

Good Governance in Health

by

Dr. H. Sudarshan

Ex - Vigilance Director (Health)

&

Chairman, Task Force on Health

Government of Karnataka

Task Force on Health and Family Welfare Final Report

12 Major Issues of Concern

1. Corruption
2. Neglect of Public
3. Distortions in Primary Health Care
4. Lack of Focus on Equity
5. Implementation Gap
6. Ethical Imperative

Task Force on Health and Family Welfare Final Report

12 Major Issues of Concern

7. Human Resource Development
8. Cultural Gap and Medical Pluralism
9. From Exclusivism to Partnership
10. Ignoring the Political Economy of Health
11. Research
12. Growing Apathy in the System

Year	Score	Rank	First Rank	Last Rank
1995	2.78	34/41	New Zealand	Indonesia
1996	2.63	45/54	New Zealand	Nigeria
1997	2.75	44/54	Denmark	Nigeria
1998	2.90	66/85	Denmark	Cameroon
1999	2.90	72/99	Sweden	Cameroon
2000	2.80	69/90	Finland	Nigeria
2001	2.70	71/91	Finland	Bangladesh
2002	2.70	71/102	Finland	Bangladesh
2003	2.80	83/133	Finland	Bangladesh
2004	2.80	90/145	Finland	Bangladesh & Haiti
2005	2.90	88/158	Iceland	Bangladesh & Chad
2006	3.30	74/163	Iceland	Haiti
2007	3.50	72/180	New Zealand	Myanmar/Somalia
2008	3.40	85/180	Denmark	Somalia
2009	3.40	84/180	New Zealand	Somalia

Corruption in India

Transparency International India

- **Transparency International India & ORG-MARG Research Pvt Ltd - An empirical study**
- **Covered Ten Sectors: Police, Health, Education, PDS, Land Admn., Judiciary, Taxation, Railways, Telecom.**
- **Most Corrupt: Police Least Corrupt: Telecom**
- **East: Health is most corrupt**
- **North, South & West : Police is most Corrupt**
- **Health & Power Sector have maximum impact on society**

The Epidemic of Corruption in Health Services National Level

- **Health: Perceived to be 2nd most corrupt sector**
- **Maximum interaction with the public - 8%**
- **Maximum impact on society - 8.1 Crores of people**
- **Health Contributes highest: 7,578 Crores out of 26,728 Crores - 40%**
- **Payment of Money through hospital staff**
Money demanded from North 25% - South 38%
Doctors: 77% Hospital Staff: 67%

The India Corruption Study 2005 by Transparency International India

State	C. Index	Rank
Kerala	240	1
Him Pradesh	301	2
Gujarath	417	3
Andhra Pradesh	433	4
Maharashtra	433	5
Chattisgarh	445	6
Punjab	459	7
West Bengal	461	8
Orissa	475	9
Uttar Pradesh	491	10

State	C.Index	Rank
Delhi	496	11
Tamil Nadu	509	12
Haryana	516	13
Jharkhand	520	14
Assam	542	15
Rajasthan	543	16
Karnataka	576	17
M.P.	584	18
J & K	655	19
Bihar	695	20

Corruption Index & Ranking of Services

Need Based Services		
	C. Index	Rank
RFI (Farmers)	22	1
Income Tax	35	2
Municipalities	47	3
Judiciary	59	4
Land Admin	59	5
Police	77	6

Basic Services		
	C.Index	Rank
Schools	26	1
Water Supply	29	2
PDS	37	3
Electricity	39	4
Govt. Hospitals	42	5

History of Karnataka Lokayukta

- **Mysore State Vigilance Commission, 1965**
- **Karnataka Lokayukta Act, 1984**
- **Karnataka Lokayukta Rules, 1985**
- **Amendment to Karnataka Lokayukta Act,
Sept. 1986**
- **Prevention of Corruption Act, 1988**

Karnataka Lokayukta Act

The public servants who are covered by the Act include:

- **Chief Minister**
- **Ministers and Members of the State Legislature**
- **All Officers of the State Government**
- **Chairman, vice-Chairman of Local Authorities, Corporations.**
- **Persons in the service of Local Authorities, corporations, Societies registered under the societies Registration Act, Co-operative Societies and Universities established by or under any law of the Legislature.**

