

AMA Code of Medical Ethics

9.6.9 Physician Self-Referral

Business arrangements among physicians in the health care marketplace have the potential to benefit patients by enhancing quality of care and access to health care services. However, these arrangements can also be ethically challenging when they create opportunities for self-referral in which patients' medical interests can be in tension with physicians' financial interests. Such arrangements can undermine a robust commitment to professionalism in medicine as well as trust in the profession.

In general, physicians should not refer patients to a health care facility that is outside their office practice and at which they do not directly provide care or services when they have a financial interest in that facility. Physicians who enter into legally permissible contractual relationships—including acquisition of ownership or investment interests in health facilities, products, or equipment; or contracts for service in group practices—are expected to uphold their responsibilities to patients first.

When physicians enter into arrangements that provide opportunities for self-referral they must:

- (a) Ensure that referrals are based on objective, medically relevant criteria.
- (b) Ensure that the arrangement:
 - (i) is structured to enhance access to appropriate, high quality health care services or products; and
 - (ii) within the constraints of applicable law:
 - a. does not require physician-owners/investors to make referrals to the entity or otherwise generate revenues as a condition of participation;
 - b. does not prohibit physician-owners/investors from participating in or referring patients to competing facilities or services; and
 - c. adheres to fair business practices vis-à-vis the medical professional community—for example, by ensuring that the arrangement does not prohibit investment by nonreferring physicians.
- (c) Take steps to mitigate conflicts of interest, including:
 - (i) ensuring that financial benefit is not dependent on the physician-owner/investor's volume of referrals for services or sales of products;
 - (ii) establishing mechanisms for utilization review to monitor referral practices; and
 - (iii) identifying or if possible making alternate arrangements for care of the patient when conflicts cannot be appropriately managed/mitigated.
- (d) Disclose their financial interest in the facility, product, or equipment to patients; inform them of available alternatives for referral; and assure them that their ongoing care is not conditioned on accepting the recommended referral.