

# CORRUPTION AND PUBLIC HEALTH

Links and Strategies

Trevor Clarke



# Outline

- ▣ I. Corruption has a significant impact on the health sector
- ▣ II. Corruption may decrease population health
- ▣ III. Public health efforts and anti-corruption strategies should be linked



# Public Health Vulnerability

- ▣ 3.1 trillion US\$ spent annually
- ▣ Intrinsic factors in health work facilitate corruption
  - Uncertainty
  - Asymmetric information
  - Inelastic demand
  - Large numbers of dispersed actors
- ▣  $C = M + D - A$ 
  - Monopolies common, and potentially useful
  - Discretion increased
  - Accountability decreased



# High Risk Points of Impact

- ▣ Health care providers
  - Access, informal payments, absenteeism, theft
- ▣ Hospital /health care service managers
  - Procurement, embezzlement, service decisions
- ▣ Health care ministers / administrative officials
  - Health policy and spending decisions
- ▣ Regulatory and licensing authorities
  
- ▣ Water and sanitation infrastructure



# Effects of Corruption

- ▣ Reduces resources
- ▣ Lowers quality
- ▣ Reduces equity and efficiency
- ▣ Decreases effectiveness and volume
- ▣ Increases total costs
  - Prevention is the best medicine

Source: William Savedoff



# Effects on Public Health

- ▣ Hard data is hard to come by!
  - Public health focuses on *populations*, not individuals
  
- ▣ Corruption is correlated with increased child mortality and decreased vaccination rates
  - Controlled for per capita GDP
  - Correlation does not imply causality
  
- ▣ Corruption erodes confidence in governments
  - Governments conduct public health campaigns
  - In public health, it's all about trust



# Individual Examples

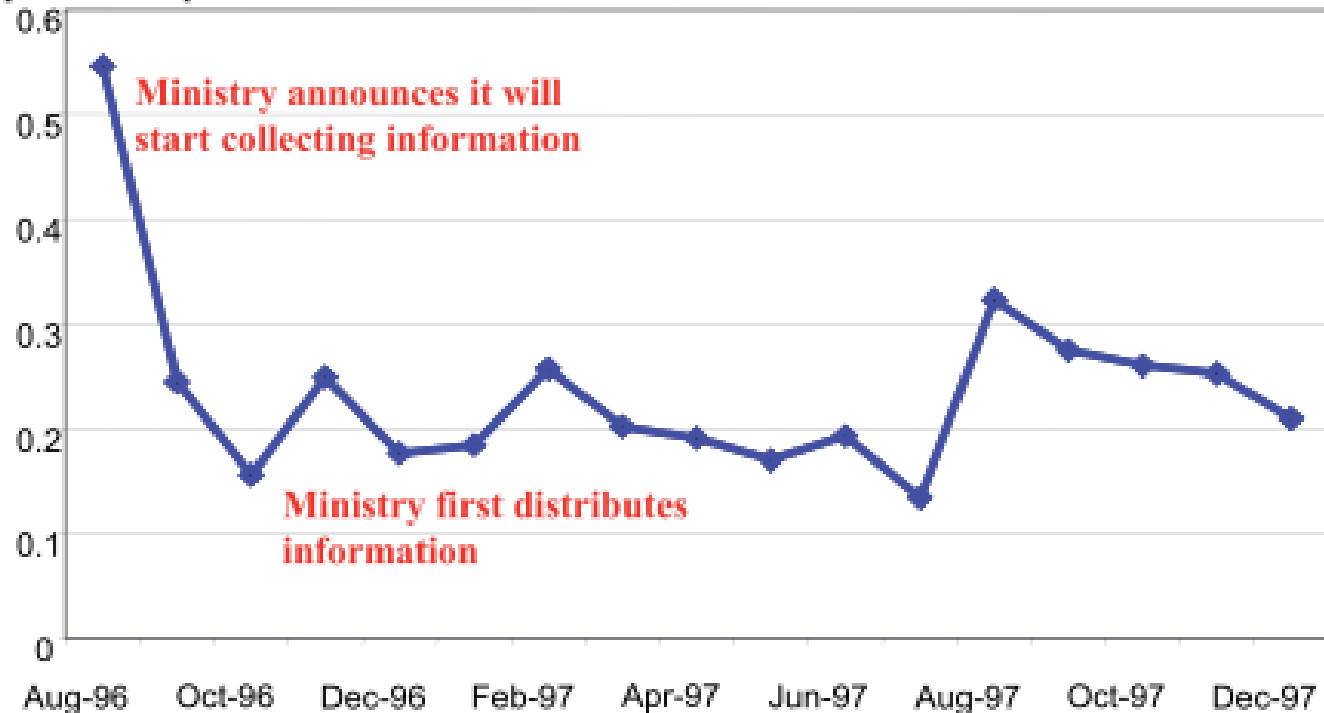
- ▣ In re Syncor
  - U.S. Radiopharmaceutical Company
    - ▣ Taiwanese doctors given kickbacks for requesting Syncor products and ordering diagnostic tests
  - Bribery of foreign officials and bookkeeping offenses (criminal and civil charges)
  - Disposition
    - ▣ Criminal fine of \$2 million
    - ▣ Civil penalty of \$500,000
    - ▣ 130 day compliance monitoring
    - ▣ Cease and desist order enjoining further violation of the FCPA



# Individual Examples, cont.

Argentine hospitals share procurement data

**Coefficient of variation  
in purchase prices**





# Individual Examples, cont.

- ▣ Malaria medicine in Sudan
  - President's brother owned importation rights to Chloroquin
  - That medication was no longer effective, but was still the first line of treatment in the Sudanese health system
  - The most effective drug of a combination therapy wasn't approved for use
  - Lots of people died as a result
  
- ▣ Corruption had more than an economic impact



# Public Health Strategy

- ▣ Identify
  - Is corruption the problem? Is it GDP? Wealth inequality?
- ▣ Intervene
  - Involve as many stakeholders as possible to determine a course of action
  - Utilize existing models
  - Legislate
  - Educate!
- ▣ Evaluate
  - Did the intervention have an impact? Was it cost effective?
- ▣ Repeat
  - public health strategies are *dynamic*



# Where can we go?

- ▣ Bill Gates vaccination experience
  - Informing women of what they should expect from public health aid led to increased vaccination rates
- ▣ Public health interventions offer an opportunity for lower cost corruption information sharing
  - Education can improve health and decrease corruption- the two go hand in hand



**Thank You!**



# Foreign Corrupt Practices Act

Pub. L. No. 95-213 (1977)

## ▣ Prohibits

- Corruptly paying or offering to pay
- Directly or indirectly
- Money or anything of value
- To a foreign official, political party, party official, or candidate
- In order to influence any official act or decision
- For the purpose of obtaining or retaining business or directing decisions

