Tackling integrity violations in health: experience from OECD countries

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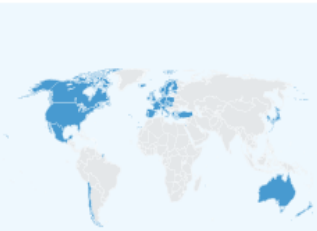
BETTER POLICIES FOR BETTER LIVES

Outline

1. Introduction: Much more than corruption and fraud……
2. Framework for categorizing integrity violations
3. Inappropriate business practices
4. Conclusion: broadening the discussion to ineffective spending and waste

THE OECD: KEY FACTS AND NUMBERS



35

Member Countries

59%

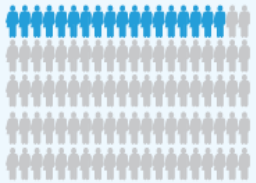
World GDP

2 thirds

World Trade

95%

World Official Development Assistance



18%

World Population

€370

Million

Annual budget (2016)

2 500

Staff

300

Committees & Working Groups

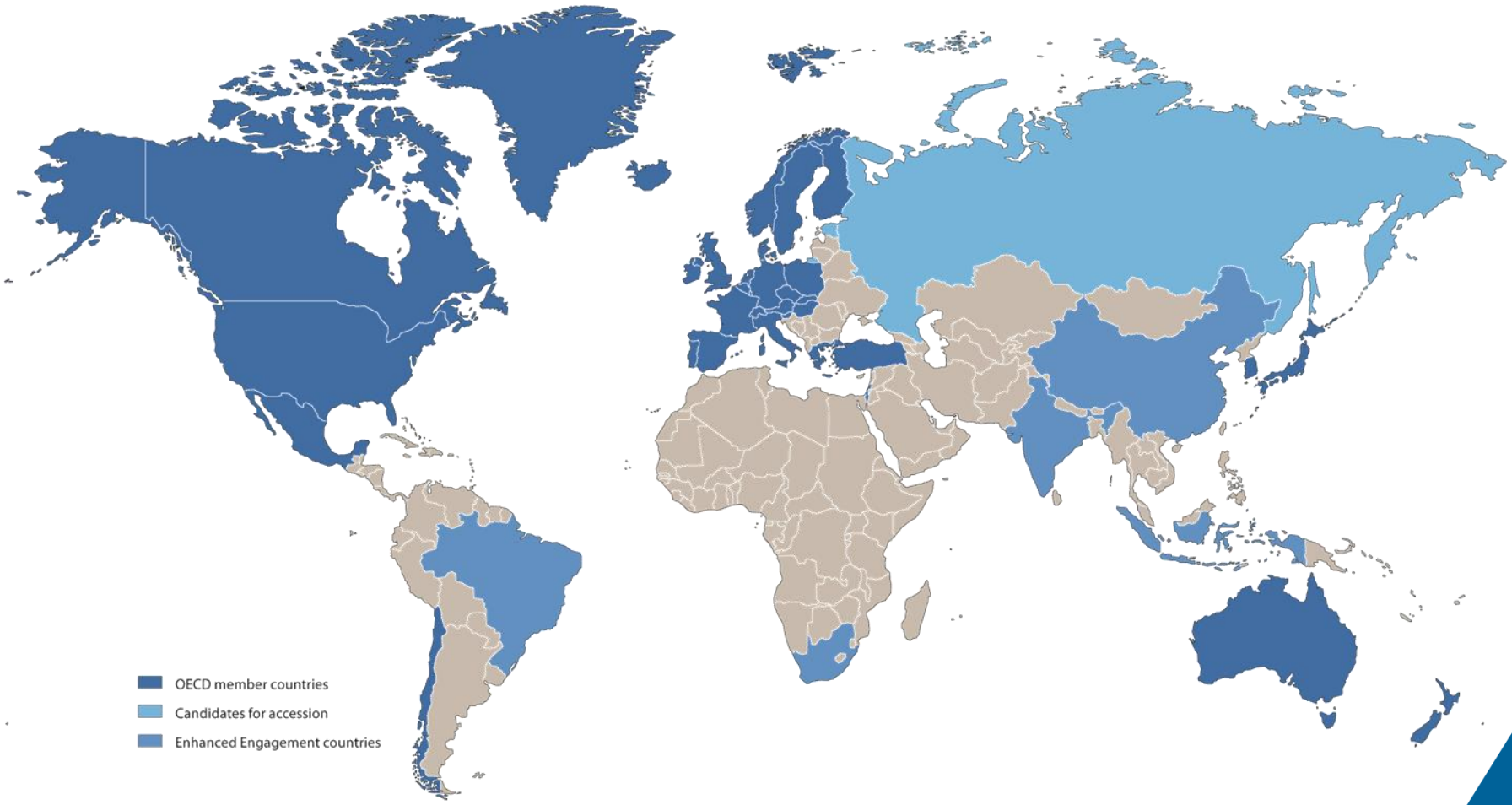
115 000

Delegates

250

New publications per year

More than just “developed countries”

