From the President

Corruption in Medicine

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Corruption in health services is a worldwide phenomenon that constitutes a deadly and complex challenge, the Global Corruption Report noted in 2006.[1] The report estimates that the world spends more than $3 trillion dollars per year on health services. Such large flows of funds are an attractive target for abuse.

The report, by the non-governmental anticorruption watchdog Transparency International, stated: "Money lost to corruption could be used to buy medicines, equip hospitals, or hire badly needed medical staff." Potential gains from fighting corruption are immense and could result in better medical care, stronger judiciaries, and legitimate politics.

According to the report, corruption encompasses "bribery of regulators and medical professionals, manipulation on drug trials, the diversion of medicines and supplies, corruption in procurement, and overbilling of insurance companies." Corruption may favor construction of hospitals and the purchase of expensive high-technology equipment over primary-care programs. As resources are drained from health budgets through embezzlement and procurement fraud, less funding is available to pay salaries and fund operations and maintenance, potentially leading to demotivated staff, lower quality of care, and reduced service availability.[2]

Is this actually happening? An internet search accessed a report about a former executive director of facilities at St. Joseph Hospital in Lexington, Ky., who was found guilty for his role in a bribery and kickback scheme. As part of closing a deal with a contractor for the hospital he received $532,660 in bribes and kickbacks. He was sentenced to 27 months in jail. He pled guilty to one count of mail fraud and wire fraud. He was also ordered to pay back the $532,660.[3]

Interventions to Reduce Corruption.

The Cochrane Database of Systematic Reviews provided multiple definitions of corruption.[4] *Black's Law Dictionary*, 2nd edition, defines it as "illegality; a vicious and fraudulent intention to evade the prohibitions of the law" or "the act of an official or fiduciary person who unlawfully and wrongfully uses his station or character to procure some benefit for himself or for another person, contrary to duty and the rights of others." The Swedish International Cooperation Development Agency defines corruption as the abuse of trust, power, or position for improper gain, including offering and receiving of bribes, extortion, conflicts of interest, and nepotism.[5]

There is not much evidence regarding how best to reduce corruption. In the Cochrane review, the authors assessed a number of strategies that had been studied, starting with the least restrictive or intense:[4]

A media campaign that gives information about corruption and improves knowledge of what is corrupt behavior could change perceptions or motivate anticorruption activities. Reducing monopolies may limit corruption. The presence of more than one provider of a service or product may act as a disincentive to act corruptly. The authors believe that poor pay may motivate corrupt behaviors. Income supplementation and performance incentives for medical workers may reduce incentives for corruption. Legislation that mandates disclosure of information about decision-making processes could reduce motivation for corrupt behavior.

A German hospital prohibited doctors from accepting any benefits from the pharmaceutical industry. There was very low certainty of evidence that this was effective. The study reported no adverse effects. It did not mention that physicians might not learn about the latest developments in medications and products if industry representatives are not allowed interaction with physicians. The report did not evaluate the unintended consequences of shifting marketing efforts to television ads that are viewed by patients.[4] The constant barrage of such ads may create an artificial demand for products.

South Korea tried conducting on-site investigations of clinics for false and fraudulent claims in the hope of deterring excessive claims. There was very low certainty of evidence that this was effective.

The U.S. and India established an independent agency to improve detection of corruption. Enforcement of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) gave the Office of Inspector General the power to investigate and prosecute offenders. It increased the penalties for healthcare fraud, including improper coding and billing, such as upcoding a transient ischemic attack as a stroke. The Department of Health and Human Services, the Department of Justice, and other agencies have obtained more sophisticated computers to review payment trends and to spot improper billing. They have used manual reviews, education of providers, and provider enrollment screening. There was a mean decrease of 1.02 percent in upcoding after HIPAA. These efforts have high certainty of evidence, and they have recovered large amounts of money. The amount recovered exceeds by seven or eight times the amount spent on enforcement efforts. No adverse effects were reported.[4] AAPS, however, has found draconian fines and imprisonment of physicians for likely inadvertent coding errors, or even billing disagreements.

