which brought weaknesses to light, most healthcare systems were challenged, in large part due to the financial and logistical challenges of serving a population spread over large distances in often difficult terrain.[xiv] National funding is also low, with PICs averaging a per capita annual expenditure of US$227,[3] compared with US$414 for East Asia & Pacific[4] as whole.[xv] Likewise, averages of 0.9 doctors and 1.9 nurses per 1,000 population[5] in the PICs are well below the OECD average of 3.4 and 8.6 respectively.[xvi] Although COVID-19 case numbers have remained relatively low, the pandemic has led to economic decline and disruptions in donor funded activities, both affecting the healthcare sector.[xvii]

In the Pacific, where healthcare budgets are limited and services difficult to provide, reducing corruption will support healthy lives and promote well-being. Reducing corruption in healthcare systems could also increase public trust and support for government services.[xx]

Responding to corruption in the health care sector

Evidence of how best to mitigate corruption in health care systems is lacking.[xxi] Nevertheless, prevention is a good way forward as patients' lives and wellbeing are at stake. In health care systems in particular, efforts should focus on developing anti-corruption, transparency, and accountability (ACTA) measures, rather than prioritizing criminalization. Shifting the focus from reactive measures towards innovations in prevention, including risk management, can identify new methods to address what is often a politically sensitive issue.[xxii]

Determining solutions is often challenging because the multiplicity of corruption risks and practices require efforts based on the detailed situation and problem

Pacific Island Country	Population (2022 est.)[xviii]	Real GDP per capita US$ (est.)[xx]	Health expenditure per capita[6] US$[xix]	Health expenditure % GDP (2019)[xx]
Cook Islands	8,128	16,700 (2016)	752	3.1
Federated States of Micronesia	101,675	3,500 (2019)	414	11.4
Fiji	943,737	11,000 (2020)	372	3.8
Kiribati	114,189	2,300 (2020)	278	10.3
Republic of the Marshall Islands	79,906	4,000 (2019)	677	16.3
Nauru	9,811	13,500 (2019)	1,174	9.8
Niue	2,000	5,800 (2003)	1,405	5.3
Palau	21,695	17,600 (2019)	2,012	15.2
Samoa	206,179	6,300 (2020)	355	6.4
Solomon Islands	702,694	2,500 (2020)	108	4.8
Tokelau	1,647 (2019)	6,004 (2017)	N/A	N/A
Tonga	105,517	6,400 (2019)	355	5.0
Tuvalu	11,544	4,400 (2020)	758	24
Vanuatu	308,043	2,800 (2020)	109	3.4

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[3] Current US$.
[4] Excluding high-income countries.
[5] Low-income and lower middle-income Asia Pacific countries.
[6] PPP international US$. Inflation-adjusted to 2018.

analyses with interventions tailored to address specific problems and contexts. A conventional first step is to implement a corruption risk assessment.

This involves a systematic review of policies and processes to identify vulnerabilities and their scope and determine whether policies accurately address these risks.[xxiii] Based on this assessment, a corruption risk mitigation plan can be developed which may include, for example, strengthening governance and internal and external accountability and oversight mechanisms, improving transparency, or relatively simple managerial interventions and awareness raising activities.[xxiv]

Measures that could be adopted in the corruption risk mitigation plan include:

Ensuring robust monitoring and oversight

Internal control and assurance models, including accounting and reporting regimes underpinned by credible audits, should be rationalized using risk assessment methodologies. Strong financial and medical accountability systems are essential and information technology – including predictive modelling and machine learning – can be valuable.[xxv] Benchmarking and publishing the costs of similar treatments or drugs, or details of worker absenteeism, for instance, may identify corrupt behaviour.

Engaging relevant oversight institutions and external stakeholders such as funding partners

Government legislation and policy as well as national health policies, strategies and plans all need to support anti-corruption objectives. Elected representatives have an interest in ensuring good health for their constituents. The perception of corruption is the major inhibitor for bilateral and multilateral foreign assistance in the healthcare sector, and development partners recognize that healthcare system corruption is a major inhibitor of development.[xxvi]

Promoting participatory governance, social participation, and accountability

Empowering citizens, civil society and media organizations and facilitating community representation in health policy and programme decision-making reduces corruption.[xxvii] Performance data need to be transparent and accessible, and complaint mechanisms – including confidential whistleblower systems – available and effective.

Building integrity among health care system actors

Capacity development on addressing corruption risks for multiple stakeholders in the health care systems can help to foster an anti-corruption culture. The adequacy of healthcare workers' payment and access to commodities needed to perform their work should also be considered when making decisions aimed to prevent corruption.[xxviii]

Responding to corruption in health care systems in the Pacific requires targeted research, evidence-based strategies, and effective cross-sectoral interventions.[xxix] Policies and interventions need to be feasible and focused on health care systems priorities. A multidisciplinary and holistic approach is essential.[xxx] At a societal level, increased civil participation, transparency, and accountability are required.

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