Karnataka Lokayukta

- Police Wing – Traps and Raids
- Judiciary Wing – receives complaints and sends reports
- Technical Wing – Engineers, Accountants etc for investigations referred from Judicial wing
- Administrative Wing - Registrar

Karnataka Lokayukta Progress

- **Honb'le Lokayukta with his team visited all the 27 districts & 175 Talukas in Karnataka I**
- **Visits with prior intimation**
- **Visited District hospitals, SC/ST hostels, Anganwadis, Remand homes, Municipalities, Treasury offices, Taluka and District offices**
- **Grievance Redressal through public hearing 100-180 cases**

Inspection by Lokayukta

- Land & Buildings –repairs, water & electricity, cleanliness, encroachments
- Equipment maintenance – down time
- Human resources: Stay at Head Quarters, punctuality, vacancies, absenteeism, alcoholism, chronic illness, performance, non-operating surgeons & Ob&G
- Quality of services: Non-clinical. Nursing – bed-making, TPR & other charts, STGs, Rational Drug Use, Ambulance, Waste Disposal, Mortuary

Inspection by Lokayuta

- Corrupt practices - making the health staff return the bribe amounts. Monitoring by AMO – warning, Show cause Notice, Charge sheet, inform Lokayukta
- Problem solving and decision making, enabling and capacity building
- User fee utilization – procurement
- Citizen's Charter
- Grievance redressal
- Follow up – Inspection notes & Compliance

The Epidemic of Corruption in Health Services

Corruption in Hospitals

a. Corruption in service delivery by the following:

- **Ayaas/ward boys**
- **Contract workers**
- **Technicians**
- **Administrative Staff**
- **Nurses**
- **Pharmacist**
- **Doctors**
- **Specialists**

The Epidemic of Corruption in Health Services

Corruption in Hospitals

b. For the following Services

- **Admission**
- **Issuing Medical certificates**
- **Laboratory**
- **X-ray, Scanning**
- **Transporting patients**
- **Referrals**
- **Medical & Surgical emergency services**
- **Elective Surgeries**
- **Deliveries**
- **Postmortem**
- **Blood Transfusion**

The Epidemic of Corruption in Health Services

Corruption in Hospitals

Various forms of Corruption by Doctors and Para Medical Staff:

- **Private practice**
- **Nursing Homes (owned by spouses, relatives & business partners)**
- **Referrals to Private Hospitals/Diagnostic Centers**
- **Theft/Selling of drugs & surgical items**
- **Misuse of User Fee**
- **Owning Pharmacies/Blood banks**
- **Excess of assets over income – False declaration of assets**

The Epidemic of Corruption in Health Services

Corruption in Civil Works: Construction of PHCs, CHCs, Taluka & District Hospitals and Repairs.

Corruption in Administration: at offices of District Health, Directorate & Secretariat for the following

- **Recruitment & Postings,**
- **Transfers & Promotions**
- **Sanctioning Leave, Medical reimbursement**
- **Monitoring Private Practice & Absenteeism**
- **Suspension and Reinstating**

The Epidemic of Corruption in Health Services

Corruption in Medical Education

- **Sanctioning New Colleges - Medical, Nursing & ISM&H**
- **Increasing seats of Nursing Colleges**
- **Admissions**
- **Examination: bribes for examiners-Undergraduate & PGs**
- **Recruitment of Teaching Staff**
- **Registration in KMC.**

