The Role of Money in Medicine: The Association of American Medical Colleges Issues Recommendations Regarding Financial Relationships and Clinical Decision-making

On June 30, 2010, the Association of American Medical Colleges (AAMC) released a report concerning financial relationships and their impact on clinical care entitled, "In the Interest of Patients: Recommendations for Physician Financial Relationships and Clinical Decision Making." The report examines the potential for individual physician or institutional financial interests in the patient care setting to create real or perceived bias in clinical decision-making and thereby erode medical professionalism. The abiding concern identified by the AAMC arises "when physicians and their institutions have interests in the products of companies that are used in connection with the actual care of patients," with the result that these "interests can conflict with or be perceived as conflicting with the primacy of the interests of patients."

A wide range of different types of financial interests are examined in the report, ranging from the more obvious ownership, royalty, and consulting interests to the compensation methodologies being adopted by academic medical centers and others as a means of influencing physician behavior, as well as industry funding of professional societies. The report adopts a series of recommendations, including a recommendation that academic medical centers establish policies to identify, evaluate for risk of bias in clinical decision-making, and manage financial relationships between physicians and industry. The report also recommends that academic medical centers align physician compensation methods with the best interests of the patients.

While the report focuses on clinical care conflicts of interest (COI) in the academic medical center setting, the AAMC's first recommendation notes that the guiding principles articulated in its report apply generally to the practice of medicine and to the medical profession as a whole. The report also observes that while many academic medical centers have COI policies in place in the research context, only a small number of these institutions have adopted policies that define and address COI in the clinical care setting.

Review of Available Research

As an appendix to its report, the AAMC includes the results of a review conducted by the University of Pennsylvania Health System Center for Evidence Based Practice of the available body of research on the impact of compensation and financial incentives on the practice of medicine. This review focused on articles published since 1990, when marked changes in health care financing began to emerge and present new payment mechanisms, such as managed care and pay-for-performance, that have generated significant debate relevant to the subject of clinical care COI. The review also noted that the overall body of literature on this subject is not very broad or robust.

While research has shown that physicians treating patients insured by capitated systems appear more likely than those in fee-for-service models to restrict the volume of diagnostic services, referrals, and office visits, the evidence reviewed did not clearly establish that physicians' personal financial considerations significantly motivated their responses to these compensation mechanisms. Even less decisive were the findings of more recent research on quality of care incentive programs. Research on physician ownership of health care facilities

did show an association with higher rates of self-referral and overall utilization, but the explanations for these patterns were not restricted to income-seeking behavior, but also included explanations highlighting quality, satisfaction, and convenience. The report concludes that the threats to medical professionalism are not limited to physician relationships with industry but exist in the broader context of the health care financing systems and related compensation mechanisms. The search for solutions should acknowledge this broader context.

Recommendations

The recommendations addressed in the report include the following:

1. The report is applicable to the entire medical profession, not just academic medicine. The task force believes that the principles articulated in the report are applicable generally to the practice of medicine.

2. Alignment of compensation mechanisms with the best interests of the patients. Academic medical centers have the responsibility to review their compensation schemes and to make sure that they are based on incentives consistent with medical professionalism and focus on the primacy of the patient's best interests.

3. Professional medical societies should set standards to address their relationships with industry. Professional societies must recognize the potential of industry conflicts and craft standards to effectively deal with those conflicts. How professional societies deal with those conflicts will impress upon its members the importance of medical professionalism.

4. Academic medical centers should address physician COI in the context of the specific type of clinical care that the physicians provide. Academic medical centers should have mechanisms in place to evaluate potential COI, effectively deal with COI that arise, and include provisions for consequences for failures to adhere to the medical center's policies. Specifically, the mechanisms should be designed to identify receipt/rights to royalties, consulting services for industry, physician ownership in related companies, and financial interests in particular drugs/devices being used by physicians. However, institutions should set a *de minimis* standard below which reporting is not required. As there is no definitive guidance on the issue of a threshold dollar value for financial interests that physicians should be required to report, institutions should develop a *de minimis* standard for reporting COI so as to avoid the receipt of too large a volume of disclosures in balance with the institution's ability to adequately monitor COI.

5. Academic medical centers must also have in place strategies to manage any institutional COI that presents a risk of bias in clinical decision-making. This is specifically relevant regarding financial relationships with industry involving pharmaceuticals prescribed or used in treatment and the personal financial interests of institutional officials with responsibility for faculty.

6. Institutions should inform patients of the existence of their providers' financial relationships that have been determined to be significant. Academic medical centers should clearly articulate information regarding the financial relationships of its physicians, specifically including in any dissemination of information additional commentary regarding the value to society of such relationships, as well as a description of the institution's efforts to mitigate potential bias arising from such relationships. Efforts should also be made to establish uniform standards of disclosure for those interests deemed to be COI. However, institutions must decide, based upon their patient community, what type of reporting and communication mechanisms are the most appropriate.

7. Academic medical centers should utilize patients' opinions when determining how best to disclose COI to patients. Patient communities should be involved in helping academic medical centers determine how best to communicate COI to patients, as well to determine what information is useful to patients to understand and evaluate COI. Moreover, additional research needs to be conducted on COI and the manner in which COIs should be addressed.

Going Forward

As a follow up to the report, the AAMC is now developing clinical scenarios that can be used by its members to help define their approach to addressing COI in patient care. If you would like further information, please contact the Ropes & Gray attorney that usually advises you.