

# PROJECT POLICY BRIEF

**Project No.: 217431** Assessment of patient payment policies and projection of their efficiency, equity and quality effects: The case of Central and Eastern Europe

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**Title:** Informal patient payments in Hungary

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## Informal patient payments in Hungary

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### SUMMARY

Informal payments for health care services are still an important policy challenge in Hungary. These payments are mostly considered as the heritage of the socialist system; however, they still represent a notable source of financing health care services – even 20 years after the change of the communist regime. In the last decades, several Ministry Committees and policy measures have addressed the problem of informal payments in Hungary (including media campaigns against informal payments, the increase of the salaries in the public sector as well as the introduction of co-payments for health care services) without appreciable results. However informal payments violate the principles of transparency of the processes and the accountability of the actors in health care system which leads to the inefficient use of health care resources. Also, informal payments produce inequalities in access of health care.

In 2010 as a part of research project ASSPRO CEE 2007 a household survey was carried out to reveal informal payments of health care consumers for health care services as well as their attitude towards these payments. According to the results of the research project the Hungarian population pays regularly informally for health care services. Informal payments are the most widespread in inpatient care, where half of the health care users pay informally. Also, health care consumers are rather tolerant towards informal payments, more than half of the respondents have positive or indifferent attitude towards these payments.

Fundamental changes in the health care system should be considered to achieve appreciable results concerning the eradication of informal payments (e.g. the regulation of health care services that health care consumers are entitled for as well as their quality attributes, the increase of the role of private financing). The change of the attitude of the health care consumers towards informal payments should be also crucial.

**Data pool**

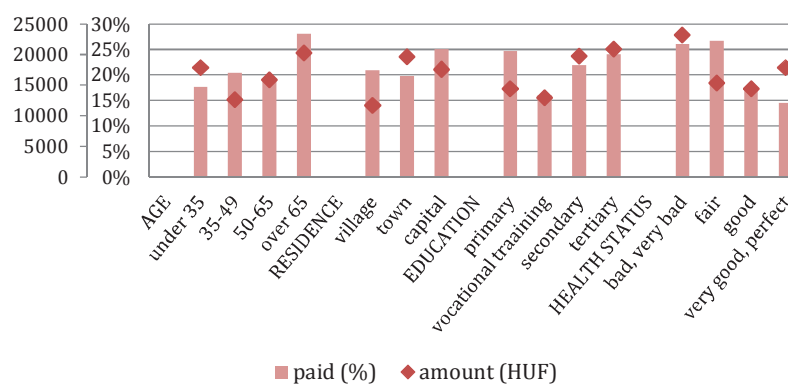
The findings are based on the results of a representative survey carried out in July 2010 among Hungarian households as the part of project ASSPRO CEE 2007. In total, the sample consists of 1037 respondents. Respondents were asked about their utilization and payments for health care services during the previous 12 months period as well as about their attitude towards informal payments.

**Past informal payments of households for physician services**

As much as 80% of the respondents used physician services (including primary care, out-patient specialist care, excluding dental care) during the previous 12 months, on average 5-6 times per year. 21% of those who visited physicians paid informally for these visits, on average 16 900 Ft (60 EUR) during a one year period.

**Informal payments – physician services in different social groups**

*Columns show the ration of those who visited physician and had informal payments for physician services; Dots show the average amount of the payments.*

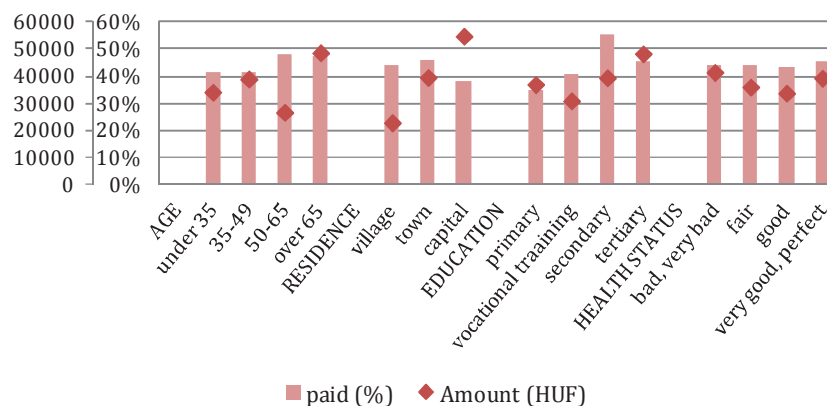


The probability of paying informally for physician services increases with age and worsening health status. The average yearly amount of informal payments for physician services is also the highest in the oldest age group and for health care users with the worst health status. Higher educated health care users spend more on informal payments for physician services compared to lower educated health care users. This might be explained by their better income situation and also, they are more likely to be willing to invest in their health. Informal payments are the most frequent in the capital compared to towns and villages. The average amount of the yearly informal payment for physician services is the lowest in the villages.