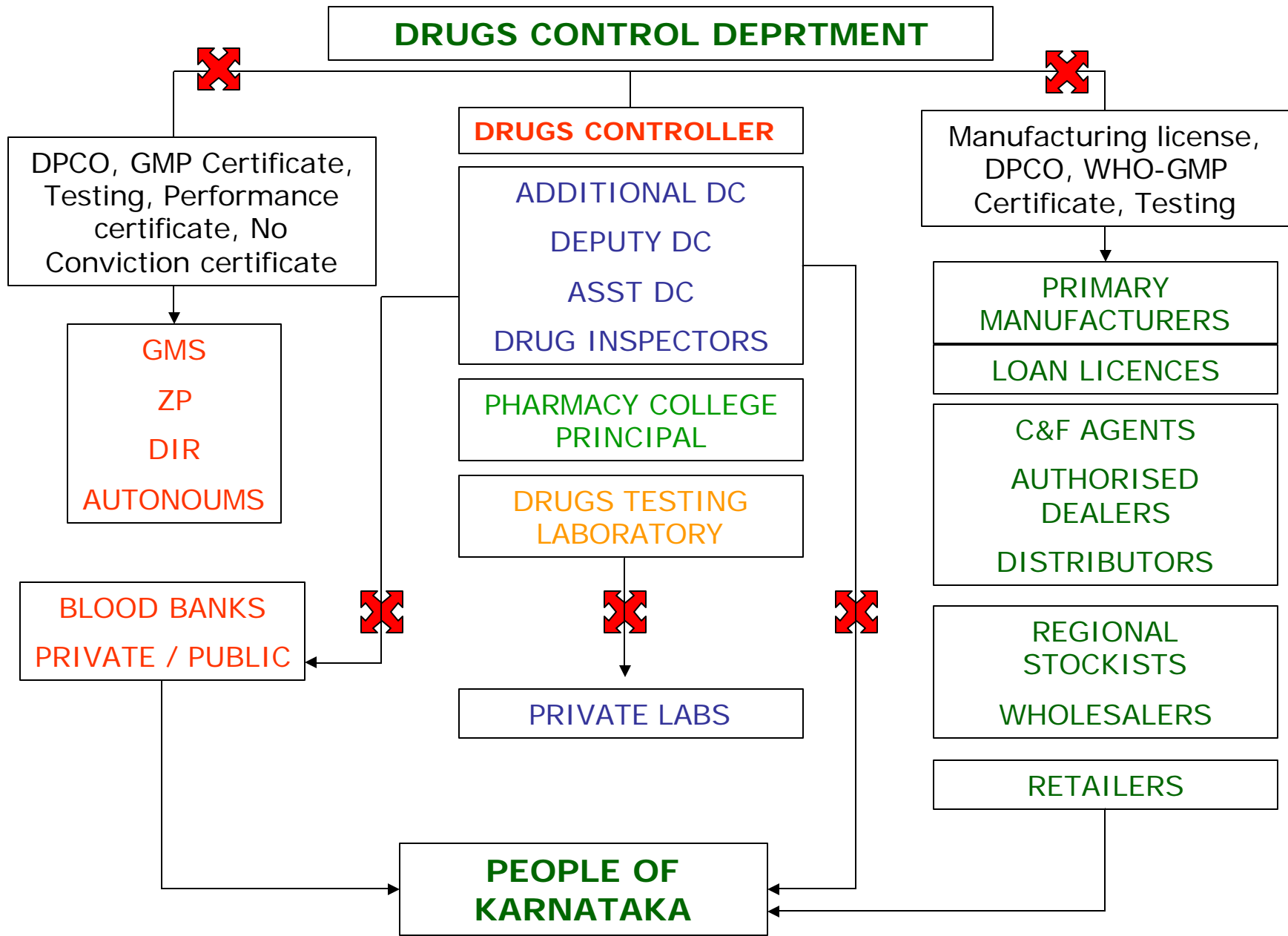
Epidemic of Corruption in Health Services

Drugs Control Department

- **Lokayukta ride on Drugs control Department – wide spread corruption - mamools**
- **Manufacturing License: Inspection of units for fresh & renewal - less than 20%**
- **Drugs collected during inspections – Low**
- **Indiscriminate issue of Loan licenses & product permissions to Loan Licensee**
- **50% of the Medical shops do not have qualified pharmacists – hardly 14 prosecutions**

Epidemic of Corruption in Drugs Control Department

- **2268 samples declared “Not of standard Quality” including 126 spurious drugs – very few prosecutions**
- **No action initiated on those who supplied spurious drugs to Health department**
- **Violation of DPCO – people of Karnataka have paid nearly 100 crores in excess**
- **Complaints given by public & institutions were not attended.**
- **Trading of blood by Unlicensed Blood Banks & chemists, HIV infected blood sold**

