



FRANKLY SPOKEN

guidance for implementation of patient rights

Strategies with regard to fraud and corruption in the health care system

The Austrian Network for Transparency
in Health Care

Dr. Bernhard Rupp

To associate the health care system with phenomena like fraud or corruption and thus criminalizing it, was an absolute taboo in the past and for the most part, it still is.

According to the biblical wisdom “Thou shalt not muzzle the ox when he treadeth out the grain” (Deuteronomy 25:4) people were grateful for the rapid medical development, particularly in the last century, and a for long time they felt confident that the benefits of a health care system, which is becoming more and more complex and meanwhile has developed to an enormous health industry, outweigh the possible disadvantages, resulting from the increasing lack of transparency of a big industry (which meanwhile generates between 7 and 14 percent of the GDP in most Western industrial countries).

For centuries, allusions to the temptations and dilemmas in the conflict area between professional ethics and economy, which health care professionals are exposed to, have merely been found in poems, plays or crude stories¹.

¹ Eugen Roth, Einsicht - Der Kranke traut nur widerwillig – Dem Arzt, der's schmerzlos macht und billig. Lasst nie den alten Grundsatz rosten: Es muss a) wehtun b) was kosten. (Recognition - The patient only reluctantly trusts the doctor who does not hurt and is inexpensive. Never forget the old principle: It has a) to hurt, b) to be expensive.)

Gleichgewicht – Was bringt den Doktor um sein Brot? a) die Gesundheit, b) der Tod. Drüm hält der Arzt, auf das *er* lebe, uns zwischen beiden in der Schwebe. (Balance – What deprives the doctor of his bread? a) health, b) death). Therefore, so that the doctor lives, he keeps us in balance between these.)

Source: <http://www.vhd-heilpraktiker.de/humor/humor.htm> (Access on Oct. 22, 2005)

Eulenspiegel:

The 89th story tells how Eulenspiegel managed to cure all patients in a hospital within one day without using any medication.

Source: <http://gutenberg.spiegel.de/bote/eulenspg/eulen89.htm> (Access on Oct. 22, 2005)

Imprint

In the letter FRANKLY SPOKEN renowned and experienced experts reflect on the implementation of patient rights. The letter is published at irregular intervals in >Lower Austrian Edition Patients' Rights<; since July 2001 it can be downloaded from www.patientenanwalt.com.

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Any emerging scandals were considered as individual cases and accordingly addressed and solved. Also in Austria, there were hardly any comprehensive holistic reflections on system-related problems of the health industry until the recent past, although the individual organizations partly developed a comprehensive knowledge as well as instruments for “domestic use”.

The available knowledge about the extent and variety of manifestations of corruption and fraud in the health care system is thus – at least in Austria – very fragmentary and the overall view is rather limited due to the lack of exchange exceeding the classical „intra/extramural“ system limits. However, the dimensions internationally estimated by experts, assuming that between 3 and 10 percent² of all health care budgets are misdirected by fraud or corruption, are highly relevant from an economic point of view.

Where does the – also in Austria – increasing interest in the issue of fraud and corruption in health care originate from; reference is made to the recent media reports and the current (class/socio)political and legal activities.

On the one hand, the interest originates from the perception that the extremely rapidly growing medical-technical progress cannot and should not only be financed by the public budget, and that it is therefore necessary to operate more economically than in the past.

The general economic conditions within the chronic economic growth depression of the Western industrial countries, the demographic development in these countries and the – due to improved education and the availability of new information technologies – increasing patients’ (customer) expectations about the health care system have caused politicians and health experts to exert increasing pressure with regard to the monitoring and the possible improvement of economy, cost-effectiveness and expedience of the health care system.

The predominant political and health economic tenor is that the health care system has to be combed through for potential possibilities for increasing efficiency.