Three studies evaluated the work of the agency for improved detection and punishment of corruption in India. A retired judge and vigilance director visited every district in the state, where they investigated between 100 and 200 complaints on each visit, extensively used the media, and attempted legal and administrative changes at the state and national level. The study reported annual data for 4 years. The evidence showed that an independent agency might increase the number of complaints but might have little or no impact on the number of convictions in the health sector. Lack of convictions might be due to a complex

judicial system with its own integrity issues. Again, there is no mention of the costs to physician's practices, either of the financial or emotion toll, of being subjected to such an investigation.

From a study of internal control practices in community health centers,[6] there was evidence to suggest that fraud might be reduced by practices such as training in financial management, enforcement of vacation policies, using signature stamps, bonding employees, physical security reviews, issuing receipts for fees, reviewing specification for insurance quotes, entering financial data into records, and checking purchases. However, the certainty of evidence in the study was very low.

The Cochrane review did not include the potential role of patients in detecting corruption. When patients write the check, they will take the time to study a hospital bill. One of my patients received an invoice of around $100,000 for a hysterectomy, of which $68,000 was for the use of a robot. After the patient called the billing office and inquired about the use of the robot, the $68,000 was removed from the bill.

Given the size of the problem, and the lack of good evidence on effective ways to reduce corruption, there is a need to monitor the impacts of all interventions, including potential adverse effects. The Cochrane authors concluded that there is little evidence on how best to reduce corruption.[4]

Conflicts of Interest.

Lawrence Huntoon, M.D., Ph.D., a member of the AAPS board of directors and editor-in-chief of this journal, notes that the U.S. medical industry is rife with conflicts of interest, calling them the biggest form of corruption in the U.S. At the Oct 6, 2018, board meeting, Dr. Huntoon spoke about the GOLD guidelines for treatment of COPD.[7] A review of the GOLD Disclosure statements[8] reveals that all of the GOLD board members except one reported conflicts of interest greater than $10,000. Pharmaceutical companies that produce medications used to treat COPD were prominently featured as the source of payments to GOLD board members. All of the GOLD Science Committee members, who develop the guidelines, had financial conflicts of interest. The amounts of the payments received were not disclosed.

The GOLD guidelines list theophylline as a bronchodilator, but do not recommend that it be used because of potential side effects. A recent study reported by Criner and Celi found theophylline to be ineffective in preventing exacerbations of COPD.[9] The article admits that theophylline has been used as a bronchodilator for nearly nine decades and that more recently there has been a resurgence of interest in theophylline due to its purported antiinflammatory effects. The disclosure at the end of the article exposed potential conflicts of interest. The authors had received research grants and consulting fees from numerous pharmaceutical companies that produce newer medications for COPD. Needless to say, the newer medications are much more expensive than theophylline. Patients may be denied a good drug that is much less expensive after paid experts publish their opinions.

NBC Nightly News claimed on Nov 23, 2018, that half of doctors receive payments from industry. For example, a doctor had reportedly received $470,000 for consulting and research from Allergan, manufacturer of a product called Seri Surgical Scaffold, and also owns stock in the company. This came to light after a patient had a bad result from the product, which the doctor had recommended. The openpayments.gov, operated by the Centers for Medicare and Medicaid Services (CMS), is a "national disclosure program that promotes a more transparent and health care system by making the financial relationships between applicable manufacturers and group purchasing organizations and health care providers [physicians and teaching hospitals] available to the public."