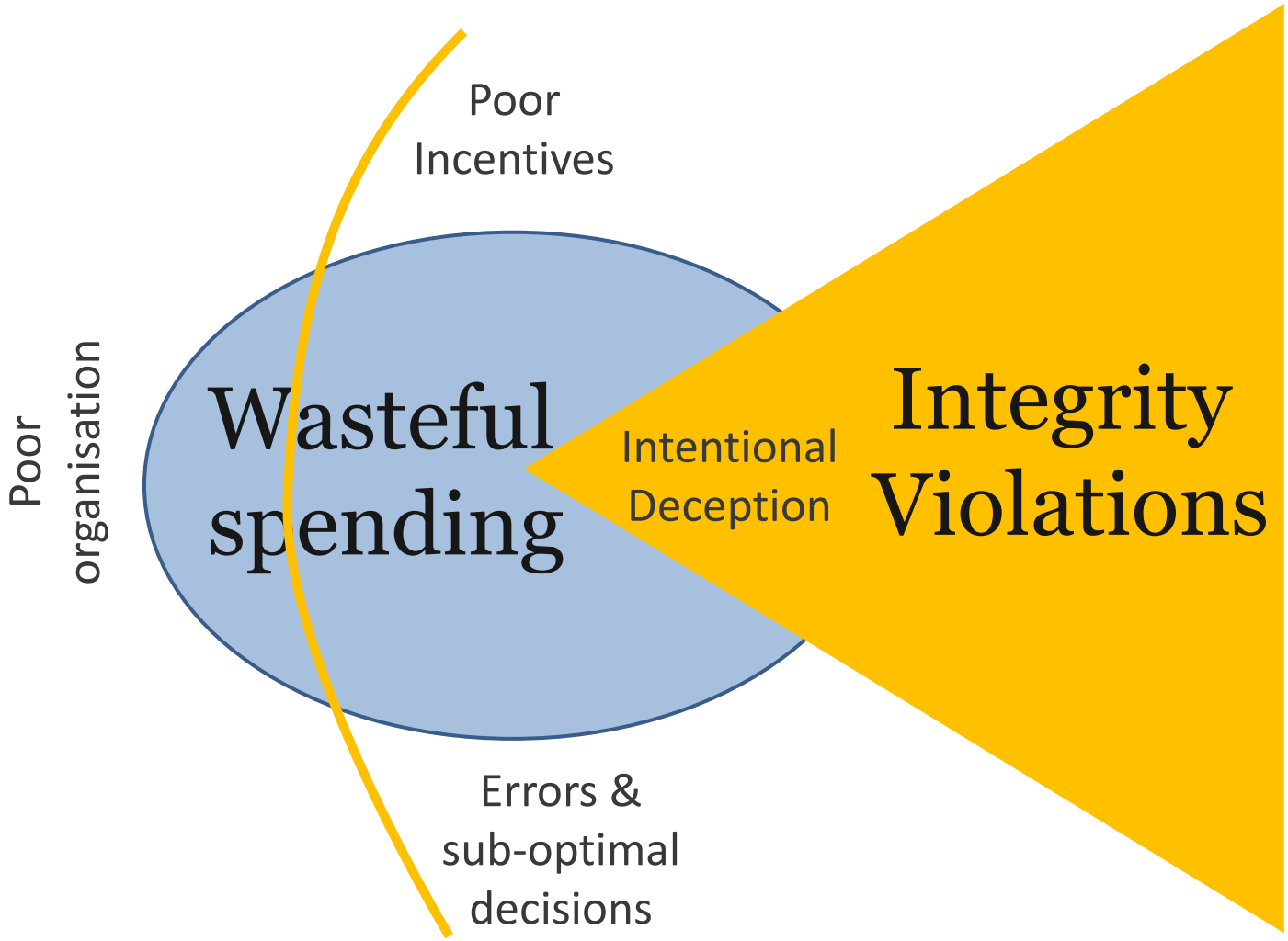


Introduction: Wasteful spending on health

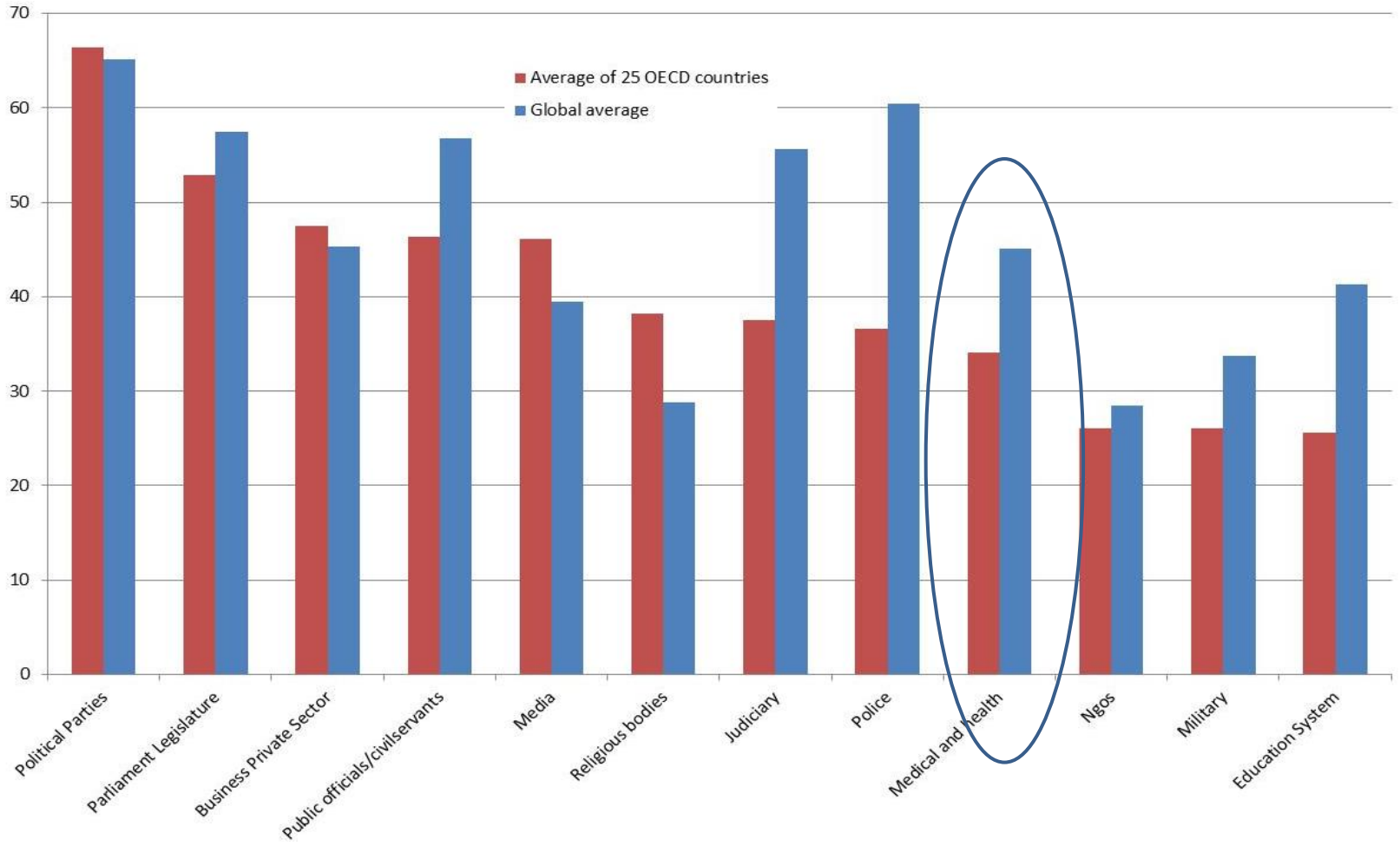
Up to a fifth of health spending in OECD countries is at best ineffective and at worst, wasteful

- Services and processes which are harmful or do not deliver benefits;
- Excess costs which could be avoided by replacing them with cheaper alternatives with same benefits.

