An Ethical Approach to Financial Issues in Medical Practice

The National Medical Ethics Committee
Advances in science and technology have wide-ranging social and economic effects. The impact of financial considerations on medical practice is increasing, and may also influence the doctor-patient relationship.

In recognition of the ethical dilemmas that doctors may face, the National Medical Ethics Committee has prepared some guidelines on the approach to financial issues in medical practice. These guidelines were produced after much deliberation and taking reference from similar guidelines produced in other countries and from the literature on this topic. We are also grateful to the Singapore Medical Council and the Singapore Medical Association for their contributions and views.

I hope that the guidelines will be a useful reference to medical practitioners in Singapore. They are however not meant to replace personal ethical judgement and views of individual doctors.

I would like to thank all my committee members and the secretariat for their contributions to the guidelines.

DR CHEW CHIN HIN
CHAIRMAN
NATIONAL MEDICAL ETHICS COMMITTEE

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General Principles

The environment for the delivery of healthcare is changing. Changes will continue to occur. What must not change is the moral heart of medicine, that which gives the profession its ethical identity – the primacy of the welfare of the patient.

2 Individuals, groups and institutions influence and are affected by medical decision-making in the practice environment. The patient-doctor relationship might be affected by the competition for health-care resources between clinicians, insurers, patients and institutions. Therefore, healthcare institutions and insurers must also bear responsibility for maintaining the ethical component of this relationship.

3 Potential influences on clinical judgement cover a wide range and include financial incentives and incentives inherent in the practice milieu. Some examples are incentives to over-utilise in the fee-for-service setting, where the doctor may have the ownership of expensive high technology equipment, to under-utilise in the managed care setting, accepting gifts from the pharmaceutical industry, or other commitments in arrangements involving referrals. The doctor must be conscious of all potential influences and his or her actions be guided solely by the clinical needs of the patient and not by other factors.
The doctor must seek to ensure that the medically appropriate level of care takes primacy over financial considerations imposed by the doctor’s own practice, investments, or financial arrangements. Clinical judgement or counselling on treatment options, including referrals, for the patient must be made on the basis of their medical merit and options that take into consideration the patient’s unique background and preferences.

Doctors cannot and should not be expected to advise patients on the financial particulars of individual insurance contracts and arrangements. Patients should familiarise themselves with this information. The patient has the responsibility of being fully aware of the provisions of insurance schemes or managed care schemes that he or his employer has entered into.

Healthcare administrators and health care organisations must be aware of the above facts and be responsible in empowering their medical staff to maintain the ethical component of the doctor-patient relationship.

The doctor’s first and primary duty is to the patient. The duty to the patient should not be outweighed by the duty to the doctor's employer or whosoever pays his patient's medical bills. Regardless of the insurance or medical care setting in which the doctor is practising, the patient-doctor relationship and the principles that govern it should be central to the delivery of care. These principles are beneficence, non-maleficence, fidelity which includes confidentiality, autonomy, and justice which includes advocacy.

As professionals dedicated to serving the sick, doctors should do their utmost in ensuring that medical services are provided for patients appropriate to their needs irrespective of their financial capacity.

Doctors must promote their patients’ welfare and serve as their advocates in an increasingly complex healthcare system. This entails helping patients to understand clinical recommendations and helping them make informed choices of all appropriate care options, especially in an era of cost concerns.
At the individual level, the doctor advocate must pursue the necessary avenues to obtain treatment that is essential to the individual patient’s care, regardless of the barriers that may discourage the doctor from doing so. The various types of healthcare schemes should not restrict the information or counsel that doctors may give patients. When barriers diminish care for a class of patients because the patients themselves are less capable of self-representation, doctors must advocate on their behalf for appropriate treatment.

Doctors with ties to a particular company should disclose their interests when prescribing or recommending a company product to the patient.

Doctors should contribute to the responsible stewardship of healthcare resources including national healthcare resources. Resources are finite and should be allocated appropriately to meet the healthcare needs; whether it be in the doctor’s office, the hospital, the nursing home or even in home care.

