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Formal and Informal Payments in the Health Care Sector in Russia

Abstract

According to Transparency International, health care is one of the four most corrupt sectors in Russia. In 2010, 26% of Russians reported paying informally (i.e. unofficially in the form of a bribe) to health workers at least once in the previous year. This paper explores how these informal payments differ across the country's health care sector. Specifically, I use 2012 household-level data on 4,712 households to study formal (official) and informal (unofficial) payments in health care in Russia. Informal payments include monetary and in-kind bribes paid by patients or their families to doctors and nurses in exchange for the received health care services.

This paper is the first empirical examination comparing both official and unofficial payment across five different types of health care services (inpatient, outpatient, dental, ambulance and check-ups), as well as in public (state-owned) versus private medical care facilities in Russia. Differentiating between the types of medical care and hospital ownership is important for an analysis of bribery in the Russian health care system since there are significant differences in the structure and supply of these services that might drive unofficial payments.

Using household fixed effects, I find that the amount of both official and unofficial payments varies significantly across five types of health care services. Individuals are likely to pay more in bribes for dental and ambulance services. In addition, informal payments occur more frequently in state than private hospitals and the purchase of private medical insurance reduces the probability that the person pays for his health care service unofficially.

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holds