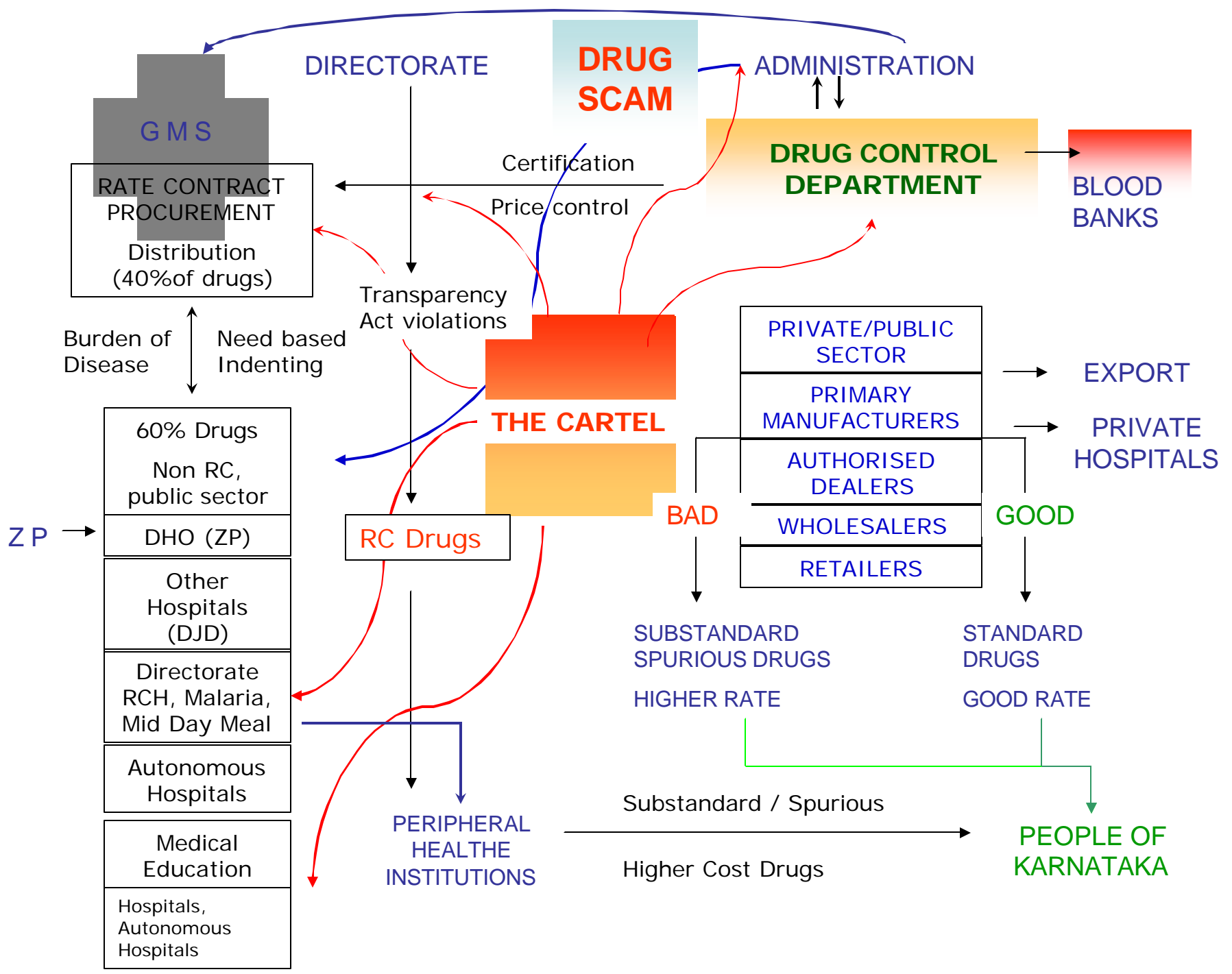


Corruption in Procurement of Drugs

- Purchase of Non Essential Drugs – Nimesulide Tabs 18% of budget
- IV fluids scam – Bypassing HAL and buying from PDPL
- Decentralized Corruption in Procurement of drugs by Zilla Panchayaths – buying spurious and substandard drugs from unlicensed manufacturers – excess price.
- Sigma scam – forged documents

Corruption in Procurement of Drugs

- **Indenting drugs**
- **Drug List - EDL**
- **Drug specification & Quantification**
- **Dealers/Primary Manufacturers/Small scale Industries/Public Sector Companies**
- **Tenders : L1**
- **Placing orders & Supply**
- **Quality testing**
- **Black listing**



Corruption in procurement of Equipment

- Dialysis machine worth 5 lakhs bought for 11.6 lakhs by DME and at 12.6 lakhs by KIMS – Hubli
- Equipment for removing Cholesterol was bought for 60 lakhs and used only once
- Gulbarga ZP bought X-ray machines in 1992 and they were not installed till 2004.
- Corruption in Indenting, specifications, not looking at market rate etc.

