

## ***Informal Payments in the Public Health Service of Elbasan, Albania.***

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### **Abstract**

For the purpose of securing access to quality health care services, policy makers in many countries are confronting the problem of informal payments by patients to medical personnel. This problem seems to be of high importance in transition countries like Albania. This paper presents research into the nature of informal payments and the intentions or reasons of those paying them (patients). Hence, this paper seeks to investigate informal payments in public health care through the patients' perceptions. Previous research on informal payments in Albania did not give an overview of patients' reasons for give informal payments. One hundred people participated in this research through a structured interview administered by the researcher. The survey was carried out post-treatment with a non-randomly selected sample of patients from five public hospitals in Elbasan, Albania's second biggest city. Findings show that 93% of participants have given informal payments to the health personnel, where the perception exists that giving informal payments allows patients to receive a more professional service, to speed up care and to receive a friendlier and more qualitative service than patients who do not give informal payments. This is remarkable because all participants in this research had received treatment that was officially free of charge. Findings also show patients perceive a tendency for doctors to refer patients towards certain private hospitals and pharmacies. My main conclusion is that fear for sub-standard care provision among patients was the main cause that makes patients to give informal payments. The paper concludes with a discussion of the areas which Albanian public health organisations need to focus on in order to reduce the occurrence of informal payments.

**Key words** Albania, bribery, corruption, integrity, public health service, transition economy

## Introduction

Informal payments have become increasingly prevalent in transition economy countries (Vian *et al.* 2006). Defined as an undisclosed cash payment or other things given to government staff for services where payment is not required by the government, informal payments are one of many individual coping strategies adopted by medical staff and patients in countries where health systems are under-funded, overstaffed, and burdened with broad mandates for free access to care (Lewis 2000; Vian 2005).

Despite Albania having stated the policy of providing most health care services free to all the social categories (Albania Ministry of Health 2000), informal payments in government health facilities are common (Bonilla-Chacin 2003). Recent studies piloted in 2002-2006 suggest that 65% to 88% of Albanian citizens have made informal payments to hospital personnel in order to receive treatment (Albania Ministry of Health 2000; Bonilla-Chacin 2003, Hotchkiss *et al.* 2004; Vian *et al.* 2006; Vian 2005).

According to The Albanian Living Standards Measurement Survey (LSMS 2003), informal payments in the health sector in Albania are higher than in other Balkan countries. Bonilla-Chacin (2003) estimates these account for more than 70% of total health expenses. The PHRplus research project (Hotchkiss *et al.* 2004) found that out-of-pockets payments for hospitalization accounted for 88% of average monthly per capita household expense, while for the outpatient acute care the equivalent figure was nearly 16,9%.

Mostly, hospitals and polyclinics (offering specialised outpatient care upon referral by a doctor) are located in municipalities; health centres may be located in both urban and rural locations; and health posts are positioned in rural areas (Cook *et al.* 2005). Vian *et al.* (2004, 2006) carried out research in three Albanian districts: Fier, Berat and Kucova. Their overview shows that the pattern of high informal payments exists in both municipal and rural areas.

Governments in transition economies, such as in Albania, should be pressured to act towards public interests. Both the media and NGOs play an important role in that process (Theobald *et al.* 2002). Informal payments and the perception of corruption in crucial sectors such as the health sector and the justice sector are typically very high (above 60%), whereas the reporting of corruption to authorities by citizens, especially in the health sector is only 1% (Verschoor 2010). Transition economies are typically societies where democratic governance is not yet firmly established. One implication is that media and NGOs tend to depend on government ties in order to survive, or only have a very limited and selective access to

records and information. This makes individuals perceive a lack of empowerment to report officials' corruption (Kenny 2009).

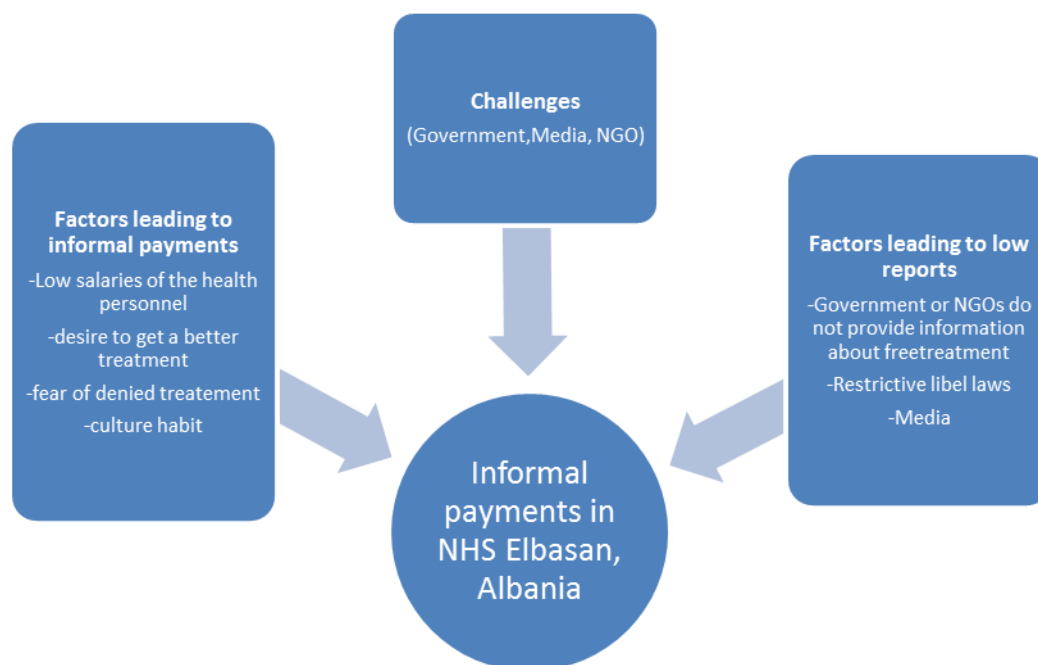
Recent literature claims that the reason why health personnel accept informal payments is the low salary they receive (Cain 2007; Davis 2001). Compared with other Balkan countries, the Albanian health sector salaries are the lowest (Cain 2007). A nurse salary is approximately ALL (Albanian Lek) 20,000 p/m (£240 adjusted for Consumer Price Index). and doctors around ALL 45,000 p/m (£550 CPI adjusted) (Vian *et al.* 2006). Although the Albanian government increased health personnel wages over the past decade in an attempt to tackle informal payments, other sectors such as education, forestry, construction, and trade still have higher salaries (World Bank 2006).