A different angle of attack but overlapping issues



Fraud, corruption and abuse also prevail in OECD health systems



Percentage of the population which considers sectors corrupt or extremely corrupt globally and among OECD countries

Investigation-based measurement

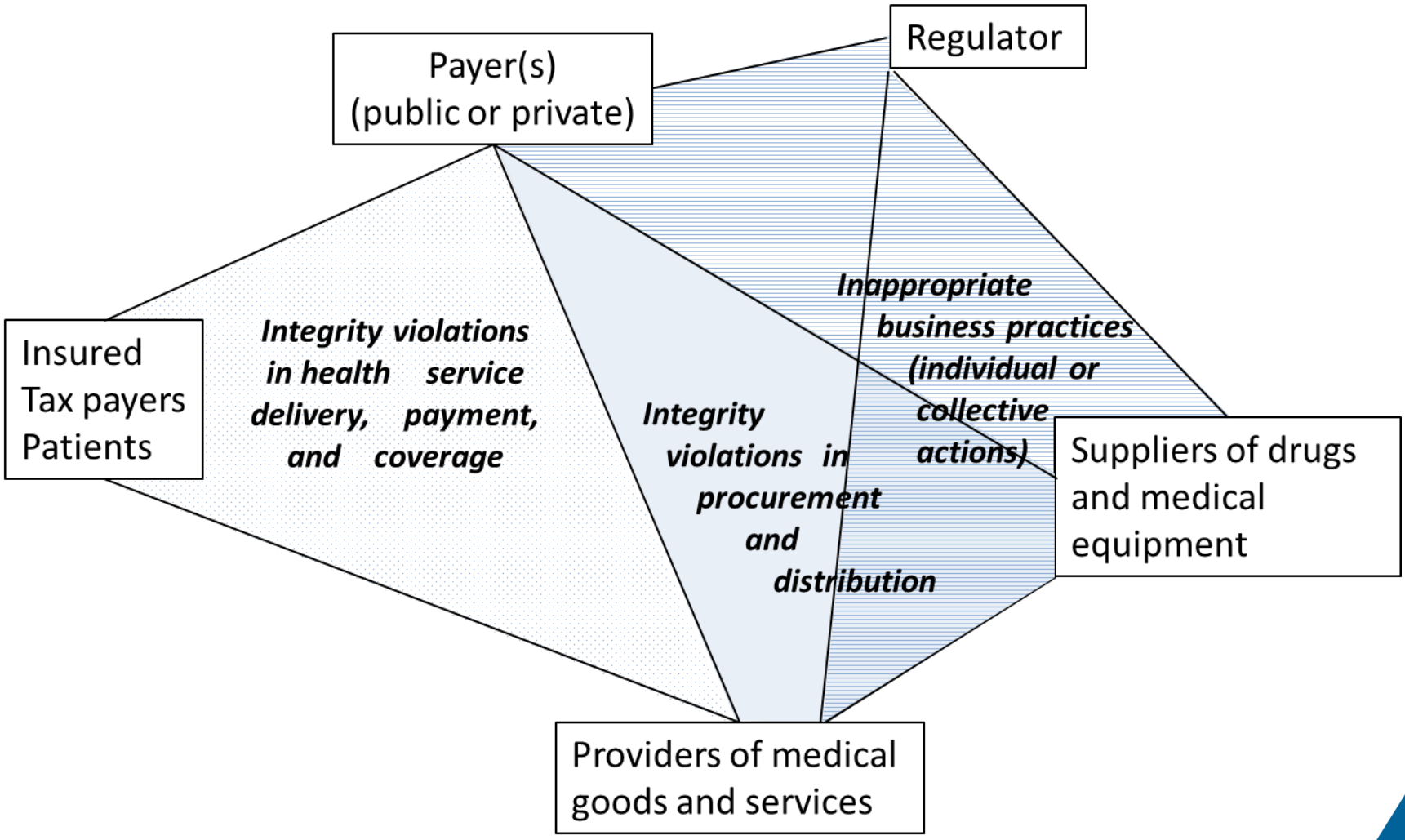
- Examples
  - The Netherlands: wrongful claims EUR 53 million in 2014, actual fraud proven EUR 18.7 million
  - United States (CMS) reported USD 2.3 billion recovered in restitution in Medicare, Medicaid and the CHIP in 2014 ($6.01 recovered per $ invested)
- Gee and Button (2015):
  - data from 33 organisations in 7 OECD countries
  - Sound methodology
  - loss to fraud **and error** averages at 6% of related health expenditure