The recommendations of doctors to patients, in the design of practice guidelines and formularies, and to medical benefits review boards should be based on current best evidence of safety, efficacy and cost-effectiveness.

Doctors must critically evaluate medical information provided by sales persons, advertisements or industry-sponsored educational programmes.
Disclosure and Honesty

15 The doctor must be honest in financial and commercial matters relating to his work. In particular:

* Where fees are charged, the patients must be told if any part of the fee goes to another doctor.

* The doctor must not defraud patients or the service or organisation he works for.

* Before taking part in any discussion about buying goods or services on behalf of a healthcare institution, the doctor must declare any relevant financial or commercial interest that he or his family might have in the purchase.

* If a doctor has a financial interest in an organisation to which he intends to refer patients for admission, treatment, or investigation, he should always disclose that he has such an interest before making a referral.

Financial Inducements

16 A fee paid to one doctor by another for the referral of a patient, historically known as fee splitting, is unethical. It is also unethical for a doctor to accept a financial inducement from anyone, including a company that manufactures or sells medical instruments or medications that are used in the care of the doctor’s patients.

17 The establishment of a financial arrangement that commits a doctor to give a profit guarantee of practice to a third party is strongly discouraged. This puts the doctor at greater risk of unethical behaviour, as he will be working under financial imperatives imposed by such a financial arrangement.
Acceptance of Gifts / Sponsorship

18 The acceptance of individual gifts, hospitality, trips and sponsorships by a doctor from the health care industry may result in perceived or real conflicts of interest in the doctor’s clinical practice. Doctors practising in an institutional setting must adhere strictly to the guidelines and safeguards established by their institution for the receipt of such sponsorships.

19 Doctors who are not practising within an institutional setting are expected to conform to the general norms relating to the acceptance of gifts or sponsorships from industry, as practised in institutions or as set out in the guidelines of local medical professional bodies such as the Medical Profession and Pharmaceuticals Guidelines. In all instances, doctors should ask themselves "Would I be willing to have this arrangement generally known?" and, "What would the public or my patients think of this arrangement?". Similarly, such inducements should also not be offered to colleagues by doctors who manage or direct institutions.

Duty of Administrators of Health Care Organisations

20 Administrators of health care organisations have the duty to enable their medical staff to practice ethically, particularly in relation to financial arrangements that could expose their doctors to a conflict of interest between the patient and the organisation.

21 There should be ethical and administrative guidelines in place so that their staff can refer to these when in doubt. The medical board of institutions should be responsible for ensuring that their doctors are practising ethically. If their doctors are not practising ethically the medical board has the responsibility of taking the appropriate disciplinary action which may include reporting such practices to a medical disciplinary body.

22 Health care organisations have the duty to keep the patient and the attending doctor informed of the benefits and limitations of their coverage schemes. Patients should familiarise themselves with this information. Doctors are not expected to advise patients on the particulars of individual insurance contracts and arrangements.

23 Health care organisations have the duty to respect the medical confidentiality of the patients under their care and make appropriate arrangements for obtaining their proper consent when necessary.
Further Reading


The National Medical Ethics Committee

Chairman
Dr Chew Chin Hin

Members
Dr Lawrence Chan  Dr James Murugasu
Prof Chao Tzee Cheng  Mrs Tan Poh Choo
Dr Chen Ai Ju  Prof Tan Chorh Chuan
A/Prof John Elliot  Dr N Varaprasad
Prof Peter Hwang  Dr Wong Poi Kwong
A/Prof Terry Kaan  Mr Zainul Abidin Rasheed
Dr Alfred Loh

The National Medical Ethics Committee (NMEC) was set up in January 1994 as the national authority to assist the medical profession in addressing ethical issues in medical practice and to ensure a high standard of ethical practice in Singapore. All members are appointed by the Minister for Health.

The ethical guidelines which have been drawn up are to facilitate medical professionals in making sound ethical decisions in clinical practice.

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