However, literature argues that low salaries might not be the main factor for informal payments in health care. Other factors are: the belief that good health is worth any price, the desire to get better services, the fear of being denied treatment (Jain 2001; Lambsdorff 2002a, 2002b), or giving gifts to express gratitude towards hospital (Armantier and Boly 2011; Silva and Hirschheim 2007).

Transparency International lists Albania 95<sup>th</sup> (out of 182) in the Corruption Perception Index in 2011, by leaving behind only Kosovo in the Balkan (Transparency International 2011). According to Transparency International (2011), people in Albania willingly make payments in the health sector to ensure restoration of good health, a priceless commodity and to ensure to get a better attention or faster care. If Albanians 'willingly' make informal payments, is it part of their culture? A number of authors have argued that behaviour labelled 'corrupt' by some observers is often viewed as acceptable gift giving or tipping within a particular country (Ensor 2004; Li *et al.* 2004; Pope 1994). Some authors even argue that corruption in transition economies is part of national culture (Svensson 2003, 2005; Li *et al.* 2004).

In contrast, Bonilla-Chacin (2003), Hotchkiss *et al.* (2004), Veerschoor (2010) and Vian *et al.* (2004, 2006) criticize understanding a high prevalence in a particular country of bribery as bribery being an accepted cultural practice. Their formal and informal surveys indicate frustration of people about corruption and bribery. According to Rose-Ackerman 1999: 91) 'expressions of toleration reflect both resignation and fear of reprisals against those who complain'. Others have argued against the 'corruption as culture' perspective that if corruption were really a part of a national culture, it should simply be legalized and reported (Kibwana *et al.* 1996; Lambsdorff 2002a, 2002b; Rose-Ackerman 1999).

Figure 1 summarizes the dimensions of informal payments in the public health service in Albania.



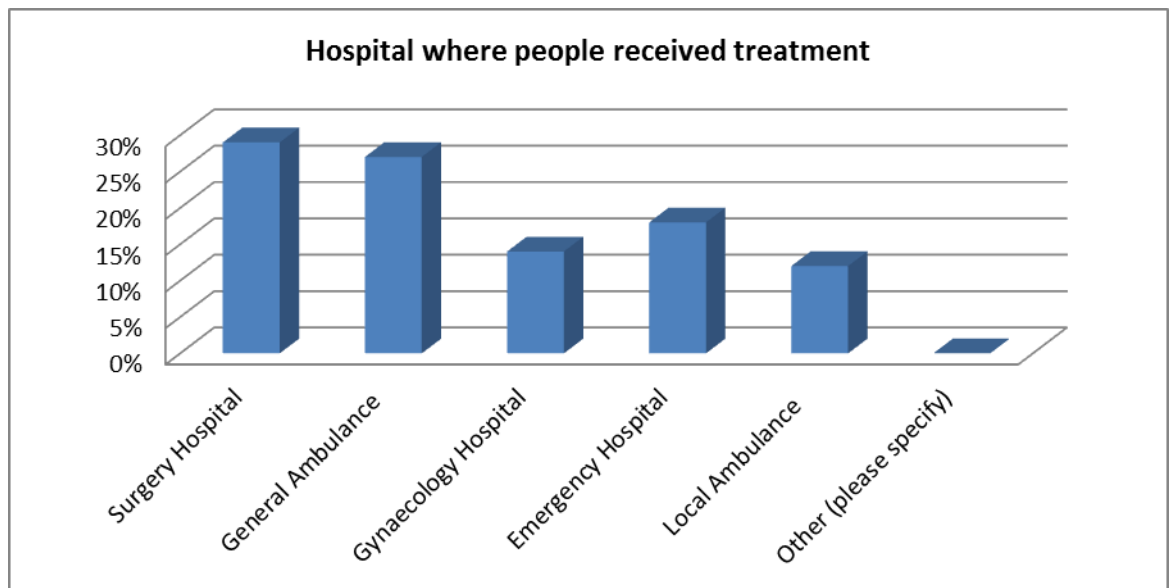
**Figure 1. Dimensions of informal payments in the Albanian public health service**

### **Research methodology**

Data was collected through a questionnaire administered by the researcher with a sample of 100 post-treatment patients – people who had received treatment less than 6 months before participation in this research. All treatments this research has bearing on was officially free of charge. Authorization to conduct the research was gained from the Regional Health Director. Participants in the survey were informed of the research aims and purposes (dissertation project). Confidentiality was guaranteed, and participation was voluntary. Sampling was non-random to guarantee participants who had received treatment in all five of Elbasan's public health service providers. Elbasan is Albania's second biggest city, with 80,000 inhabitants.

