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Achieve Organizational Integrity

Aligning ethical principles with healthcare leadership.

“Health Services Organizations are social enterprises with an economic dimension rather than economic enterprises with a social dimension.”

“[Health Services] managers are moral agents of the organization, ethically accountable for the effects of nonfeasance, misfeasance and malfeasance on patients, staff and the organization.”

—Kurt J. Darr, JD, ScD

Healthcare organizations are social sector organizations. Whether non-profit, for-profit or public, they exist to provide a benefit: health and well-being to individuals and to communities. The following sources set the stage for values as an ethical foundation.

In *Ethics in Health Services Management*, Fifth Edition (Health Professions Press, 2011), Kurt J. Darr,

JD, ScD, professor emeritus of hospital administration in the Department of Health Services Management and Leadership at the Milken Institute School of Public Health at The George Washington University, Washington, D.C., makes it clear that a variety of ethical responsibilities and challenges face those who lead healthcare organizations.

Ana Smith Iltis, PhD, director of the Center for Bioethics, Health and Society and professor of philosophy at Wake Forest University, Winston-Salem, N.C., makes a similar case in her 2005 article, “Values based decision making: Organizational mission and integrity,” published in the *HEC Forum*, noting that for a healthcare organization to have integrity, it must be governed by a set of guiding moral principles that reflect the organization’s mission.

And, William A. Nelson, PhD, HFACHE, director, Health and Values Program, and associate professor, The Dartmouth Institute for Health Policy and Clinical Practice, Department of Psychiatry, Department of Medical Education, The Geisel School of Medicine, Dartmouth, Hanover, N.H., asserts that ethics are the foundation on which a healthcare organization is built (defining what the organization is at its

core) and the framework of the organization (the principles by which it fulfills its mission and addresses ethics conflicts as they arise).

Health services organizations must operate within a clearly articulated and values-based framework to be successful, most especially in times of uncertainty and rapid change, according to R.W. Brinkley’s article, “The case for values as a basis for organizational culture,” published in a 2013 edition of *Frontiers of Health Services Management*. In addition, The Joint Commission requires that accredited healthcare organizations be guided by ethical principles in the conduct of business practices and establish a process “... that allows staff, patients, and families to address ethical issues or issues prone to conflict.”

Healthcare’s Common Values

These principles are articulated in mission, vision and values statements. The statements affirm the organization’s purpose, desired future state and shared beliefs. They describe a common culture, guide present and future activities and help resolve situations where there is ethical uncertainty or conflict among competing ethical principles. Five commonly expressed healthcare values are:

- **Autonomy:** the responsibility to promote self-determination and shared decision making and maintain confidentiality
- **Beneficence:** the responsibility to render only services that are beneficial and evidence based
- **Nonmaleficence:** the responsibility to avoid unnecessary harm
- **Justice:** the responsibility to allocate resources fairly

- **Truthfulness:** the responsibility to conduct business honestly and transparently

Ethical Issues and Ethical Conflicts

Ethical issues that arise in the day-to-day activities of a healthcare organization generally fall into four categories:

1. *Clinical Ethics:* Situations that involve a question or conflict about the care or treatment of a particular patient
2. *Research Ethics:* Regulations, protocols and rules that guide the proper conduct of research and certain quality improvement activities
3. *Administrative Ethics:* Methods by which an organization ensures

honest and transparent business practices and the fair, safe, efficient and effective allocation of resources

4. *Public Health Ethics:* The framework through which an organization fulfills its responsibility to society

Healthcare organizations examine and seek to resolve ethical conflicts that arise in the care of patients by means of ethics committees and ethics consult teams. Well-developed policies also exist for conducting medical and health services research involving human subjects. However, matters relating to administrative or managerial ethics often are less well-defined.

For the most part, healthcare organizations also have well-established institutional compliance programs that are designed to ensure transparent and legally compliant business practices; prevent conflicts of interest by staff and business partners; and prevent fraud, waste and abuse. But legal compliance alone is not sufficient.

Legal compliance ensures conformance with rules, regulations and laws. It specifies conduct that is required and conduct that is permissible but rarely offers guidance in situations where there is uncertainty or disagreement. That is where ethics comes in to help clarify decisions and promote ethical practices when

disagreement exists about the right or wrong course of action.

An example of such a circumstance might be when there are conflicting opinions about the organization's responsibility to continue to provide community-based care to an economically disadvantaged or at-risk population when continuing to do so may jeopardize the organization's financial stability and capacity to provide effective and efficient care.

Another example may involve a situation in which there is disagreement regarding a strategic investment decision, such as acquiring new technology to support highly specialized services versus the establishment of a community-based program designed to improve the health of children, promote population health, provide coordinated care for persons with chronic disease or reduce avoidable hospitalizations. Resolving these types of conflicts demands that the organization take a broader view of ethics.

Identifying and Resolving Ethical Conflicts

Nelson, a regular contributor to this column, provides a six-step process for institutions to guide ethical decision making. The process is equally applicable to clinical and administrative decisions where ethical uncertainty exists. The six steps involve:

- Understanding and clarifying the circumstances that led to the conflict
- Articulating the ethical questions that need to be answered
- Specifying and considering the ethical principles and organizational values that are in conflict

- Determining potential options for resolving the conflict (which requires carefully considering the ethical justification for each option)
- Reaching consensus on a preferred option (which requires evaluating the degree to which each option is aligned with organizational mission and values)
- Exploring methods by which the recurrence of similar conflicts might be anticipated and prevented.

The final step requires an ethical root-cause analysis: Why did the conflict occur, and could it have been prevented? This process does not guarantee that all persons with a stake in the outcome of a decision will be fully satisfied. It does, however, provide a process by which consensus is more easily achieved and creates a methodology that can be fairly and uniformly applied.

As the role of ethics committees continues to expand, it is important for them to conduct a self-assessment to ensure they are up to the challenge.

Questions to consider include: Is the membership of the current ethics committee sufficiently broad? Does it include organizational staff (from multiple levels of the organization) as well as community partners? Do members appreciate the scope of the organization's clinical, administrative, leadership and community responsibilities? Have members received the training necessary to address a wide range of potential conflicts—not only clinical conflicts but also conflicts that arise with respect to financial, human resource, strategic and regulatory/legal decision making? Are staff at every level of the

organization aware of the ethics committee, and do they have the ability to bring ethical concerns to the committee's attention?

Ethical conflicts occur as a matter of course in the clinical and administrative operations of a healthcare organization; it's the nature of the business. Healthcare executives need to:

- Recognize that failing to identify and address ethical conflict is costly
- Establish processes and empower ethics committees to better understand, resolve and prevent ethical conflict whenever possible
- Ensure that organizational decisions (clinical and administrative) are aligned with organizational values
- Embrace the organization's values, communicate the values widely and frequently, "live out" the values in their daily behavior, and ensure that individuals at every level of the organization do the same

Being an ethically aligned organization is the right thing to do and is good business, but it's a lot of work, it's not without cost, and it requires constant attention and nurturing. ▲

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Editor's note: To learn more, listen to the webinar "Aligning Ethical Principles With Organizational Leadership" at ache.org/Webinars, and earn 1.5 ACHE Qualified Education credits.