As much as 21%-of the respondents used hospital services (including one day surgery) during a 12 month period. In hospital care informal payments are rather widespread, almost half of the respondents (44%) had informal payments on average 37 300 Ft (131 EUR) a one year period. The probability of paying informally increases with the age of the health care users. The amount of the payment is also the highest for users above the age of 65. Health care users from the capital are less probable to pay informally for hospital care, however the average yearly amount is the highest in the capital compared to towns or villages.

### Informal payments – hospital care

Columns show the ration of those who were hospitalized and had informal payments; Dots show the average yearly amount of the payments.

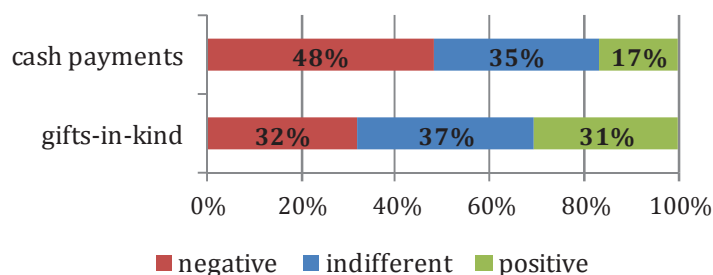


### Attitude towards informal payments

Hungarian population is rather tolerant towards informal payments. Less than half of the health care consumers (48%) have negative attitude towards informal cash payments, while 35% of them are indifferent and 17% have positive attitude. Gifts in kind given to the health care personnel are even more tolerated in Hungary, 68% of the health care consumers are indifferent or have positive attitude towards gifts in kind.

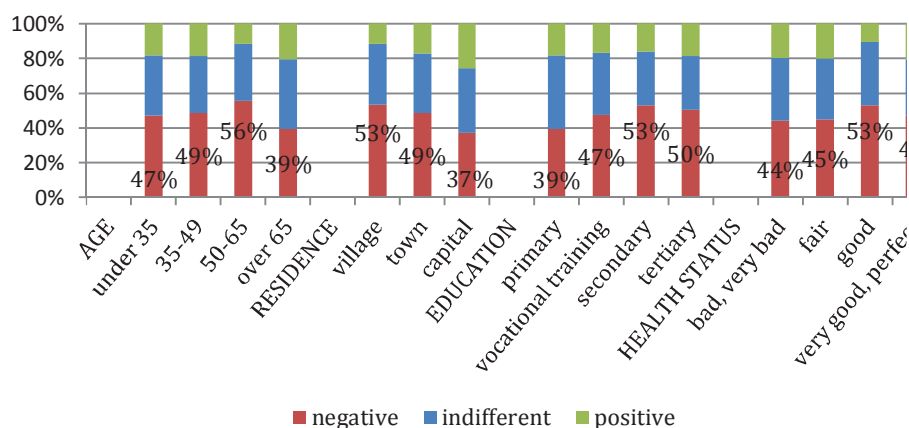
### Attitude towards informal payments

Figure show % of actual and potential health care users



Health care consumers over the age of 65 are the most tolerant towards informal payments compared to other age groups (39% of them has negative attitude). Lower educated health care consumers are also more tolerant towards informal cash payments compared to health care consumers with higher education. Concerning the place of residence, health care consumers from the capital are the most tolerant (37% of them has negative attitude), while health care consumers from villages are the least tolerant towards informal cash payments.