Gender composition of the sample was 57% male and 43% female. Figure 2 shows the spread of hospitals where the participants received the treatment: 29% of the participants received treatment in the public surgery hospital, 27% received treatment in the General

Ambulance, 18% received treatment in the Emergency Hospital, 14% were treated in the Gynaecology Hospital, and 12% in the Local Ambulance.

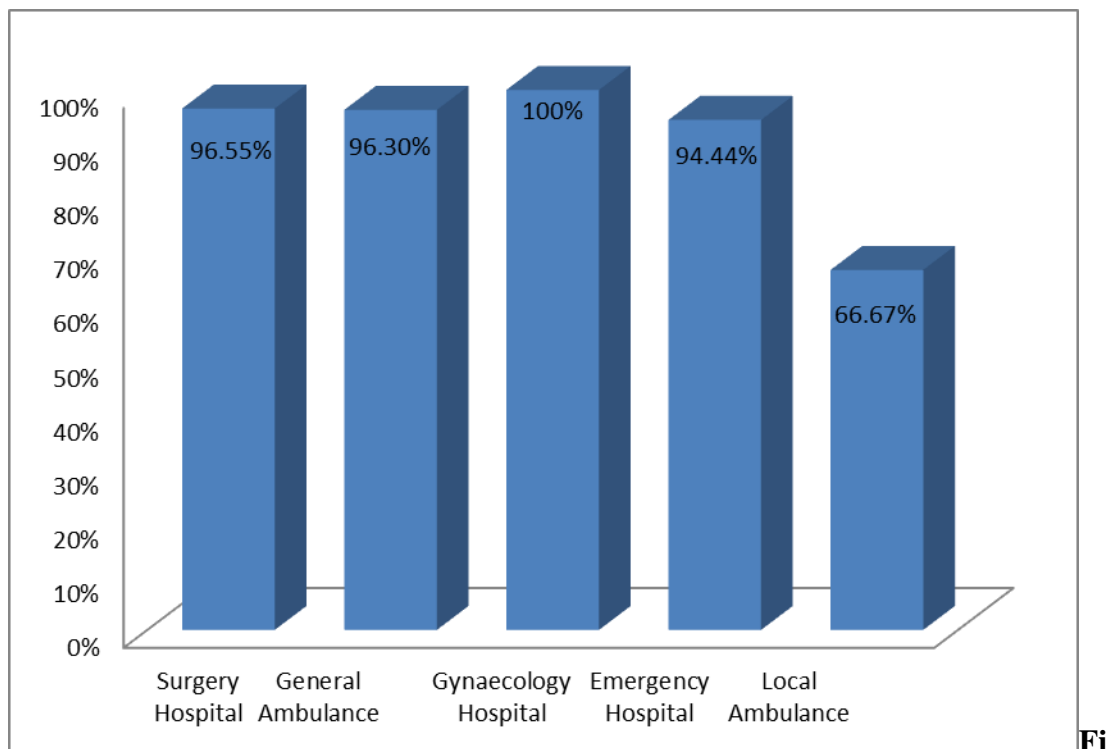


**Figure 2. Spread of hospitals where the participants received the treatment**

### **Key findings and discussion**

*Key finding 1: There is a very high level of informal payments in Elbasan's Public Health Service*

The survey finds that overall 93% of the participants admitted to have given informal payments to the health personnel. Only 7% said they have not given informal payments to the health personnel. Figure 3 shows the informal payments for each hospital in the research.

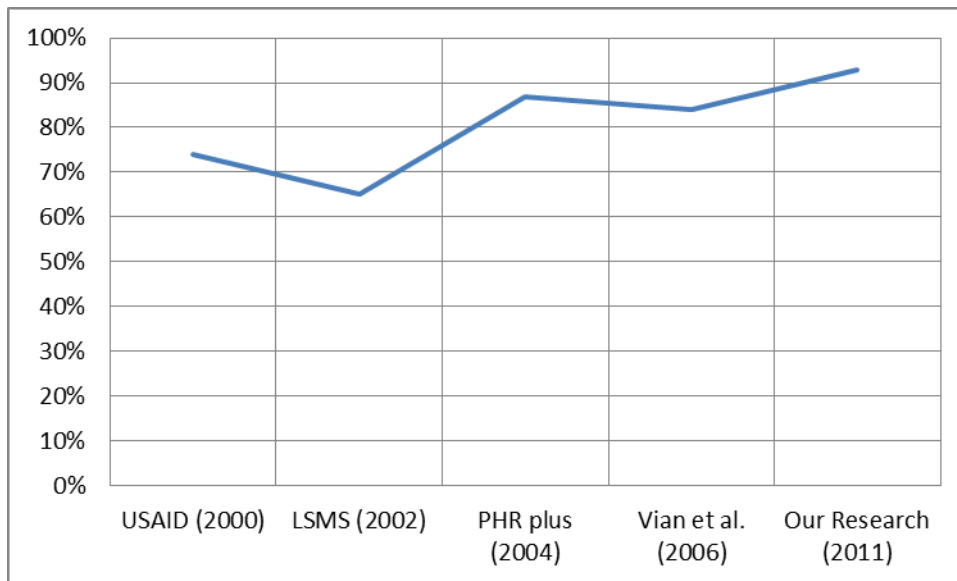


**Figure 3. Level of informal payments for the five Elbasan Public Hospitals**

In the Gynaecology Hospital all participants admitted they had given informal payments to the health personnel. The percentage of the people who admitted to have given informal payments remained above 96% in both Surgery Hospital and General Ambulance. However, only two out of three respondents in the Local Ambulance declared to have given informal payments to the health personnel.

