Conflicts of interest are an increasing concern across almost every sector, including business, government, politics, finance, education and healthcare. Newspapers are filled with stories of the fallout stemming from institutions and people involved in conflict of interest situations. Healthcare certainly is not immune to these concerns.

According to a 2005 survey of physician executives published in Physician Executive, 90 percent of the respondents were very concerned or moderately concerned about unethical business practices. Sixty-six percent of the respondents further indicated they were concerned about nonphysician executives and board members’ conflicts of interest. As a result, healthcare facilities need to develop approaches for recognizing, managing and preventing conflicts of interest.

Defining Conflicts of Interest

Managing conflicts of interest requires a clear understanding of what the concept entails. A suggested definition is: conflicts of interest occur when self-interest affects an individual’s professional obligations to one’s patients, organization and/or profession. A similar definition states: conflicts of interest occur when a personal or private interest influences (or appears to influence) a professional’s objective judgment and the exercise of that individual’s recognized duty.

Conflicts of interest undermine the fundamental fiduciary obligation of a professional and a healthcare organization to provide quality patient care.

Even lacking a uniform definition, the various definitions reflect the basic components for a conflict of interest to occur:

- **Self-interest and/or personal interest:** The self-interest often is described as financial, but it also can include providing a special advantage to a friend, business associate, relative, vendor or supplier.

- **Professional and/or organization duty:** Healthcare executives are expected to be competent and fulfill their responsibilities in a manner that reflects their profession’s standards, including its code of ethics. Additionally, executives and other healthcare organization staff have an obligation to direct their activities and decisions to fulfill the mission and values of their organization.

The conflict of interest occurs when one’s self-interest or personal interest interferes or alters objective professional judgments or actions. Healthcare professionals are respected not only because of their recognized competence, but also because they carry a public expectation that they will act on behalf of and in the best interest of patients and the organization’s mission. Therefore, conflicts of interest undermine the fundamental fiduciary obligation of a professional and a healthcare organization to provide quality patient care.

Because everyone has a certain level of self-interest, such as wanting to receive an appropriate salary for a position, it can be unclear in certain situations whether a person’s self-interest has crossed the threshold and is in fact a conflict of interest. Some have suggested a form of trust assessment because at the heart of conflicts of interest is a betrayal of trust. Ask yourself this question: Would your patients, employer, professional colleagues, the board and the public trust your judgment regarding a particular decision or action if they knew you had a personal interest in it?

Ethical concerns also are raised when an individual’s conflict of interest can, and most likely will, negatively impact the organization’s integrity and commitment to its mission and value statements. In a very real and practical way, any conflict of interest will also lessen the community’s image of the involved individual(s) and the organization.
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Preventing Conflicts of Interest
Directed by executive leaders, organizations should develop and pursue approaches to manage and prevent the occurrence of these detrimental situations. Several basic strategies have been suggested for preventing conflicts in today’s healthcare setting. The article “Practicing Preventive Ethics—The Keys to Avoiding Ethical Conflicts in Health Care” by L. McCullough, published in *Physician Executive* [March–April 2005, 31(2):18–21], suggests the following:

- Continually emphasize and foster the fiduciary commitment of professionalism throughout the organization’s culture and practices.
- Mission statements and policies should reflect an explicit commitment to the fiduciary responsibility of professionals and the organization to promote quality of care.
- Develop, implement and enforce a conflict of interest policy. The policy should be appropriately detailed, beginning with a statement of purpose and definition of the concept. The policy should include examples of conflicts of interest; require that all business, supplier and vendor relationships be self-reported, including any gift and/or payment; describe the review process for assessing potential conflicts of interest; describe a method for others (whistle-blowers) to report a potential conflict; provide provisions for the enforcement of violations; and indicate the resources for clarifying the policy when needed.

Two additional components to a policy relate to managing potential conflicts. First, the policy should designate an office or person to guide clinicians or healthcare executives prior to accepting a relationship or activity with a healthcare supplier. Second, because disclosure of potential conflicts is essential, the review process should clarify whether the disclosed situation creates a conflict of interest for the individual or the organization.

**An aggressive program that recognizes, manages and seeks to prevent conflicts of interest is essential despite the many complications that surround the concept of conflicts of interest.**

Clearly not all relationships between administrators or clinicians and associations, businesses or vendors create a conflict of interest. In some situations such relationships are beneficial. However, to avoid public misperception, the organization, after reviewing such situations through the conflict-of-interest policy review process, should publicly disclose all appropriate relationships with vendors, suppliers and other business relationships, including payments received. One major medical center is developing a public Web site that will list all its staff’s consulting arrangements, including the payments received. Such a high level of transparency, similar to the sharing of quality and outcome reports and the costs of healthcare treatments, fosters trust in the organization.

When drafting or updating a conflict of interest policy as suggested above, the ACHE ethical policy statement, “Considerations for Healthcare Executive-Supplier Interactions,” available on ache.org, should be used as a model resource.

Conflicts of interest are a serious concern that undermines the integrity of professionals and an organization’s fiduciary responsibility to its patients and the community. An aggressive program that recognizes, manages and seeks to prevent conflicts of interest is essential despite the many complications that surround the concept of conflicts of interest. As with other organizational policies, an effective program to manage conflicts of interest can be achieved only through leadership that demonstrates the importance of avoiding conflicts of interest and supports a comprehensive educational effort propagating the policy and rigorous adherence to its implementation.

William A. Nelson, PhD, is director, Rural Ethics Initiatives, and associate professor, Community and Family Medicine, at Dartmouth Medical School in Hanover, N.H. He also serves as advisor to the ACHE Ethics Committee and as faculty at the ACHE annual ethics seminar; programs also can be arranged on-site. For more information, please contact ACHE’s Customer Service Center at (312) 424-9400 or visit ache.org. Nelson can be reached at william.a.nelson@dartmouth.edu.
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