Corruption in Private Health Sector

- Corruption in Procurement of Equipment
- MNCs are also corrupt
- Tax evasion and Unqualified staff
- Poor quality
- Commissions for diagnostics CT, MRI, Lab Investigations
- Surgeries (Hysterectomies) and procedures (Angioplasty) which are not indicated

Lessons from other Anti-corruption Institutions

By

Dr. H.Sudarshan

Karuna Trust

**National Health Service (NHS)
United Kingdom**

**Counter Fraud & Security
Management Services
(CFSMS)
NHS CFSMS**

Results so far:

Pharmaceutical Patient Fraud

- 1st Pharmaceutical Patient Fraud Exercise (1998/1999) - £117 million lost to fraud
- 2nd Pharmaceutical Patient Fraud Exercise (1999/2000) - £69 million lost to fraud
- 3rd Pharmaceutical Patient Fraud Exercise (2002/2003) - £47 million lost to fraud

**THIS £70 MILLION REDUCTION HAS BEEN ACHIEVED BY
MEASUREACTIONMEASURE**

Results So Far:

Dental patient fraud

- 1st Dental Patient Fraud Exercise (2000/2001) - £40.3 million lost to fraud
- 2nd Dental Patient Fraud Exercise (2001/2002) - £30 million lost to fraud
- 3rd Dental Patient Fraud Exercise (2003/2004) - £21.1 million lost to fraud

**THIS £19.2 MILLION REDUCTION HAS BEEN ACHIEVED BY
MEASUREACTIONMEASURE**

Results So Far:

Optical patient fraud (Eng & Wales)

- 1st Optical Patient Fraud Exercise (1999/2000) - £14.4 million lost to fraud
- 2nd Optical Patient Fraud Exercise (2001/2002) - £11.07 million lost to fraud
- 3rd Optical Patient Fraud Exercise (2005/2006) - £8.96 million lost to fraud

