

Profit motive in medicine may contribute to a broken health care system

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Profit motive in medicine may contribute to a bloated, complex, and fragmented health care system said the American College of Physicians (ACP) in a new policy paper published today in the *Annals of Internal*

Medicine. The paper, *Financial Profit in Medicine*, goes on to say that the principles of professionalism and medical ethics should ensure medicine retains a patients-over-profit orientation and protects the patient-physician relationship.

"In recent years, we have seen [health care](#) become increasingly business-oriented with more for-profit entities and private equity investments," said Thomas G. Cooney, MD, MACP, chair, Board of Regents, ACP. "We need to be sure that profits never become more important than [patient care](#) in the practice of medicine."

The paper explores how commercialization of the health care system can create conflicts of interest, undermine access to high-quality care, and fracture patient trust. Emerging trends such as consolidation, mergers, and integration in the health care sector could have positive results, like enhanced collaboration, or negative ones, like higher prices for patients. While the paper cautions against the potential harms that could be caused by corporate interests and influences in the health care sector, it does specify that profits are not inherently negative.

"Physicians, hospitals, and other health care organizations can, and should, earn a reasonable income as long as they are fulfilling their responsibility to provide high-quality patient care," continued Dr. Cooney. "We just need to have the appropriate guardrails in place to protect against outsized influence of profits."

ACP's paper details a series of recommendations that the [health care system](#) should take in order to protect a patients-over-profit orientation, including:

- Additional research to assess the influence of for-profit companies and corporate influence in the health care market.
- Taking actions that foster and sustain the patient-physician

relationship. These should include access to health care coverage for all Americans; payment and delivery system reform that aligns incentives with what is best for patients; expansion of evidence-based, patient-centered, shared decision-making tools; price and quality transparency; and elimination or transparency of financial conflicts of interest.

- Non-profit hospitals should be required to provide measurable benefits to the community in exchange for their non-profit status, with accountability, transparency, and strict enforcement of regulatory standards for non-profit status.
- All Medicare-participating hospitals, regardless of tax-exempt status, should be required to adopt uniform fair pricing, billing, and collection policies. For-profit hospitals should be required to implement comprehensive financial assistance policies as a condition of Medicare participation.
- Longitudinal research needs to be conducted on the effect of private equity investment on physicians' clinical decision-making, health care prices, access, and patient care.
- Public authorities need to carefully scrutinize all mergers, acquisitions, and buy-outs involving health care entities. This scrutiny should evaluate the potential effect on the communities served, competition, [health](#) care prices, insurance premiums, innovation, and access to physicians.
- State government officials need to continue to be required to oversee all insurer conversions. State and federal regulators must continue to ensure that conversion proposals, whether to a for-profit company or to a mutual-holding company, are in the best interest of the public and not insurer shareholders

"Providing high-quality care needs to remain paramount in all of our interactions with patients," concluded Dr. Cooney. "Taken together, ACP's recommendations can help to ensure that business decisions aren't ever allowed to get in the way of providing the care that our patients

depend on us to deliver."

More information: Ryan Crowley et al, Financial Profit in Medicine: A Position Paper From the American College of Physicians, *Annals of Internal Medicine* (2021). [DOI: 10.7326/M21-1178](https://doi.org/10.7326/M21-1178)

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