



Profit, payment and pharmaceutical practices: perspectives from hospitals in Bangkok

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Abstract

Means by which to improve the quality of care offered in the private sector have received increasing interest. This paper considers the influences upon hospital physician prescribing practices. It presents data on drug management practices and prescribing patterns in a sample of private for-profit, private non-profit and public hospitals in Bangkok. Clear differences emerge in prescription patterns between the different groups of hospitals: public hospitals exhibit greater use of essential drugs and generic prescribing than either group of private hospital, and prescriptions at private for-profit hospitals tended to have more essential drugs and drugs prescribed by generic name than non-profit hospitals. Prescribing patterns in public hospitals are probably largely explained by national government policy on pharmaceutical procurement. In contrast, prescribing patterns in private for-profit hospitals appear heavily influenced by pressure upon management to contain costs, in circumstances where high drug costs cannot be passed on to purchasers. Hence hospital management have developed policies encouraging the use of generic drugs and essential drugs. These same financial pressures also explain some less desirable forms of behaviour in private for-profit hospitals such as prescribing courses of antibiotic treatment of extremely short duration.

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Possible measures which government may take to encourage appropriate prescribing within private hospitals are discussed. © 1999 Elsevier Science Ireland Ltd. All rights reserved.

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1. Introduction

In developing countries expenditure on drugs is predominantly private; for example in Asia about three-quarters of drug expenditures are privately funded [1]. Much of this private expenditure goes to the purchase of drugs from private providers. Studies of prescription patterns amongst private practitioners in developing countries suggest that prescription practices are often undesirable. In Bombay for example a study identified 74 different prescription patterns for tuberculosis amongst only a slightly larger number of doctors [2]. Prescribing practices amongst solo primary practitioners appear to suffer from lack of up-to-date knowledge about appropriate prescribing, from financial pressure to over-prescribe, and from patient pressure for multiple item prescriptions and the unnecessary use of injectables and antibiotics [3].

In many middle income countries the private hospital sector is expanding rapidly. In several Asian countries patients commonly present directly at the outpatient department of private hospitals. There are reasons why drug prescribing and utilization in private hospitals may be rather better than amongst private solo practitioners: for example affiliation with a hospital may provide improved access to continuing education, and higher levels of interaction with other physicians and qualified pharmacists. The framework of a hospital formulary and drug management system may also help ensure more rational prescribing. Furthermore in the hospital setting, unlike many primary care settings, physician remuneration is generally not linked to prescribing patterns.

However the potential advantages of a hospital setting for prescription practices depend critically upon the internal organisation and management of hospitals. It is generally suggested in the literature [4] that public, private for-profit, and private non-profit organisations have different motivations which are likely to lead to different behaviours, including different management structures and processes. This suggests that private hospitals will have different drug inventory, management and information systems, and remuneration systems to public hospitals and this in turn will affect the efficiency and appropriateness of prescription patterns. To-date very little is known about pharmaceutical policy and management, or about prescription patterns, in private hospitals in developing countries. This paper reports the findings of a study of drug management and prescription practices in public, private for-profit and private non-profit hospitals in Bangkok, which forms part of a larger study of differences between these groups of hospitals [5].

The paper is organised in the following way. The next section sets out a conceptual framework for examining factors affecting prescribing practices in