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Transparency in health programs

Transparency is an important tool for good governance, helping to expose abusive practices including fraud, patronage corruption, and other abuses of power. Increasing transparency can also enhance accountability by providing performance management information and exposing policies and procedures to oversight. This U4 Brief discusses the role of transparency in preventing corruption in the health sector.

Transparency and Good Governance

Board members and management teams in public and private health organizations occupy positions of trust, responsible for exercising entrusted power in pursuit of collective interests. Whether the groups whose interests they represent are citizens or shareholders, employees or donors, the governance structures of these organizations require that officials do not abuse their power or positions for personal gain. Ethical governance is judged by the standards of transparency, accountability, and fairness. Lack of transparency impedes communication, which can result in bad organizational decisions and poor performance. Transparency is seen as an essential lever to promote accountability and increase stakeholder engagement. Yet, transparency is not always easy to implement. Who is really responsible for transparency? What information should be shared, and with whom? To answer these questions, we must first examine the definition of transparency, and its different components.

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What is Transparency?

According to Transparency International, transparency is "a principle that allows those affected by administrative decisions, business transactions or charitable work to know not only the basic facts and figures but also the mechanisms and processes. It is the duty of civil servants, managers and trustees to act visibly, predictably and understandably."

By this definition, transparency is a code of conduct or set of rules to guide actions in health organizations. Looking closely at this definition, we see that transparency involves four things: something disclosed or communicated, an observer or recipient of the disclosed information, a discloser or person whose actions are being observed, and a means for the disclosure to take place.

Disclosure of information

First, transparency involves the *disclosure of information*, either proactively or when requested by someone who has a right to know. Freedom of Information legislation obliges governments to make information publicly available, especially information about budgets and organizational practices. These laws generally require citizens or civil society organizations to make a request to claim their right to access the information, however. For example, the newspaper *La Nación* in Costa Rica requested information about the non-contributory pensions accorded to board members of a social service agency. While the government initially denied the request, the court agreed that the journalists did have a constitutional right to this information.[1] Croatia, Ecuador, Guatemala, and Serbia all have recognized the right of citizens to access public information, although in each country more work is needed to assure that legitimate requests are fulfilled in a timely way. In recent years, more health organizations – both public and private – are adopting *active disclosure* policies, imposing transparency on themselves as a way to prove they are trustworthy, increase performance, and reduce risk of corruption.[2] Active disclosure policies do not require citizens to make requests. A study of budget transparency in 36 countries found that while virtually all countries make the executive's budget proposal publicly available, 25% did not make routine budget monitoring reports available, and 33% did not release audit reports.[3] Yet, this information is essential in order to hold governments accountable for budget performance, and to have informed debate about fiscal priorities.

For full transparency, the information disclosed should include not only the "facts and figures"but also the "mechanisms and processes" by which the work is accomplished. This is because in order to evaluate how someone in a position of responsibility has performed, both process and outcomes are valued: knowledge about how decisions were made may be just as important as what was decided or done. Applying this principle to an immunization program, we might ask not only how many children were immunized, but also why mobile clinics were held in some villages but not others. In addition to reporting how much was spent on immunization, the government should explain how it determined the quantities of vaccines to purchase, or how it chose the suppliers used. Table 1 gives an example of information which can be disclosed to promote transparency in the areas of budgets, medicines, and human resources.

1 Transparency International Global Corruption Report 2006, p. 148.

2 Fung, A., M. Graham, et al. (2007) - see further reading..

3 TI Global Corruption Report 2006, p. 316-317.

Observer's right to know

The second aspect of the transparency code is the observer, or recipient. Access to information is to be granted to those *affected by* the decisions, transactions, or work. In the health sector, this could include a range of stakeholders, including health center employees, patients, donors or funding agencies, other government offices, and citizen advocacy groups. Organizations which follow the active disclosure model of transparency should give thought to which audiences are affected by their actions, and try to target release of data specifically to these audiences.

A duty to disclose?

A third aspect of the code defines the disclosers of the information. Specifically, these are civil servants (government agents), managers and trustees. By the declaration that the disclosers have a "duty" to act visibly, predictably and understandably vis-à-vis the stakeholders or information recipients, the code implies that the disclosers are in a position of trust, and have obligations toward the stakeholders or the recipients of information. In the health sector, we may also expect transparency from doctors, nurses, pharmacists, and other clinical workers. A difficult balance must sometimes be struck between the goal of transparent conduct, and the need to protect the privacy of patients. Procedures to remove patient-identifying information or pool data can help to assure that confidentiality is not breached.

