



Mobilising Against Fraud

- **An estimated 30 to 100 billion euro per year are lost as a result of corruption in the health care system**
- **Prevention is economically far more important than the prosecution of criminals**
- **EU anti-fraud office in development**

Health care systems are among the biggest and financially most intensive business sectors in industrialised countries. Nevertheless, not all of the funds flowing into health care end up in the right coffers. Bernhard Schwarz of the health economics organisation Österreichische Gesellschaft für Gesundheitsökonomie estimates that the substantial amount of three to ten percent of health expenditures in the EU is lost as a result of fraud and corruption.

“Throughout the EU, this is between 30 and 100 billion euro per year, 0.5 to 1.7 billion of which is attributed to Austria alone,” reports Martin Kreutner, corruption expert at the Austrian Federal Ministry of the Interior and speaker at the European Health Forum Gastein.

The damage arising from crimes such as the misuse of insurance benefits and the acceptance of illegal “incentives” from decision-makers such as politicians or doctors has yet another, broader dimension to it: according to Kreutner, corruption creates injustice and this is the best medium for breeding further corruption. Bernhard Schwarz points to the loss of trust which corruption and fraud entail: “When health and social systems are not reliable, this has serious political consequences: the willingness to invest public means will perceptibly decrease.”

In order to effectively battle corruption and fraud, Kreutner recommends the endorsement of a general culture against corruption and fraud instead of repressive measures. He advocates preventive and educational measure in order to increase the public’s awareness of the problem.

In contrast, Bernhard Rupp of the IMC University of Applied Science (IMC FH Krems) in Krems, Austria refers to the effect of deterrence measures with a view to Great Britain: the British national health system has switched to a zero-tolerance policy. What appears less than above board is investigated. “Some areas in the public health system were able to ‘save’ more than 50 percent of their funds”, Rupp reports.

The IMC FH Krems has in fact assumed a key position in the efforts to hinder corruption and fraud in health care. In the Health Care Management programme health care managers and employees of social insurance carriers and public offices are trained in the prevention and fight against non-transparent business practices. In this regard the IMC cooperates on an international level with experts from Transparency International, the world’s most important NGO in the battle against corruption. “The first and most important step for improving the situation is the development of a clear and uniform body of law,” says Christian Thoma, head of the Health Care Management programme. “Corruption often begins with a grey area in which the permissibility of certain behaviours is not clear. Thus, this grey area has to be kept as small as possible or compelled to disappear. When there are clear limits they can be

overstepped, yet most people are deterred from this at the outset. For this reason a large share of possible illegal practices can be prevented with transparent legislation.

The second step is the establishment of efficient control mechanisms. The deterrent effect of efficient monitoring is evident. "If the risk of getting caught is commensurately high, small-scale forms of corruption will disappear first and as a result, there will no longer be an environment which facilitates the "large-scale" forms, says Thoma.

In general, the prevention of fraud and corruption is of far greater significance than uncovering criminal activity: "Catching perpetrators of fraud is important for moral reasons, but minimising the extent of illegal practices from the outset is more important in economic terms," says Thoma.

Nowhere than the United Kingdom is fraud within health care services being fought so vehemently. Yet many other countries are now mobilising against fraud: in Austria officials are currently attempting to gather all those involved in the health care system from doctors and pharmaceutical companies to social insurance carriers to shed light on the darkness in the jungle of regulations, track down conflicts of interest and discuss solutions: how many secondary occupations is a physician allowed to pursue? What discounts is the pharmaceutical industry permitted to approve without being suspected of bribery? In accordance with the goal of these efforts, an EU anti-fraud office will be installed shortly. Yet in addition to such an office, Kreutner insists that above all true and straightforward political willingness, the participation of all those involved in the health care system and maximum transparency are needed.

Further information and abstracts from the lectures for the Risk/Benefits Communication workshop:

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