Throughout all the hospitals where the research was conducted, the level of informal payments was over 95% except in Local Ambulances where this was 67%. Previous literature argues that friendships or blood relations of the patients and the local doctors or nurses influence acceptance behaviour of health personnel with regard to informal payments (Vian *et al.* 2004, 2006; Vian 2003). One might assume people would choose the place to receive treatment where they have personal friendships or kin relations working. Given that fewer people work for Local Ambulances, it is also less likely that these will include friends or kin.

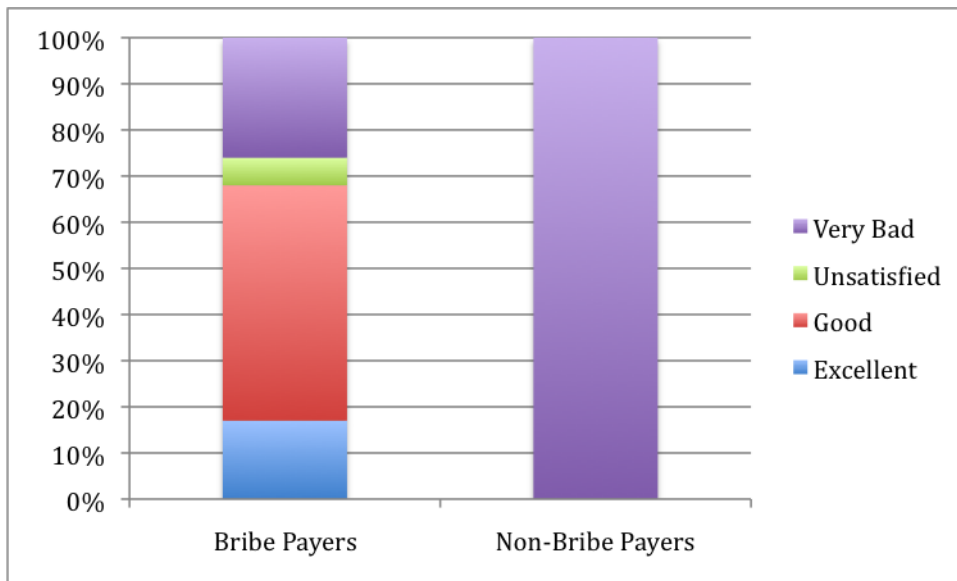
It is also interesting to compare the level of informal payments found in this research with levels found in previous research. Figure 4 shows a comparison of the level of informal payments in the Albanian health sector from 2000 to this research..



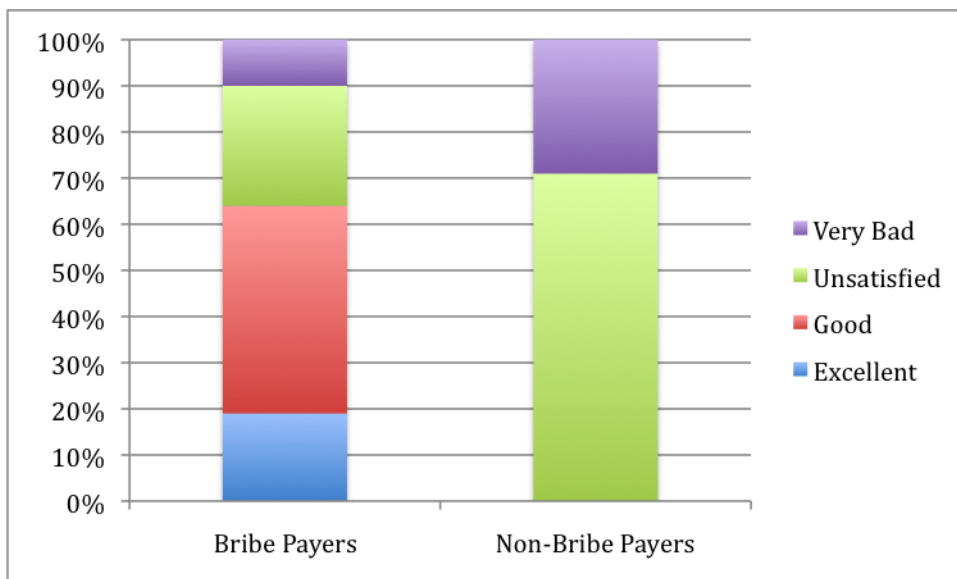
**Figure 4. Level of informal payments 2000-2011**

The informal payments level has been significant throughout the last decade. An USAID research conducted in 2000 (Albanian Ministry of Health 2000) shows that 74% of Albanian people give informal payments to the health personnel. In 2002, a research conducted by The Albanian Living Standards Measurement Survey (LSMS 2003) shows that around 65% of Albanians give informal payments. The PHRplus project (Hotchkiss *et al.* 2004) indicates that 87% of Albania's citizens give informal payments to health personnel. Research conducted by Vian *et al.* (2006) in three different districts shows that 84% of the Albanians give informal payments. My research which was conducted in 2011 in Elbasan shows that 93% of Elbasan's citizens give informal payments to the health personnel. This suggests that informal payments continue to be problem in the Albanian public health service, despite previous attempts to curb this phenomenon.