**THIS £5.44 MILLION REDUCTION HAS BEEN ACHIEVED BY
MEASUREACTIONMEASURE**

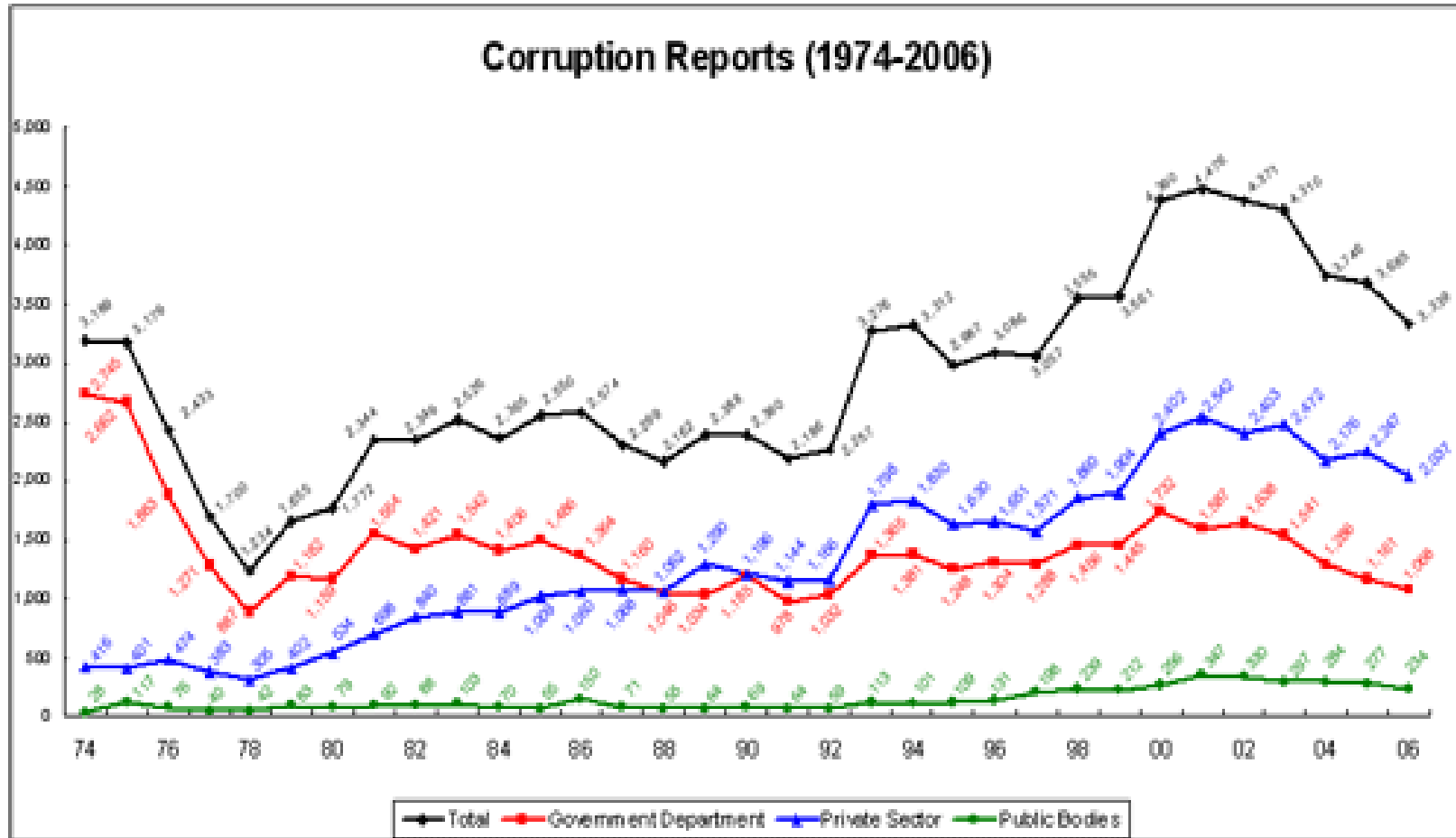
Key messages

- **Fraud is serious – it deprives the NHS of the resources it needs to provide patient care.**
- **The majority of those who work in and use the NHS are honest.**
- **Tough action will be taken against those who defraud the NHS.**

**Independent Commission
Against Corruption
(ICAC)
Hong Kong**

HONGKONG

Independent Commission Against Corruption (ICAC)



Reforms in Health Services

- Drug Logistic Society – Procurement of Essential Drugs improved – Essential drugs available in all PHCs & Hospitals
- In a few districts the No. of Health staff staying in head quarters has dramatically improved by good and efficient DHOs
- The corruption in procurement of equipment is reduced
- Compliance on Inspection notes is good.

Reforms for Good Governance in Health Services

- **Proactive Lokayukta – Ombudsman for PRI and active Monitoring – institutionalize the reforms**
- **Vigilance cell in Health Department – Strengthen and Capacity building – Expertise**
- **E-Governance: HMIS – Program and HRM, computerize transfers, recruitment, promotions, e-procurement, Web site for transparency and accountability**
- **Integrity Pact – black listing and debarring**
- **Effective Management and Supervision by Administrators and senior staff – Field visits**

Reforms for Good Governance in Health Services

- **Training in Health & Hospital Management – Effective Monitoring of Stay at the HQ, Private practice, absenteeism, Decision Making & Problem solving**
- **Leadership Training**
- **Health staff Welfare: Salaries, benefits, non-monetary incentives, grievance redressal mechanism.**
- **Hospital & Health Committees – Citizen’s Charter, Report card system**
- **Public grievance redressal at various levels**

Prevention of Corruption

- **Peoples Movement: *bottom up process* – Peoples forum to prevent and fight corruption.**
- **Promote Values - Value based education**
- **Awareness to make use of Right to Information Bill And Transparency Act**
- **Whistle Blower's protection**
- **Strengthen Consumer Forum**
- **Electoral Reforms**
- **Coalition Against Corruption – NGO net work**

Conclusion

- **Mere Technological Packages can improve the health outcomes marginally**
- **Good Governance can provide quantum jump in the health outcomes**

THANK YOU