Categorizing integrity violations in health

- Five categories of actors involved in integrity violations in health (either as perpetrator or victim):
  1. Providers of health services
  2. Suppliers and manufacturers of medical goods
  3. Payers (public or private)
  4. Regulator (government and involved agencies and individuals)
  5. Individuals (patients, taxpayers, insured persons)

  (Savedoff et al. 2001; 2011)

Framework for integrity violations in health



Approaches to detecting/tackling integrity violations in service delivery and financing

- Diverse institutional set-ups
  - dedicated departments in a central-level institution – e.g. a ministry (Australia, Belgium, Portugal and the United Kingdom),
  - Nine countries explicitly delegate the responsibility to detect and address fraud and abuse to payers – public (USA: use of contractors) and private;
  - In some countries, fraud falls under the general purview of anti-corruption agencies which that can investigate health-sector issues

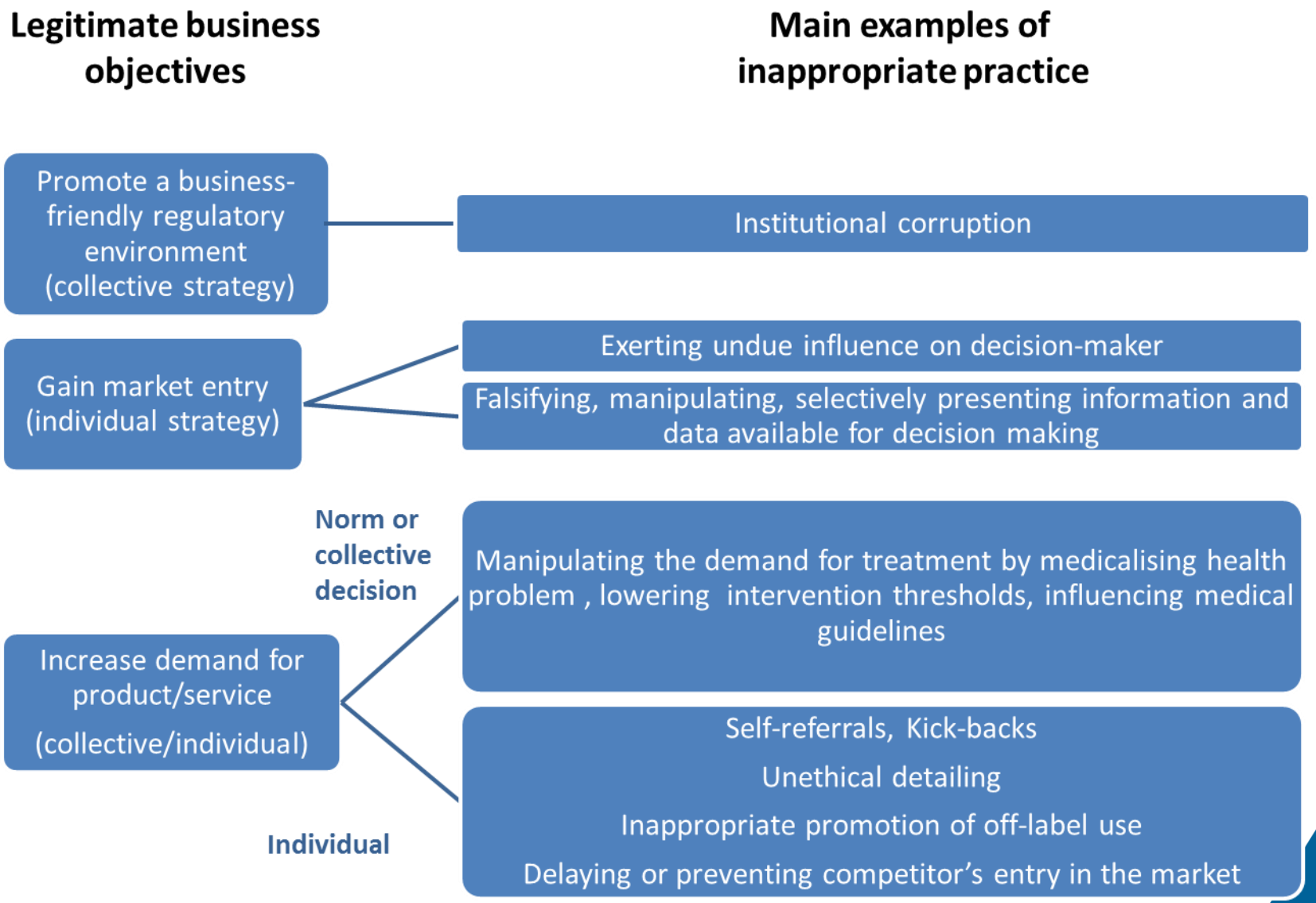
Approaches to detecting/tackling integrity violations in service delivery and financing