Acting *visibly* suggests that the civil servants, managers and trustees should not be hiding anything that is part of their institutional or fiduciary role (though they may still claim a right to privacy with respect to their personal lives), while acting *predictably* means that certain behavior is expected by people in their role, and that omissions of these acts, or actions beyond this prescribed role, should be explained or accounted for. Finally, acting "understandably" implies that the people affected by the actions can account for the motivations and interests of the person in the position of trust (the civil servant, manager, or trustee) and can assess or judge how the *motivations* and *interests* led to the actions.

Means of disclosure

The fourth aspect of transparency is the means of disclosure. As organizations consider ways to improve transparency, they must decide what format the disclosure should take, and the methods to be used in communicating or sharing information. Format includes whether the information is raw data (which allows for multiple analyses by the consumer) or pre-analyzed indicators. It is often more understandable to provide analysis and indicator reports, while also making the underlying data available upon request. Other types of data might include policy documents, procedure manuals, and minutes of meetings. Types of dissemination channels can include face-to-face meetings such as staff meetings, boards, councils, or advisory meetings, and web sites, e-mail listservs, and documents made available in public places or by mail.

Table 1: Information for Transparency

Area for transparency	Fact and figures	Mechanisms and processes
Budgets	• Budget requested, amount approved, and funds received • % of budgeted amount received within 1 months of budget approval	• What is the timing of the budget process? • How are priorities set for which programs or geographic regions will receive funding? • What are causes for delays?
Medicines	• Quantity procured • Unit prices paid • Suppliers used • % of procurements at or below the average international procurement price	• What kind of bidding process is used? • Who is involved in the selection of the winning supplier? • How does the organization decide how much to order?
Human Resources	• Number and names of personnel of each level • Job descriptions and qualifications for staff • % of staff who are qualified for post	• How are job openings circulated? • How are job finalists selected? • What are the criteria used to determine satisfactory or unsatisfactory performance, or to award promotions?
Quality of care and patient Satisfaction	• Top 5 problems cited by patients • % of patients who reported being forced to make an informal payment in order to receive care	• What aspects of the patient care process are responsible for the problems cited? • How are patient complaints recorded and handled?

Examples of transparency in health programs

In the United States, professional associations of the pharmaceutical industry and physicians have set limits on gift-giving. To monitor compliance with these codes of conduct, some state governments have passed laws mandating disclosure of payments to doctors by pharmaceutical companies. The disclosure laws promote transparency by assuring that the motivations and interests of the doctors and pharmaceutical companies are open to public scrutiny. However, when a university research team tried to access the information collected by government, they encountered many problems. In one state, data were available in summarized form, but not by individual doctor. The researchers had to submit a request under the Freedom of Information Act to access the full data set, and experienced a long delay. In addition, pharmaceutical companies were allowed to designate some payments as "trade secrets" not to be released beyond the government. In another state, the researchers were able to obtain copies of the actual forms filled in by pharmaceutical companies, but data had never been entered into a computer or analyzed by the state, and were incomplete and contained errors. The researchers made several recommendations for how to achieve the intended effect of the disclosure law. Recommendations included disallowing the "trade secret exemption", assigning one state agency to be responsible for collecting, analyzing, and reporting the disclosed information, providing penalties for non-compliance, and requiring the state to make data available to the public in an "understandable" manner.[4]

Creating "report cards" for hospitals and health facilities is another mechanism to promote transparency. Report cards are sometimes created by consumer watchdog agencies, private companies, insurance agencies, or government offices. Examples include the Colorado Hospital Report Card (www.cohospitalquality.org) whose stated purpose is to make hospital quality data available to the general public "in a clear and usable manner," and the Bangalore Citizen Report Cards, implemented by the non-profit Public Affairs Centre (PAC) of Bangalore, India. In 2000, PAC created a report card to measure health care services serving the urban poor. The report card indicated low patient satisfaction, poorly maintained facilities, and wide-spread corruption in the form of bribes and under-the-table payments for care. The study reported that only 43% of patients had access to usable toilets, and less than 40% had access to free medicines as required by government policy. After PAC worked with the Bangalore Municipal Corporation to implement reforms, an evaluation in 2004 found that services had significantly improved: cleaning and laundry functions had been outsourced for better accountability, qualified nurses had replaced untrained staff, a board of overseers had been created with elected Councilors and prominent citizen members, and a citizen charter was in place, defining rights of patients.[5] A Citizen Report Card Project in Uganda similarly found that the transparency initiative increased quality and quantity of health care service provision and improved health outcomes such as increased immunization rates and reduced waiting time.[6]

