The impact of corruption in the pharmaceutical and healthcare sector on society

Without understanding and tackling corruption in the healthcare sector and its direct impact on society, we will neither achieve the development goals set by the new agenda nor achieve universal health coverage. Corruption in healthcare delivery lowers the quality, volume and effectiveness of healthcare, and so increases health inequity. The issue is not confined to the developing nations. According to an EU report, 41% of those questioned say there is corruption in the public healthcare sector. Some 43% say the same in the US.

The most obvious short term impact of corruption in this sector is on patient safety. For example, patient safety is compromised where regulatory processes that have been circumvented by bribe paying, or when licences granted for poor manufacturing facilities result in poor quality medicines. Bribe paying and corrupt procurement practices at wholesalers or and distribution centres are one way that substandard and counterfeit drugs enter the supply chain. Inappropriate influence, sales team incentives or incentives offered to HCPs can all lead to a conflict of interest and, irrational prescribing, where the treatment given isn’t in the best interests of the patient. Mis-marketing and false claims also put patient safety at risk.

Corruption in healthcare also reduces patient access to healthcare. Diversion of resources due to corrupt activities can mean primary care treatment is not available both directly and indirectly. It is easier to divert funds when building hospitals and other healthcare infrastructure and so corrupt government departments may prefer to spend their funds on such projects rather than on much needed primary care. Lax procurement procedures and tender processes allow siphoning off of funds, resulting in less money available for medicines and services. Low level corruption can happen at clinic level, for example treatments that should be free are diverted for resale. Absenteeism also reduces access to healthcare if doctors and nurses don’t attend because salaries are low, and there are other incentives to work elsewhere.

If medicines are too expensive then patients cannot pay and healthcare is compromised. The cost of healthcare to the patient can increase if practitioners demand informal payments, or patients are referred for unnecessary diagnostic testing where kickbacks are paid to the supplier or providor. A recent EU study showed this to be a significant issue in many Eastern European countries. Price inflated drugs and irrational prescribing strain health budgets, meaninging governments spend a disproportionate amount on drugs, reducing access to other forms of treatment. Over-priced drugs can be a result of corruption in price fixing, lobbying against generic manufacture or compulsory licensing arrangements. Unchecked, this means healthcare costs increase with little or no increase in healthcare benefit.

The long term impact of corruption is a degraded healthcare systems, with reduced health outcomes.

The diversion of resources resulting in less treatment availability will mean governments are not able to achieve their long term health goals. A Transparency International study demonstrated a direct link between the incidence of bribery in a country and the achievement of the MDG on maternal health. Those countries with high rates of bribery did not achieve these goals due to corrupt activities, such as theft of allocated funds using false registers. Systemic corruption leads to a weak health system and a lack of trust between the patient and the practitioner. This lack of trust means health warnings are not heeded and can lead to significant delays in an emergency situation or the achievement of development health goals.

Corruption can happen at any point in the healthcare supply chain. As well as hurting corporates and governments, corruption in healthcare has a direct impact on its victims. It is important to understand how it impacts the delivery of healthcare, and to take preventative action to mitigate the risks, if we are to achieve our health goals.