*Key finding 2: Patients who have made informal payments do not necessarily perceive to receive better service.*

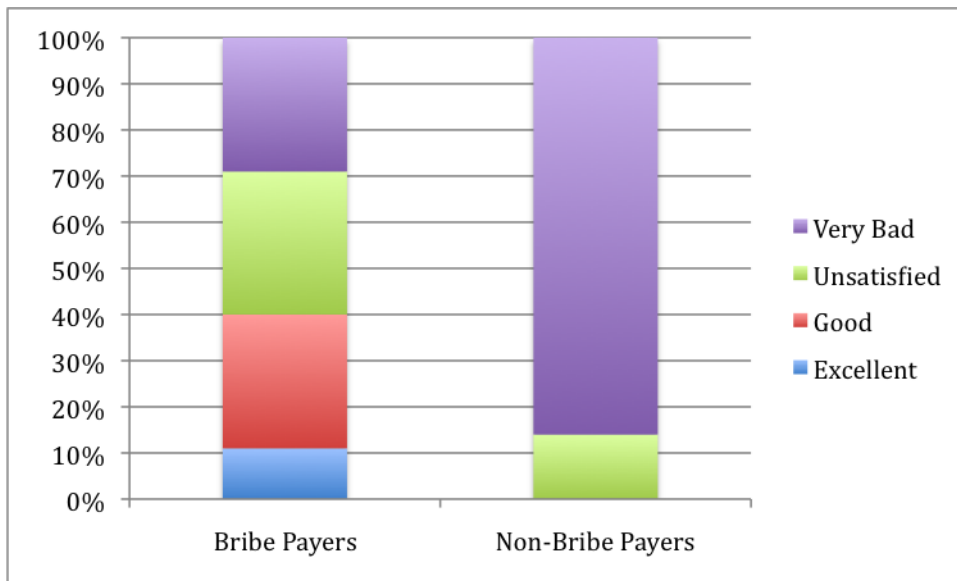


**Figure 5. Patients' perception of overall quality of service**

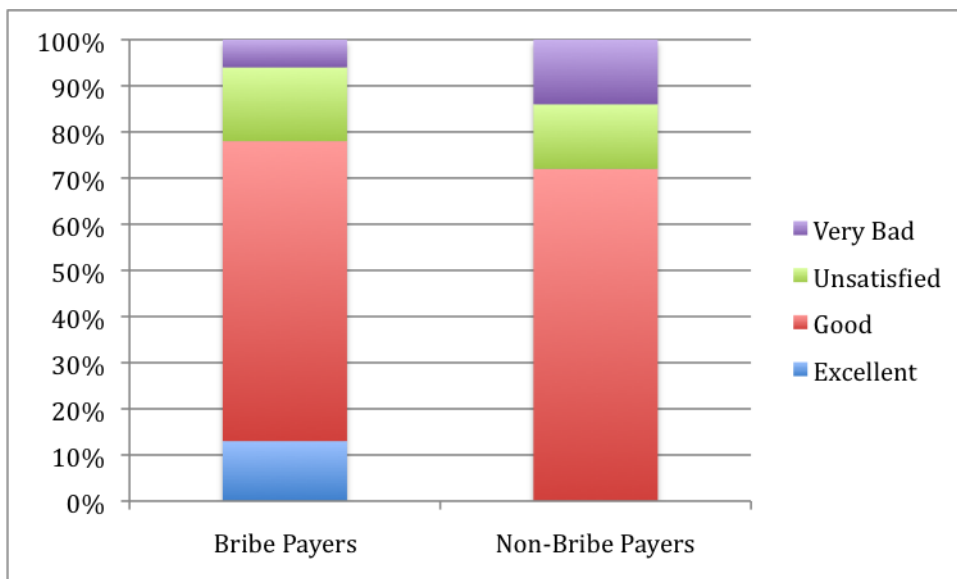


**Figure 6. Patients' perception of speediness of care delivery**





**Figure 7. Patients' perception of equal care and friendliness**



**Figure 8. Patients' perception of appropriateness of treatment (are you confident this was the correct medical treatment?)**

Figure 5 shows findings for bribe paying and non-bribe paying patients' perception of the overall quality of the care received from hospital personnel. Just over half (51%) of those who had given informal payments (n=93) describe it as good and around 17% as excellent. However, a quarter of them (26%) describe it as very bad and around 6% are unsatisfied by the overall care received from health personnel. The right column shows that all of those who did not pay bribes (n=7) perceived the staffs' overall care provision as very bad.

Figure 6 shows findings for patients' perception of speediness of the care delivery. This also shows a discrepancy between how those who did and those who did not give informal payments perceived the speediness of care delivery (after they had given the informal payment), but this discrepancy is somewhat less pronounced. Of those who had given informal payments (n=93) 64% were satisfied (19% thought it was excellent and 45% thought it was good), and 36% were not satisfied (26% unsatisfied and 10% very bad). Of those who did not give informal payments (n=7) none are satisfied (71% thought it was unsatisfactory and 29% thought it was very bad).

Figure 7 shows how patients perceived hospital staff's friendliness and equality in delivering care. While there is some discrepancy between those who gave informal payments (n=93) and those who did not (n=7), it seems giving informal payments does not automatically lead to patients perceiving more friendly personnel or equity in care delivery among patients. While those who did not give informal payments are all unsatisfied about this aspect (14% unsatisfied, 86% very bad), of those who did give informal payments 60% are unsatisfied (31% unsatisfied and 29% very bad; 29% thought this was good and 11% thought this was excellent). This raises questions about the effectiveness of paying bribes in health service.

