

## **Under-the-table Payments for Health Services**

**Dr. Te Kuy Seang**

Director General, Administration and Finance  
Ministry of Health, Cambodia

Cambodia's health sector development was reactivated in post-conflict times during early 1990s amidst social reconstruction and rehabilitation of national public service system. Within the past decade, the country has experienced widespread poverty, high disease burden among the population, impoverishing levels of health expenditures and a health system weakened by the effects of war. Low economic growth and political unrest combined with civil service salaries at a level of US\$ 10-12 a month led to unofficial charges and under-the-tables. Within the health care market, consumers faced uncertainty of not knowing how much to pay, when, and to whom should payments be made. They also did not know what they would receive as services especially regarding quality and appropriateness.

The Health Care Demand Survey (National Institute of Public Health / GTZ / WHO, 1996) revealed that health expenditures came to 22% of total household expenditures, the proportion being highest (28%) among the poorest quintile. Consumers spend an average of US\$ 30 per capita on health care, compared to US\$ 2 by government and US\$ 5 from donors. The data of 1996 which indicated high cost of care at public facilities drew attention to the existence of unofficial payments, as health services were supposed to be provided officially free during those times. This prompted the government to bring in official charges to induce accountability and regulatory mechanism among service providers.

User fees were first brought in as a pilot strategy through the National Health Financing Charter in 1996. The principles included decentralized management of facility-based health finance schemes, retaining 99% of revenues at facility level to be channeled into performance-based bonuses to the staff and

operational cost for the quality improvement, some provision for exempting the poor from payment, and a clear process for accountability and transparency in financial management, procurement of logistics and supplies and staff regulation.

They have been many success stories and problems during the pilot phase. The lessons are that good leadership, community involvement and customers feedback, were essential to effective regulation and elimination of corrupt practices. An effective strategy for improving performance and reducing unofficial payments was to issue individual contracts to staff members that outlined their responsibilities, their rewards and entitlements. Team building also contributed to improving transparency and accountability. Last but not least, it would not be possible to remove unofficial fees without improving salaries to sufficient living wage levels.