- More or less proactive detecting strategies
  - Investigate complaints, regular audits
  - Hotlines
  - Use of statistical and data-mining tools
- Responses must be graded, comprehensive and credibly enforceable
  - Engaging providers to obtain consensus on what is appropriate
  - Recognize there is room for errors and professional judgement
  - Communication and benchmarking , new rules to limit abuse
  - Investigation (specialised teams incl. health professionals) and sanctions as necessary (administrative, professional or legal)
  - Regular publication of results (Belgium, France, the Netherlands, UK Kingdom, US) is a powerful deterrent

II. Inappropriate business practices Capturing the essence of a multifaceted problem

Levers (and how they might be misused)	Intermediary target	Ultimate target
Direct funding Grants and donations leading to financial dependence of beneficiaries to carry out their missions **Financial incentives** Stake in commercial success (% of sales, shares, etc.), also self-referral, kickback, consultancies **Free-of-charge provision** Provision (of equipment, samples, etc.) to create later demand **Other gratifications** (hospitality, gifts) **Direct Persuasion** Inappropriate marketing techniques, misleading advertisement, detailing, media, direct marketing to consumer **Indirect persuasion** Generation or presentation of evidence to the scientific /patient community to influence guidelines and professional recommendations (Disease boundaries (disease boundaries, intervention threshold, treatment protocols, indications and off- label use)	**Patients association** **Specialized or general press** **Scientific societies** **Research institutions** **Scientific journals (and conferences)** **Opinion leaders** **Institutions providing initial and continuing education**	**Patient** demanding treatment **Prescriber** guiding the choice **Regulator:** involved in standard setting and safeguarding patients safety **Payer** or entities who decide inclusion of treatment on positive list (increases patients capacity to pay)