Big Government Programs and Corruption

Katherine Tillman, R.N., scrutinized the structure of the Patient Protection and Affordable Care Act (PPACA or ACA) in the winter 2015 issue of this journal.[10] Her analysis showed that the architects of the ACA had a stated goal of a single-payer system. This goal created a conflict of interest as they built the infrastructure for a future single-payer system and caused irreparable damage to physician and patient independence. ACA architects had ties to leftist organizations such as the Center for American Progress as they promoted one company over another for government contracts. By the end of 2014, the Obama Administration had spent more than $834 million on developing the troubled website, HealthCare.gov. The total amount of spending may never be accounted for but was projected to exceed $2.2 billion. While legal battles ensued, politically well-positioned companies were called in to assess the problems. ACA architects promoted United Health Group/Optum to save the day. Optum is a managed-care corporation, a software and consulting business, and a pharmacy benefits manager. United Health Group/Optum's senior executive, Andy Slavitt, later became acting administrator for the Centers for Medicare and Medicaid Services (CMS). Data collection and analysis performed by a single entity with financial interests has always been regarded a professional conflict of interest. In her conclusion, Tillman noted that the ACA was in the hands of powerful, interlocking individuals and organizations, many of whom had been involved in healthcare reform since the Clinton Administration.

Bribery serves as life support for Chinese hospitals, according to a 2013 report by Kazunori Takada.[11] Corruption in China's public hospitals stems from doctors' low base salaries. Doctors and industry experts blame government policies for a system in which doctors expect to be paid extra fees to perform operations and to take kickbacks from pharmaceutical companies. A doctor just out of medical school in Beijing earns about $3,000 yuan ($490) per month, roughly the same as a taxi driver. One Chinese doctor who used to hold a senior position at a prominent hospital in Beijing said that 80 percent of his income came from bribes. An industry expert who has worked in China's medical sector for more than 15 years said that bribery and corruption permeate every level of a public hospital. Low base salaries are a legacy of China's planned economy, said Jia Xijin, associate professor at the school of Public Policy at Tsinghua University in Beijing, explaining the dilemma faced by the government. China is committed to making medical care affordable for its 1.37 billion people. The government has spent more than 2.2 trillion yuan ($358 billion) on the system since 2009, of which more than 680 billion yuan was to provide universal health insurance coverage.

A deadly form of corruption is counterfeiting of drugs in the pharmaceutical supply chain.[12,13] There are many methodologic problems with the available evidence on the effectiveness of interventions.

Adverse Effects of Anticorruption Interventions: the War on Doctors

In 1993 the Attorney General, Janet Reno, declared that health care fraud was the "number two crime problem in America" after violent crime. In 1995, the FBI director testified that cocaine traffickers in Florida and California were switching from drug dealing to health care fraud. The traffickers had discovered that health care fraud was safer, easier, and more lucrative than the drug trade and carried a smaller risk of detection. The FBI has estimated that 3 to 10 percent of Medicaid and Medicare budgets are lost to overpayment or an estimated $35 to $117 billion yearly.[14] These testimonies were part of the impetus for Congress to enact the Health Insurance Portability and Accountability Act of 1996 (HIPAA,) which contained tools similar to those used against violent crimes and the on war on drugs, enabling the government to use such tools against physicians. Agents and overzealous prosecutors were then able to target, arrest, and convict physicians for billing mistakes and drug diversion by patients as if they were terrorists or drug dealers. AAPS has reported on such cases over the years and AAPS general counsel Andrew Schlafly has aided a number of physicians who have been wrongly accused and imprisoned. Ronald T. Libby researched cases of devoted doctors who had no idea that they were engaging in any activity that could be remotely considered unlawful in his book *The Criminalization of Medicine*, an eye-opening book that should be read by doctors and patients.[15]

Conclusion

Fighting corruption is a complex challenge. Big government health programs invite corruption on a broad scale. Physicians have a role in identifying and countering corruption, but whistleblower protection is needed. Conflicts of interest, a major source of corruption, are rampant. Physicians must learn to deal capably with these conflicts, as by opting out of corrupt schemes. Unfortunately, physicians have been turned into political scapegoats in the war on drugs and healthcare fraud.

Medicine is still the noblest profession, and physicians must reaffirm their commitment to the primary mission of the medical profession—taking care of patients.

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