The associated criticism of the current medical system manifests itself in various ways, for instance in increasing activities and acceptance of professionals in the area of Evidence Based Medicine, Health Technology Assessment, new forms of service-oriented financing (e.g. LKF-system, i.e. service-oriented hospital financing), increased significance and utilization of offers related to health economy and management education and the resulting understanding of economic interrelations and interactions.

² http://www.transparency.de/Bericht_von_der_European_Heal.630.0.html (Access on Oct. 22, 2005)

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The German Advisory Council for the concerted action in the health care system (Expert Opinion 2000/2001, Volume III) additionally sees a considerable improvement potential in the area of the so-called medical “Oversupply, undersupply and inadequate supply“.

In the international ranking, the health care system in particular belongs to the industry branches which are especially at risk of fraud and corruption along with the defense industry, the oil industry and the building industry³.

Accordingly, the FBI established a specific Health Care Fraud Unit in 1992 and also the United Kingdom established a special Counter Fraud Unit for the National Health Service in 1999.

Following the above mentioned trend, there is also an overall tendency within the European Union now to make an issue out of existing (and suspected) phenomena like corruption and fraud in the health care system on an expert level more offensively as before and to develop (inter)national counterstrategies.

Due to the special importance and complexity of the health care system, there have been efforts - supported by the EU Commission - within the European Union since 2004 to establish a specific EU Anti-Fraud Office for the health care system in addition to the existing EU-Anti-Fraud Office OLAF. Additionally the Austrian Ministry of Inner Affairs has planned to focus on the issue of corruption in general as one of the key topics during the Austrian EU presidency in the first half year of 2006. The Austrian Network for Transparency in Health Care, founded – with the author’s cooperation - in the autumn of 2005 will also focus on the area of health care in political and professional discussions in coordination with the relevant national stakeholders. The main focus of the activities of the Federal Ministry of Inner Affairs, and also of the Austrian Network for Transparency in Health Care is primarily on the field of “awareness raising”, the creation of an anti-corruption/anti-fraud culture and the prevention.

In view of the evident or theoretically possible impact of fraud and corruption on the health care system, appropriate measures in the fields of research, practice, and training for physicians, managers and other decision-makers are also necessary in Austria, e.g. taking the example of the quite successful measures of the NHS in the United Kingdom. These measures require a complex interdisciplinary and international cooperation of experts, e.g. from the fields of medicine, paramedicine and nursing, medical technology, quality management, information technology, jurisprudence, economics and business administration, sociology, psychology, ethics and last but not least criminalistics.

³ Lecture by Mag. Martin Kreutner (Federal Ministry) on Sept. 15, 2005 on the occasion of the presentation of the Network for Transparency in Health Care

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A systematic review of the thematic areas fraud and corruption must be based upon a relevant research in order to identify critical areas and quantify the economic dimensions of the identified problem areas (In general, we still have insufficient knowledge about this in Austria). Based upon the resulting information, a clear strategy has to be developed for the further course of action. A key challenge will be the (further) development of effective structures (not only in the hospitals and for the extramural area, but also for the administrative management itself). The development of measures (investigation methods, adequate standards) will finally be the task of future professional experts, for whom – in continental Europe - no appropriate education and development offers are available yet.

The Austrian „Network for Transparency in Health Care“ is currently working on such projects.

If it can not be managed to create a climate, in which politicians, professionals and patients provide sustained and broad support of these activities for tackling fraud and corruption in the health care system, the efforts intended to absolutely minimize the negative impact of fraud and corruption in the health care system can not be successful.