Inappropriate business practices: Drawing the line



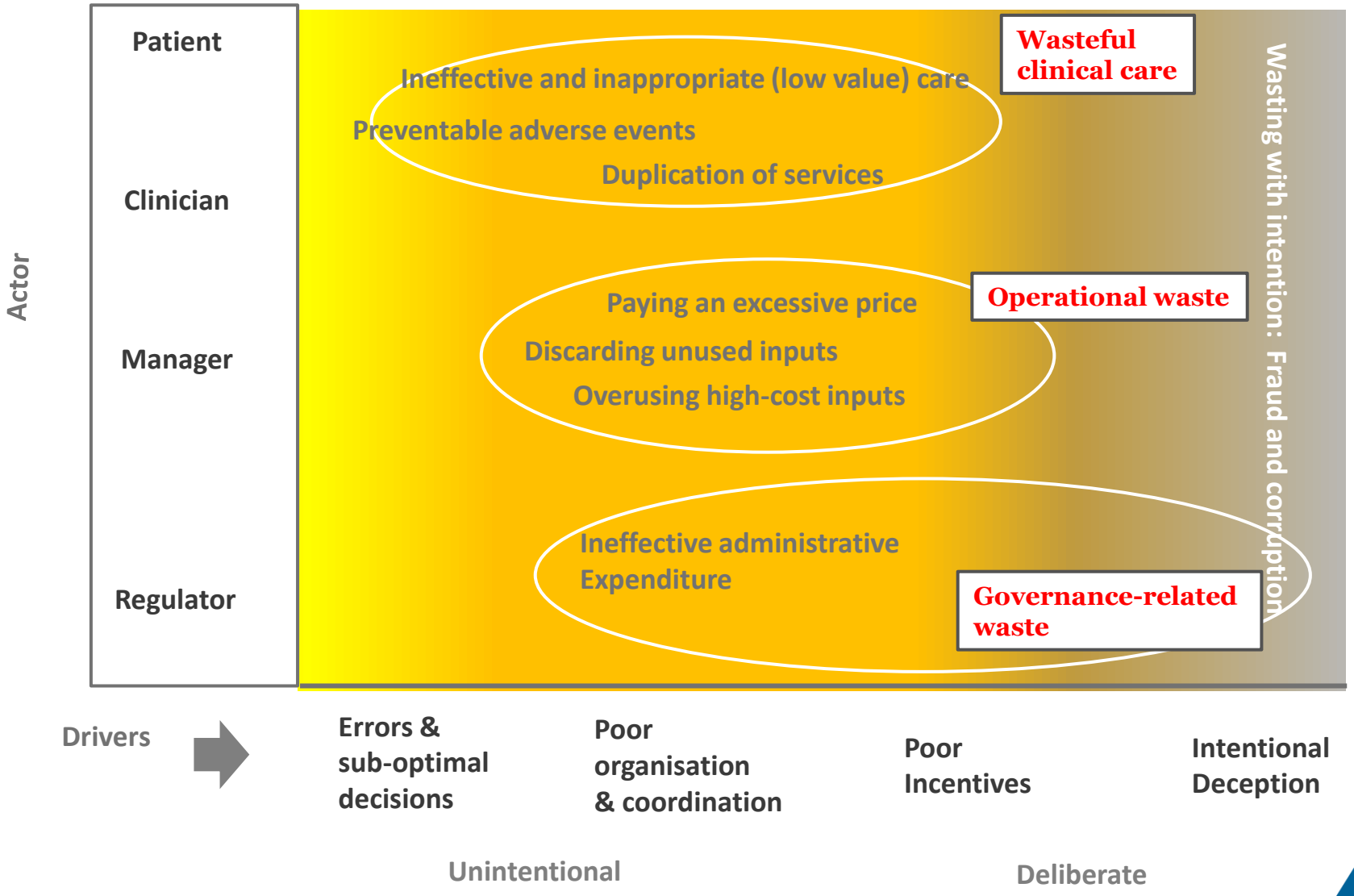
Tacking inappropriate business practices Self-regulation is the main tool

- Industry
  - Codes of conducts
  - Pharma more proactive than the device industry;
  - European Federation of Pharma Industries and Associations – disclosure of transfers of values (as of 2016)
  - Adherence is voluntary, ultimately enforcement not measured
- Physicians, researchers, academic institutions, etc.
  - Conflict of interest policies
  - IOM 2009:
    - CoI policies should be mandated, disclosure insufficient, prohibit certain practices, provide rules for others, etc.
    - Overall, CoI policies rarely met best practice criteria

Tacking inappropriate business practices: Regulation

- Increasing (often prompted by scandals)
- Domains of regulation:
  - Activities overly be driven by self-interest (kick-back, self-referrals, sale of medicines by physician)
  - Marketing practices
    - Direct to consumer advertising
    - Gifts, gratuity, sponsoring of conference
  - Disclosure
    - Of financial ties and transactions (Sunshine laws)
    - Clinical trials data
- Quality of enforcement remains a concern

Ineffective spending and waste: the broader picture



Conclusions and next steps

- Integrity violations are a concern in OECD health systems.
- In the last decade, integrity violations have gained increasing attention but remain a sensitive topic.
- Very uneven efforts to tackle the various problems
- One element of a larger puzzle – combatting ineffective spending and waste in health systems

Thank you for your attention!

Any questions or comments*?*

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