Figure 8 gives the results for patients' perception of (with hindsight) appropriateness of the treatment (are they confident they received the correct medical treatment?). There is almost no difference between the two cohorts. Both groups were quite confident they had received the appropriate medical treatment for their condition. Of those who had given informal payments (n=93) 78% said this was good (13% excellent, 65% good) and 22% did not have confidence (16% unsatisfactory and 6% very bad). Of those who had not given informal payments (n=7) 72% said the received treatment was good, and 28% did not have confidence in the appropriateness of their treatment (14% for both unsatisfactory and very bad).

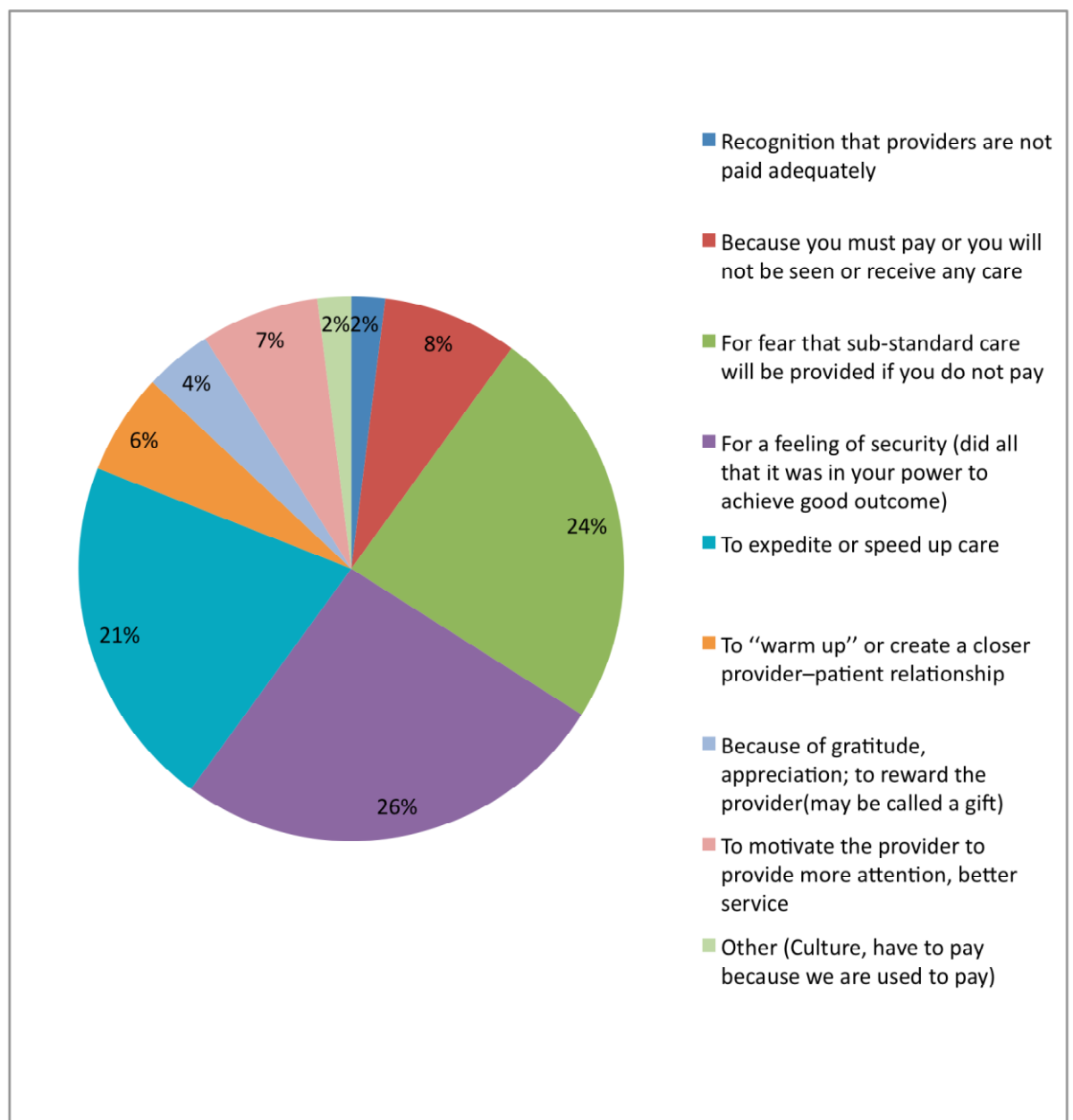
Patients who had given informal payments to health personnel reported a more overall satisfaction and a quicker service than the non-bribing group. For these aspects of care delivery, money seems to act as a motivator for the personnel (Balabanova and Mckee 2002; Davis 2001; Vian *et al.* 2006).

Even though having given informal payments, less than half of the patients are satisfied with the equal and friendly treatment by the health personnel. Doctors and nurses believe they deserve to get those informal payments, and often believe they are more

privileged (Bonilla-Chacin 2003; Cain 2007). However, health personnel do not distinguish patients based on whether they pay or not in providing appropriate medication service as they are human beings and value each life equally (Bonilla-Chacin 2003; Cain 2007; Hotchkiss *et al.* 2004).

*Key finding 3: Informal payments occur due to unfounded fears.*

I also asked participants who had given informal payments what their main reason was for doing so (figure 9).



**Figure 9. What makes patients give informal payments?**

The three main reasons participants gave for paying bribes are: feeling of security (26%), fear of sub-standard care (24%), and speeding up care (21%). Together these account for 71% of the stated reasons for giving informal payments.

