

## ***AMA Code of Medical Ethics***

### ***11.2.3 Contracts to Deliver Health Care Services***

Physicians have a fundamental ethical obligation to put the welfare of patients ahead of other considerations, including personal financial interests. This obligation requires them to consider carefully the terms and conditions of contracts to deliver health care services before entering into such contracts to ensure that those contracts do not create untenable conflicts of interests.

Ongoing evolution in the health care system continues to bring changes to medicine, including changes in reimbursement mechanisms, models for health care delivery, restrictions on referral and use of services, clinical practice guidelines, and limitations on benefits packages. While these changes are intended to enhance quality, efficiency, and safety in health care, they can also put at risk physicians' ability to uphold professional ethical standards of informed consent and fidelity to patients and can impede physicians' freedom to exercise independent professional judgment and tailor care to meet the needs of individual patients.

As physicians enter into various differently structured contracts to deliver health care services—with group practices, hospitals, health plans, or other entities—they should be mindful that while many arrangements have the potential to promote desired improvements in care, some arrangements also have the potential to impede patients' interests.

When contracting to provide health care services, physicians should:

- (a) Carefully review the terms of proposed contracts or have a representative do so on their behalf to assure themselves that the arrangement:
  - (i) minimizes conflict of interest with respect to proposed reimbursement mechanisms, financial or performance incentives, restrictions on care, or other mechanisms intended to influence physicians' treatment recommendations or direct what care patients receive, in keeping with ethics guidance;
  - (ii) does not compromise the physician's own financial well-being or ability to provide high-quality care through unrealistic expectations regarding utilization of services or terms that expose the physician to excessive financial risk;
  - (iii) allows the physician to appropriately exercise professional judgment;
  - (iv) includes a mechanism to address grievances and supports advocacy on behalf of individual patients;
  - (v) permits disclosure to patients.
- (b) Negotiate modification or removal of any terms that unduly compromise physicians' ability to uphold ethical standards.

***AMA Principles of Medical Ethics: I,II,III,V,VI,VIII,IX***