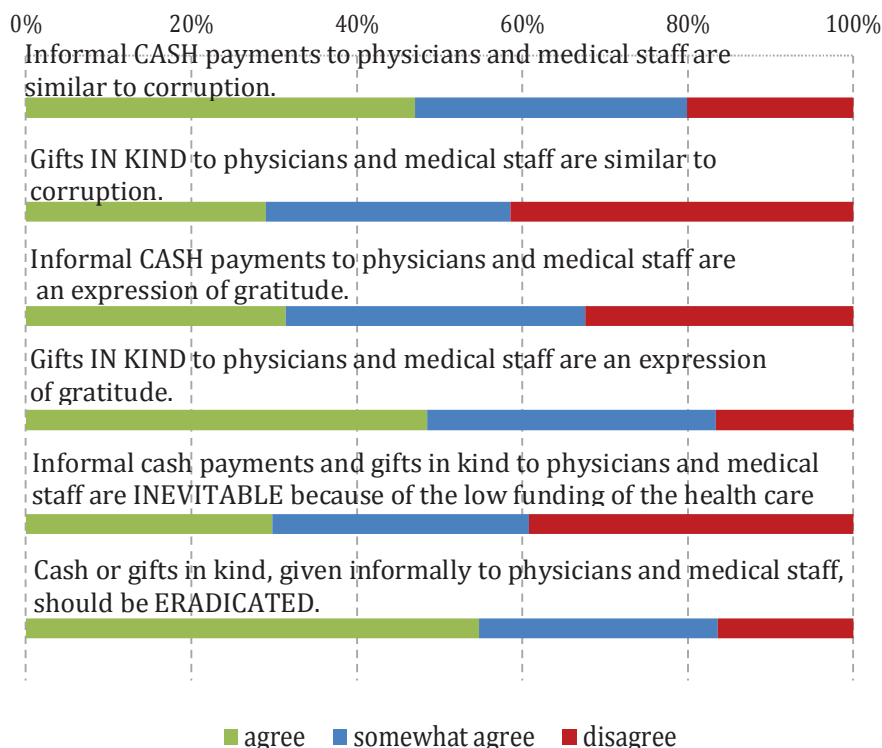
### Attitude towards informal payments in different social groups



#### Opinion about informal payments

Most of the health care consumers (84%) rather agree that cash or gifts in kind, given informally to physicians and medical staff, should be eradicated. 80% of the health care consumers agree that informal payments are similar to corruption. At the same time according to 68% of them informal cash payments are the expression of gratitude. Less health care consumers consider that gifts in kind are similar to corruption (59%), while more (83%) agree that these gifts are an expression of gratitude. In total, 61% of the respondents agree that informal cash payments and gifts in kind to physicians and medical staff are inevitable because of the low funding of the health care sector.

#### Agreement with the following statements



**Main findings**

Hungarian population pays regularly informally for health care services. Informal payments are especially widespread in hospital care, where about every second user pays informally to the medical staff. For those, who paid informally for hospital care, the average yearly amount of informal payments is 131 EUR, which accounts for 4% of the average yearly pension or 4% of the minimal salary in Hungary in 2010. Informal payments might cause a relevant financial burden to health care consumers, especially for the elderly. This population group is associated with worse health status and they are the most frequent users of health care services.

Hungarian population is also rather tolerant towards informal payments. Elderly, low-educated health care consumers as well as consumers from the capital are the most tolerant towards informal cash payments. Nevertheless, the majority of health care consumers agree that informal payments (especially cash payments) are similar to corruption and should be eradicated.

**Key policy recommendations**

- Informal payments are not only the heritage of the socialist period but the concomitant of the present health care system as well. Thus, the issue of informal payments cannot be handled as a separate problem to solve. Fundamental changes in the health care system should be considered to achieve appreciable results concerning the eradication of informal payments. First, these changes should address the clear regulation of health care services that health care consumers are entitled for under the coverage of the social health insurance. Regulation should clearly cover the quality and access requirements of these services.
- Informal payments indicate the willingness of the health care consumers to pay for health care services provided with better quality and/or access. Thus, policy makers should examine the possibilities of the extension of private financing (e.g. in the form of formal payments or private insurance) for services or 'quality' not covered by the social health insurance. However, special attention should be paid on these payments not to lead to inequalities in access.
- The change of the attitude of health care consumers towards informal payments should be addressed by policy measures. Health care consumers should be informed about their rights for health care services, as well as about the ways and forums they can complain about the occurring abuses. Information about the quality of health care services provided by different health care facilities should be accessible for the public. At the same time it is necessary to deal with the prevalence of corruption not only in health care, but also in other segments of the economy.
- However our findings considered the attitude of consumers towards informal payments, health policy measures on informal payments should consider also the beneficiaries of these payments. The beneficiaries of these payments should be compensated; otherwise this powerful group of physicians might have the power to block changes in health care system.

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