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Education

2001 MBA (University Degree of the University of Toronto, Canada; Research stays at the Emory University, Atlanta, USA and at the Hong Kong Business School in Shanghai, China)

1997 LIMAK General Management Program 1996/97 (J. Kepler University Linz, Upper Austria)

1996 Expert Auditor (ISO 9000 family), GlobalCert Academy, Gosheim, Germany

1985 Juris Doctor Degree, University of Vienna

Professional History

Since Jan. 2006 Head of the Department Health Care of the AKNÖ (Lower Austrian Chamber of Labor)

Since Sept. 2005 Scientific Co-Director and Senior Researcher of the "Competence Center for PPP in Health Care" at the IMC University of Applied Sciences, Krems

Lecturer at the Medical University of Vienna

Consultant (PPP, Integrated Supply Systems in Health and Social Care, Organizational Theory, Fraud and Corruption in Health Care, Quality Management)

Since 2004 IMC University of Applied Sciences, Krems, Chairperson of the major subject „International Health Consulting" and Lecturer of the study course "Health Management"

Since 2003 Medical University of Graz, Lecturer of the training course "Public-Health-Management"

1999 – 2001 University of Vienna, BWZ (Business Studies Center), Guest Professor at the Chair for Revision and Trust, topics: Cost Accounting and QM-Systems

1998 – 2005 Lower Austrian Health and Social Fund, Managing Director of the division Social Matters

1993 – 1997 Director of the Department Human Resources, Justice and Organization of the Lower Austrian Chamber of Labor, Head of the IT-department,

Owner of the staff position Quality Management (responsible for the successful implementation of an ISO 9001 QM-system)

1992 Member (special contract) of the European Department of the Federal Ministry of Health, Sports and Consumer Protection, responsible for European integration matters, coordination of Middle and Eastern European aid programs, GATT

1991 – 1993 Consultant for labor and social law matters in Hungary, Slovakia and the Czech Republic on behalf of the Federal Ministry for Social Matters.

1986-1992 Staff member of the Lower Austrian Chamber of Labor (operating at the Legal Department [legal counseling], and (as of 1989) at the Legal-Political Department [policy counseling])

Selected Publications

Co-author of the book "Strategisches Eigentum für Österreichs Zukunft" („Strategic Property for the Future of Austria"), (Published by ÖGB, 2002)

Professional article "Neue Kooperationen im Gesundheitswesen" ("New cooperations in the health care system"), published in the journal "NÖ Gemeinde, Fachjournal für Kommunalpolitik", Issue June/July 2004

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Professional article „Rahmenbedingungen für Public Private Partnership-Modelle im Gesundheitswesen“ („Basic conditions for Public Private Partnership models in the health care system“), published in the journal „Public Health“ of the Austrian Society for Public Health, Issue 4/2004

Professional article „Betrug und Korruption im Gesundheitswesen - Was hat das mit PPP, Integrierter Versorgung und Public Health zu tun?“ (Fraud and corruption in health care – How are they related to PPP, integrated supply and Public Health?“), published in the „Österreichische Krankenhauszeitung“, Issue 07/08 2005

Professional article „Wir brauchen eines – Wir haben eines! Österreichisches Kompetenzzentrum für Public Private Partnerships im Gesundheitswesen“ („ We need one – We have one! Austrian Competence Center for Public Private Partnerships in health care“), published in the „Österreichische Krankenhauszeitung“, Issue 10/2005

Article for the Anniversary Publication for Prof. H. Noack (published at the end of 2005) dealing with the topic of fraud and corruption in health care – Relevance for new organizational forms and Public Health aspects

Lectures, Articles on basic principles, Interviews

Topics

- Transnational health and social projects in the EU – Consequences of the jurisdiction of the European Court
- Social and health care systems and target finding
- Public Private Partnership models in the health care system
- Consequences of Basel II on the health care and social system
- Theoretical transaction cost considerations with regard to the organizational forms market and organization in the health care and social area
- Fraud and corruption in health care
- Health political decision-finding models for pandemics

Relevant Activities / Memberships

- Member of the Austrian Society for Public Health
- Member of the Platform for Health Economy
- Founder of the Network for Transparency in Health Care
- Project „healthregio“ – Member of the Steering Committee
- Founder and Member of the Austrian Platform of Psychiatry Coordinators
- Member of the Austrian Schizophrenia Society
- Member of the Working Party for Health Care Planning of the Federal Structure Commission (until 2005)

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