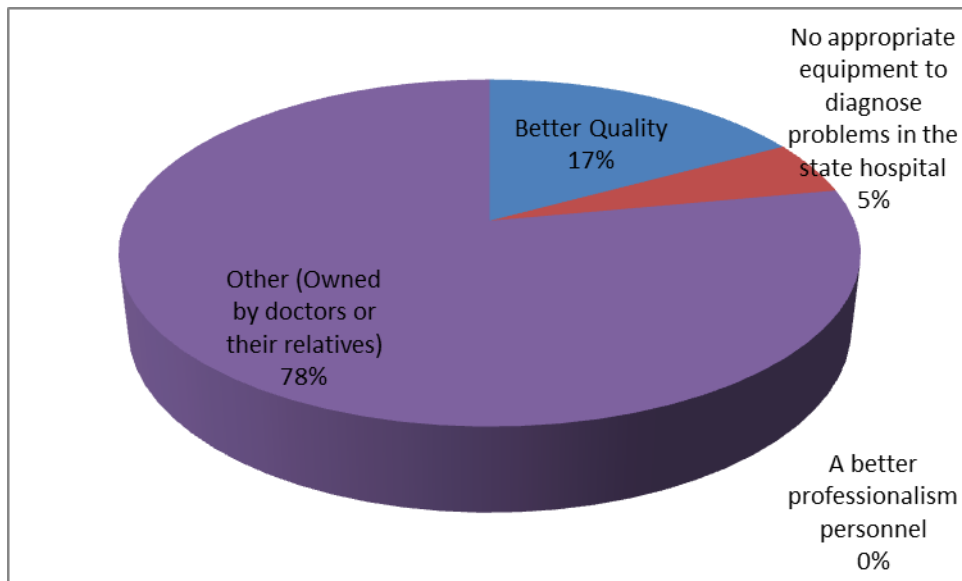
This research showed (finding two) that bribe payers perceive to receive service more speedy, but not necessarily of a better medical standard, i.e. non-bribe payers also perceive themselves to have been correctly diagnosed. Further, the 'feeling of security' as a reason to pay a bribe might also not pay off, given that bribe payers did not necessarily find staff to be more friendly or providing care with more equity than non-bribe payers.

This key finding overturns the speculations that informal payments in transition countries are part of their culture (Bonilla-Chacin 2003). If this was so, the discrepancy between bribe paying and non-bribe paying patients would sustain not just for overall satisfaction but also for perceptions of friendliness, equity, and appropriateness of treatment. It is also noteworthy that whereas previous research suggested one of the main reasons why people pay bribes is because health personnel are not paid adequately (Vian *et al.* 2003), participants in our research did not acknowledge this as a reason for giving the informal payment.

*Key finding 4: Referral to private health care provision is perceived as corrupt.*

Of the patients surveyed in this research (n=100), 72% had been after diagnose to get treatment in a private hospital or clinic, while the other 28% declare that they have never been told to get a treatment in a private hospital or clinic. This finding is in line with previous research indicating that doctors in Albania tend to refer patients towards certain private hospitals and pharmacies (Veerschor 2010; Wagner *et al.* 2011), even though those medicines (at least for the participants in this research) in most cases should have been provided by the public hospital free of charge.

Previous literature did not examine these issues. I did ask the research participants why they thought they were being referred (figure 10).



**Figure 10. Reasons held by patients for their referral to private hospitals**

In my research, only 17% of participants believed that doctors suggest private hospitals because of a better quality service. Another 5% believes referrals happen because the public hospitals do not have the appropriate equipment to diagnose or treat the health problems. None of the participants was of the view that private hospitals employed personnel that were better professionals. The majority however, 78% have chosen the option 'other'. When asked to specify, they indicated they thought that the private clinics or hospitals are owned by the doctor or their relatives.

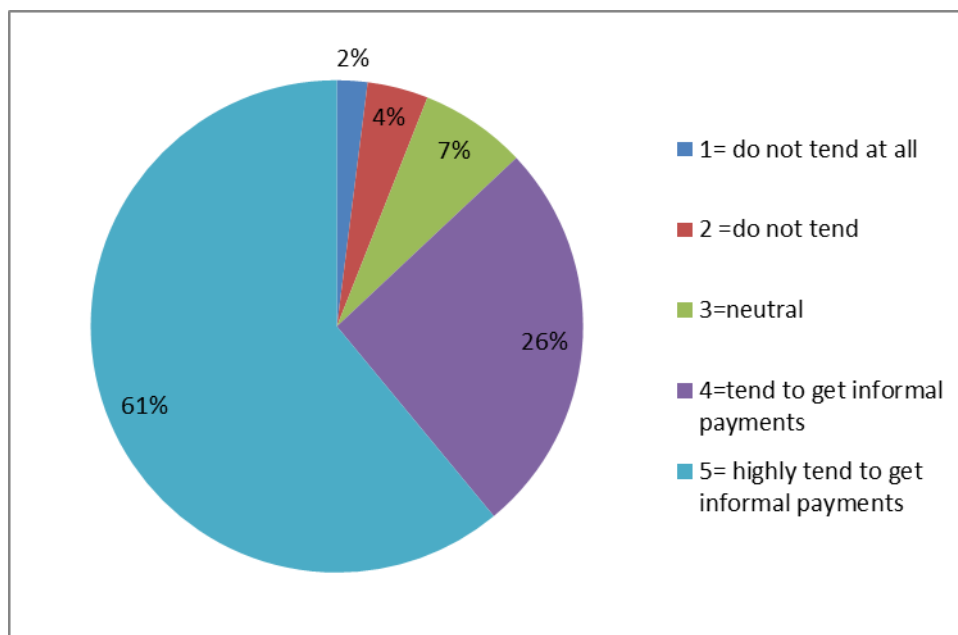
Participants were also asked if they have ever been told where precisely to buy the medicines that - by law - need to be provided by the hospital for free. 67% of participants said that they have been told where to buy those medicines, while 33% responded that they were not told where to buy them.

