

## **Study: Widespread Payment of Gratuities in Hungary**

*For decades there has been a large amount of speculation and misconceptions about gratuities. The estimates of various surveys and studies show major variation (the estimates we collected on an item-by-item basis indicate values ranging from HUF 5.8 billion to HUF 100 billion at various points in time).*

It is commonly believed that gratuities impede the appropriate development of health care, the normalisation and whitening of the sector. For further analysis, however, it is first necessary to examine the problem in greater detail – something legislators unfortunately often ignore.

This is why the Patika Health Fund and the Association of Hungarian Voluntary Health Funds launched a study of unprecedented depth to analyse attitudes relating to gratuities, their causes and the expenditures involved. The marketing department of Corvinus University of Budapest provided substantial assistance in our work. We are also grateful for the support of Világgazdaság Online, which contributed to data collection to the widest possible extent. We collected research data for five months, beginning in November 2008. Polling was predominantly based on self-reporting questionnaires, complemented with telephone interviews and oral interviews. After the data cleansing of the received 2,214 questionnaires, the number of valid questionnaires equalled 2,188, which is representative of the Hungarian population over the age of 18.

The necessity of research becomes perhaps most evident in light of the value of gratuities. If, namely, we estimate the average value of gratuities measured by us on the basis of physician/patient meetings reported to the National Health Insurance Fund (OEP), the annual expenditure on gratuities amounted to HUF 296.0 billion in 2008. Based on the doctor's visit habits of participants taking part in the study of the Patika Fund, however, this amount "only" equalled 73.4 billion.

Upon closer analysis of the figures, it is clear that the substantial variation is attributable to the difference in the number visits to general practitioners and to clinics. While on the basis of the fairly solid concurrence between the figures of our survey and official data, the same number of patients received hospital care, in the case of the former the OEP figures published by the Central Statistical Office (KSH) are approximately eight times higher than the figures based on our research.

As clear evidence of gratuities, 72 per cent of valid respondents paid gratuities to someone. The amount of gratuities provided to hospital physicians ranged from HUF 1,000 to HUF 500,000. Respondents typically remunerate hospital care with larger amounts in proportion to the rise in family per capita income. Gratuities provided to hospital physicians by patients in the highest income group are nearly double the amounts provided by those in the lowest income groups. On the basis of age, the active middle age group (31-50) pays gratuity at a higher than average rate.

It is worth noting that respondents believe that others pay larger amounts in respect of all types of gratuity. The research results partly support general assumptions relating to the role of gratuities and adjust the impression associated with their role. The study established the following major findings.

In line with popular belief, gratuities are provided quite often. The vast majority of respondents (72 per cent), who received some form of health service in the past three years, paid gratuity to a health care worker (physician, nurse or other person).

Health care workers receive gratuities provided by households in varying amounts and different proportions. Gratuities are paid most by patients receiving hospital care, with 50 per cent received by hospital physicians and 29 per cent by nurses. The average amount is highest in relation to hospital care: HUF 28,500. The frequency and amount of gratuity is significantly lower in respect of other forms of health care.

## AVERAGE VALUES

(thousand HUF)

	Physician	Nurse	Other person
Hospital	28.5	6.8	3.2
Medical practice	8.6	2.8	2.5
General practitioner	6.6	2.5	1.9

## NUMBER OF PHYSICIAN-PATIENT MEETINGS IN 2008

source: author

(based on type of service)

	Based on the sample of Patika Fund	Based on KSH data	Index (%)
General practitioner	7,911.00	61,466.00	776.97
Medical practice	6,847.00	56,395.00	823.65
Hospital	2,451.00	2,423.00	98.86

## GRATUITY DATA ADJUSTED WITH INFLATION

source: author

	Inflation	KSH	Tárki		OLEF	Green Paper		Medián	Patika Fund
1997	118.3	5.8							
1998	114.3	6.6	24.0	42.2					
1999	110.0	7.3	26.4	46.4					
2000	109.8	8.0	29.0	51.0					
2001	109.2	8.7	31.7	55.7					
2002	105.3	9.2	33.3	58.6					
2003	104.7	9.6	34.9	61.4	28.7				
2004	106.8	10.3	37.3	65.5	30.7				
2005	103.6	10.7	38.6	67.9	31.8				
2006	103.9	11.1	40.1	70.5	33.0	80.0	100.0		
2007	108.0	12.0	43.3	76.2	35.6	86.4	108.0		
2008	106.1	12.7	46.0	80.8	37.8	91.7	114.6	28.0	73.4

Respondents filling out the questionnaire have an ambivalent attitude to gratuities. Comparisons of the amount of estimated gratuity by the respondents, the family members of respondents and by an average Hungarian contain unique distortions; people usually consider their own gratuity payment habits to be more moderate than those of their family members or of an average Hungarian. It seems that the presumed amounts are than they actually are.

The majority of respondents believe that they received a given health service or better service as a result of gratuity. Although there are significant differences in relation to the pharmacy, general practitioner, clinic and hospital, each of them are affected by gratuities (particularly hospital care, with pharmacies least affected).

There is also evidence for the assumption that gratuity changes the attitude of physicians to patients. The majority of respondents believe that only those with a selected physician receive special attention and care with no waiting.

Expectations relating to the role of gratuities are generally pessimistic. The majority of respondents

believe that today they have to pay more than three years ago, and that they need to pay more in three years.

Notwithstanding that gratuities have been a topic of public debate for decades, no survey has been conducted on the actual expenditures of patients. In our opinion, this has also contributed to major variations in estimates in materials that were made public. With the aim of credibility, we increased values with the rate of inflation. The valorised values show significant variation (between HUF 12.7 billion and HUF 114.6 billion).

By stating the sum of HUF 73 billion, the independent Patika Fund wishes to conclude a matter that has preoccupied public opinion for decades, confronting physicians and patients. Now that we know the truth, twenty years after the transition everybody can concentrate on the most important challenge of extending the lives of people and improving their health, even if this phrase has come to sound banal in 2009.

We, the voluntary health funds, do our share of the job by organising the private health care of 2.5 million fellow citizens. We continue to believe in providing a more humane, healthier life despite the further tightening of fund regulations next year. We stand for prevention, and hopefully this country will one day have a government that genuinely cares about health care.

*Image caption:*

DR. MARIANNA LUKÁCS

Health care workers receive varying amounts of gratuity

DR. MARIANNA LUKÁCS

The author is president of the Association of Hungarian Voluntary Health Funds