4 J.S. Ross, J.E. Lackner, P. Lurie, C.P. Gross, S. Wolfe, H.M. Krumholz. 2007. Pharmaceutical company payments to physicians: Early experiences with disclosure laws in Vermont and Minnesota. JAMA. 297(11): 1216-1223.

5 A. Ravindra. 2004. An assessment of the impact of Bangalore Citizen Report Cards on the performance of public agencies. ECD Working Paper Series, No. 12. Washington, DC: World Bank.

6 Gauthier and Reinikka. 2007. Methodological approaches to the study of institutions and service delivery: A review of PETS, QSDS and CRCS (see Further Reading list), p. 43-44.

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In Ghana, an MOH transport improvement initiative asked transport officers to calculate fuel utilization and display the results on a notice board. Immediately after the information was posted, average fleet fuel utilization jumped from 5.5 kilometers per liter to 6.3 km/liter, a 15% improvement. As the transparency initiative continued over several years, a 70% improvement in fuel utilization was achieved, dramatically reducing vehicle running costs. In contrast, researchers noted that in Cote d'Ivoire, lack of vehicle logbooks concealed abuses such as fuel fraud and unauthorized use of vehicles, making it difficult to hold managers accountable.[7]

"Achieving the goal of greater transparency in health care organizations requires that concerned stakeholders first develop a common understanding of transparency (...) "

Transparency also plays an important role in the governance of mandatory health insurance systems in Estonia and Chile.[8] Both countries established requirements for regular reporting of financial data and performance figures to their Boards and to financial authorities, while Estonia established a balanced scorecard linking the use of resources to the achievement of performance goals. In addition, both countries have used the internet to make financial and performance data available for oversight.

Other examples show the broad range of transparency initiatives which can improve accountability in use of public resources. According to WHO, sharing "white lists" of reliable and prequalified suppliers and sharing information on prices paid puts downward pressure on prices bid by suppliers and helps to reduce opportunities for bribes. Making hospital waiting lists public is a strategy being used in Croatia, to reduce the practice of patients bribing doctors to jump ahead in the queue. Analysis of publicly available budget information in Nigeria helped to debunk officials' claims that staff non-payment was due to budget allocations being insufficient, pointing instead to diversion of funds.

Challenges

While the advantages to transparency are clear, transparency initiatives also have costs and challenges for sustainability. Programs to facilitate regular releases of high quality, understandable information, and to make it available easily to those affected by decisions, can be expensive: for example, each Bangalore report card took 7 months and cost up to $12,000 to produce. As described in the U4 Case Brief "Transparency and Accountability in an Electronic Era: the Case of Pharmaceutical Procurement", it took over six months to produce a usable comparative database of HIV/AIDS medicines procurement data, and further training and systems improvements are needed to achieve full transparency in drug pricing information.

Transparency initiatives should be designed to minimize recurrent costs by focusing on the release of already collected government data, including budget monitoring and audit reports, and utilization data. In addition, report cards or other efforts in active disclosure should use standardized systems for data collection, reporting, and information dissemination which build on regular government operations. More work is needed to assess the costs of alternative interventions to achieve transparency, and to quantify the cost savings from fraud and abuse prevented.

Conclusion

Transparency is an essential feature of good governance, and a means for preventing abuse of power in the health sector. Achieving the goal of greater transparency in health care organizations requires that concerned stakeholders first develop a common understanding of transparency, before settling on priorities and strategies for implementation. By defining the information to be disclosed, the observer, the discloser, and the means for communicating information, organizations can achieve consensus on what transparency means and how to implement it effectively.

Further reading

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7 Abt Associates, Inc., Bill and Melinda Gates Children's Vaccine Program, WHO. February 2001. Transport in Primary Health-care, Composite Report, p. 27.

8 The examples of Estonia and Chile are drawn from William D. Savedoff's chapter, "Governing Mandatory Health Insurance: Concepts, Framework, and Cases," in a forthcoming book. See www.socialinsight.org