A further question asked what the participants thought the reason for a specific referral to a pharmacy was. The majority (78%) believed that the main reason was because of a connection of the doctor/nurse and pharmacy's owner. Only 18% supposed that the reason why they are told to buy the medicines in a particular pharmacy was the quality of the medicines compared to other pharmacies, while none of them have considered the price of medicines as an option.

Hence, this research suggests that what is perceived to drive these referrals is the connection between health personnel and the private hospitals/pharmacies. Often doctors own or are relatives of the owners of these private hospitals or pharmacies.

*Key finding 5: Informal payments are perceived to be actively solicited by health personnel.*

Finally, my research found that vast majority (87%) of the participants believe that the tendency of doctors/nurses to ask for informal payments from their patients is a widely spread custom (figure 11).



**Figure 11. Patients' perception about doctors/nurseries asking for informal payments**

Findings from this research show that 9 out of 10 patients perceive health personnel to actively ask patients for informal payments. According to Vian *et al.* (2006), doctors/nurses think their profession is underestimated and their wages are ridiculous compared to EU doctors/nurses. Moreover, doctors believe that as they are part of the intellectuals they should have extra benefits (Vian *et al.* 2006). In contrast, Rose-Ackerman (1999) describes public workers who gain informal payments as immoral corrupted persons. Moreover, health personnel who ask for or accept informal payments can be prosecuted for respectively active or passive corruption (Albanian Ministry of Health 2000).

These findings do not necessarily suggest informal payments is an accepted part of Albanian culture. They do provide evidence for the claim that it is a widespread practice. However, our other findings showing frustration about ineffectiveness of the payments and

the perception of nepotism as driving referrals to private health care provision suggest it is wise not to confuse widespread practice with accepted practice.

## **Conclusions and recommendations**

The findings from my research indicate a high level of informal payments in the Albanian public hospitals. Moreover, the results suggest that the main reasons why people give informal payments are fear related. Patients fear that not giving informal payments will result in receiving a slow and sub-standard care, and that giving informal payments will guarantee security. Reality however does not always seem to match those fears.

My research also shows that the majority of patients believe that health personnel tends to ask for informal payments. In addition, patients are being told to get treatment and medication in private hospitals and pharmacies that are believed to be owned by doctors or their relatives.

The contributions of my research are that it provides data suggesting informal payments do not always deliver what people expect from them, and that Albanians perceive nepotism and self-interest to be driving doctors referring patients away from the 'free of charge' public health service to private health care provision. I believe these are additional reasons for curbing informal payments in the Albanian public health sector. I end this paper with some policy suggestions to that purpose.

A first recommendation is to introduce new rules, implemented through the health personnel's contract, prohibiting them from working for both public and private hospitals.

A second set of recommendations is to increase enforcement of existing and new regulation through better monitoring. Officers should take into consideration the idea of implementing the CCTV in the hospitals facilities. CCTV cameras raise the security in hospitals and would monitor staff behaviour. Also, the government could install an ethical commission, directed by the regional health board of Elbasan. This ethical commission should measure the health personnel performance. Consequently, a suggestions and complaint box should be placed in each hospital. Moreover, the commission should introduce a feedback questionnaire that post-treatment patients must complete. Doctors/nurses who are suspected to have accepted informal payments should be suspended from their duty until the allegations are cleared. If the allegations are found to be true, ethical commission should give the facts to the persecution and ban the doctor/nurse for life from working in health system in Albania.

A third set of recommendation refers to raising the empowerment of citizens. To tackle informal payments it is important that the health officers raise the public awareness. The public should be better informed about the free services in the public hospitals through media advertisement or through brochures sent by post to their houses, as well as placed within the hospitals facilities.

But equally so, both media and civil society organisations can play a bigger role in keeping access to public health through the curbing of informal payments, on the agenda of the government. They can also help to make the Albanians better informed and more empowered to actively help curb the practice of informal payments. Even in developed countries that keep accurate records and make those available to the public, informal payment systems (practices of paying small bribes) may operate with impunity if no one bothers to analyse the available information or if analysts or other parties are afraid to raise their voice (Li and Wu 2010). Increasing the reporting of informal payments can be reached by increasing the level of the democratic governance in a broad political sense with independent media and civil society organisations. This can be reached through three main steps (Cain 2007; Rose-Ackerman 1999). In the first step, the government supplies information about its reforms and services. In the second step, the media and the public can raise complaints. The third step consists of NGOs pushing for public accountability.

Informal payments in the Albanian health sector remain a challenge for the Albanian government. The Ministry of Health should continue to devise ways to monitor and develop policies to tackle this issue (Rose-Ackerman 1999). However, the media should also play its role by increasing coverage of this social phenomenon, not only to raise awareness among the population but also to force government to take concrete steps in tackling the issue. Last but not least, NGOs like Transparency International do not appear to be sufficiently concerned about this issue affecting more than 90% of Albanians (Vian *et al.* 2006). It is important that they react through campaigns that raise the awareness of the population about the informal payments and inform the people about the consequences of giving informal payments to the health personnel (Cain 2007; Etzioni 2011; Freedomhouse 2011; Rose-Ackerman 1999).



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