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Review

Defining informal payments in healthcare: A systematic review

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ABSTRACT

Objectives: To explore the literature for the definitions of informal payments in healthcare and critically analyze the proposed definitions. This will serve in the process of getting to a coherent definition of informal payments, which will further support acknowledging and addressing them globally.

Methods: A search strategy was developed to identify papers addressing informal payments on PubMed, ScienceDirect, Econlit, EconPapers and Google Scholar.

Results: 2225 papers were identified after a first search. 61 papers were included in the systematic review. Out of all definitions provided, we selected three definitions as being original. All other definitions either cite these definitions or do not provide new insight into the topic of informal payments. Although informal payments have been nominated by various terms over the years, there is a tendency in recent years towards an agreement to use this singular term. Definitions differ in terms of the relation of informal payments with other informal activities, their legality and the motivation behind them.

Conclusions: The variety of forms which informal payments may take makes it difficult to define them in a comprehensive manner. However, we identified a definition that could serve as a beginning in this process. More effort is needed to build on it and get to a commonly accepted and shared definition of informal payments.

1. Introduction

Informal payments in the health care sector are becoming an increasingly urgent and debated issue, especially in developing and transitional countries in Central and Eastern Europe (CEE); the Former Soviet Union (FSU); Central, Eastern and Southern Asia; Africa and South America [1–3]. The phenomenon is having an impact on patients, healthcare providers, and the system as a whole [4]. The topic has been extensively documented, in terms of the motivations for informal payments, their diverse form, the magnitude of the payments, and their wide implications for health care system performance. However, in this research informal payments are defined in various ways, due to the lack of a generally recognized and accepted definition [5,6]. The need has been noted for further research on the definition of informal payments, the motivation for offering and accepting them, and the related arguments and solutions for policy in various health care systems [5,7].

1.1. Impact on the healthcare system performance

In the CEE region, informal payments have been reported in virtually every country, except for Slovenia [8]. In the Czech Republic, the reported rate of informal payments is very small [9,10]. Widespread information has been reported from Hungary [2,4,5,11], Bulgaria [12,13], Greece [14,15], Turkey [16,17], Albania [18–21], Russia [22], Georgia [23,24], Poland [25,26], and Romania [12,27–29].

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Informal payments data have been also reported from South Asian countries, such as Bangladesh, India, Nepal, Pakistan and Sri Lanka [30]. In Africa, informal charging has been depicted as customary in Uganda [31], Mozambique [32], Rwanda [33], and Ethiopia [34]. In South America, informal payments have been reported in Bolivia [35]. The phenomenon is also encountered in China [36], Kazakhstan [37,38] and Kyrgyzstan [39].

The importance and magnitude of the phenomenon are underscored by recent studies. The declared frequency of informal payments, for example, ranged from 3% in Peru, 20% in Bulgaria and 21% in Albania, to 87% in Georgia, 91% in Armenia, and 96% in Pakistan [3,13]. A comparative study in 2002, focusing on four countries in the CEE region (Czech Republic, Poland, Hungary and Romania), found that informal payments accounted for almost half of total out-of-pocket payments; moreover, in Romania they were found to be a barrier for lower socio-economic groups' access to care [12]. In terms of their prevalence in Romania, 69% of respondents to an AID's (Association for the Implementation of Democracy) survey in 2010 declared that they offered informal payments to health care workers [40]. However, in a 2010 household survey, only a quarter of those interviewed admitted to having offered informal payments for inpatient care during the previous year [28].

In financial terms, the estimated amount of informal payments in Hungary in 2001 was 1.5–4.5% of total health care expenditures [41]. In Poland and the Russian Federation, informal payments represented 30% and 56% of total national health care expenditures, respectively, while in Azerbaijan the amount reached 84% [42]. However, comparison to Organization for Economic and Co-operation and Development (OECD) data suggests the estimate for Poland may be higher than in reality. According to OECD, private household expenditures have been around 30% in the past 20 years, and informal payments could not account for all private expenditures [43].

Aside from their impact at an individual level, informal payments also affect the performance of the health care system where they appear [5]. The effect is mediated by their influence on the distribution of services and resource allocation. Moreover, informal payments are contributing to the obstruction of health care reform, since they create a strong incentive for individuals in high hierarchical positions to block reform attempts [5,13]. The effect of informal payments on health care efficiency and equity is highly dependent on the mechanisms involved, which are reflected in the definitions of informal payments: (1) are they offered voluntarily or do people feel obliged to pay informally? Or (2) do they arise from gratitude or represent a price mechanism (copayments)? This discussion has been summed up by Gaal and McKee, who proposed two alternative hypotheses: *donation* and *fee-for-service* [5]. The donation hypothesis rests on socio-cultural and ethical explanations and involves a totally voluntary action on the patient's part, whereas the fee-for-service hypothesis emphasizes shortage and always involves a certain degree of coercion. As has been observed, coercion is not necessarily or primarily external but also internal. Although the two hypotheses seem contrasting and mutually exclusive, they may coexist [5]. In fact, it is their co-existence that challenges the definition of informal payments and policy efforts to address them.

1.2. Addressing informal payments

Most of the papers reporting on informal payments recommend finding appropriate methods to eliminate them [7]. However, to complicate things further, informal payments can exert positive effects on health system performance. For instance, it has been reported that even small amounts of money can incentivize physicians to remain in the public system [5]. Still, the extent to which the positive effects counteract the negative effects depends on how much of the payment belongs to the "donation type" and how much to the "fee-for-servicetype" [5]. But even if we assume that the bulk of informal payments are "fee-for-servicetype", we still need to demonstrate that informal payments are inferior to formal out-of-pocket payments with regards to the burden on the poor [39].

The mechanisms proposed to help eliminate informal payments include increasing official fees, finding appropriate incentives for health professionals, increased competition, improved accountability, a higher degree of community oversight and efforts to promote patients' rights [42,44]. The introduction of penalties for health workers who receive or ask for informal payments has also proved useful, although it is argued that health professionals' migration to the private sector could be a side effect [44]. Nonetheless, any policy needs to not only ensure high-quality services are provided, but also patients can be confident that they will receive those services without having to make informal payments [5]. As such, efforts should be made the re-establish the reciprocal trust relationship between patients and physicians. In this respect, defining informal payments in a manner that is neutral and non-judgmental will contribute to designing the most effective mechanisms to address informal payments.

1.3. Objective

Although informal payments have been acknowledged and studied in a multitude of settings, researchers' definitions differ, sometimes substantially. The objective of this paper is to explore the literature for the definitions of informal payments in healthcare and critically analyze the proposed versions. Thus, the paper will contribute to the effort of developing a coherent definition for informal payments, without which their study will be significantly affected. We are aware that national contextual differences exist; a definition of informal payments should acknowledge these differences, while reducing their influence on the definition as much as possible.

2. Materials and methods

2.1. Data sources

In order to identify papers relevant to the topic of informal payments, a systematic search was conducted on four major databases: Econlit, EconPapers, PubMed, ScienceDirect. Additionally, Google Scholar was used to find