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e-Ethics

"It's a Business Decision"

Stark Medical Center's leadership team faces a budgeting quandary. Cardiac medicine is the hospital's leading revenue source, and Stark's cardiologists and cardiovascular surgeons are calling for significant (and expensive) technological enhancements. The CEO has now promised substantial improvements in cardiovascular services.

In addition, the marketing director advises that cardiac facilities, including waiting areas and patient rooms, urgently need refurbishing to make them more inviting—and increase Stark's market share in cardiovascular services. Coupled with enhanced technology, a new "look" could solidify Stark's status as the number one cardiology provider in its area.

The financial picture, however, is not conducive to capital-intensive projects. To free up funds, senior management has discussed reducing or eliminating services. The prime candidate this year is the hospital's extensive array of behavioral health services. Stark is justly known in its community for mental health care, and is the only local provider of inpatient child and adolescent psychiatric treatment. At best, however, such resource-intensive programs generate marginal revenue. Is it finally time to eliminate some of these "financially draining" services so that Stark can "move forward" in other areas? One leader advocates a substantial reduction in the scope of behavioral health services. "In the end it's a business decision," he concludes.

Discussion

This situation confronts Stark's senior leadership with difficult, even painful, choices. The trade-off is between upgrading key medical services that generate significant revenue and maintaining unprofitable services that meet an otherwise unaddressed community need. If other alternatives exist, the team has evidently considered and dismissed them.

The problem raises questions of organizational ethics. How should the leadership team arrive at an ethically optimal allocation of Stark's resources? What competing goods or values (for example, meeting community need vs. maintaining competitive advantage) shape the options under consideration? How should Stark's leadership prioritize these values? Moreover, does the community that Stark serves have a legitimate moral claim on the hospital's use of its resources? What values and principles should guide a healthcare organization in deciding which services to fund?

One leader contends that, finally, "it's a business decision." Organizational decisions are sometimes described in such language, both in the wider corporate world and in health care. But what is its ethical relevance? Without clarification, the meaning of the expression is unclear. One way to construe "business decision" language is to see it as a kind of shorthand. Then it is possible to look for an underlying

meaning and tease out its ethical significance.

What might the senior leader's comment signify?

- "It's a business decision" sometimes functions as another way of saying, "Let's get on with it": "We have to *act*! Thinking too long about too many factors only diverts us from taking the decisive steps that must be taken."

- "It's a business decision" may stand for "We wish we didn't have to do this, but there's no other way." Decision makers themselves may regret actions they feel compelled to take. In the Stark context: "No one wants to curtail behavioral health services, but a reduction just has to be made." Not even those in organizational authority control the economy or the marketplace. Thus "business" is both a compelling factor in decisions *and* one that is finally beyond decision makers' control.¹

- "It's a business decision" can mean, simply, "We have to survive" or "We must grow." More broadly: "No margin, no mission."

- Last, and not least, "It's a business decision" sometimes means, "'Business' is one thing, and 'ethics' another." Perhaps ethical considerations, though important, are viewed as "softer" than business considerations—and must take a back seat to higher-priority reasons for action.

One danger lurks in all these possibilities. "It's a business decision" may displace more careful analysis and exploration of possible

"It's a Business Decision"

reasons for a course of action. Worse still, if business and ethics are treated as "separate considerations,"² ethics will not be at the table when finances are under consideration, and finances will not be at the table when ethics is discussed. Such compartmentalization does a disservice to both "ethics" and "business." It polarizes them as seeming antagonists. In the end, the administrative decision-making process is itself impoverished.

Moreover, from an ethical perspective it is usually inaccurate to characterize "business decision" language as a rejection of ethical considerations. Those invoking the need for a "business decision" normally assume that significant values will be protected or promoted by making the decision on "business" grounds. However, important values worth articulating may be hidden in the compressed, even misleading, language of "business decisions"—misleading when it wrongly insinuates that the speaker sees the bottom line as an end in itself.

Appeals to a "business" rationale need not imply disregard for the values of the healthcare mission. The leader quoted above may foresee that sacrificing an undoubted good—some portion of Stark's behavioral health program—would help the cardiac medicine program obtain what it needs to thrive, generate revenue, and become an engine of long-term benefit to Stark's bottom line. Then Stark could meet

other community needs, perhaps consolidate and ultimately preserve the heart of its behavioral health program—all as an expression of its mission. Of course, the leader in question may not have such a comprehensive vision in mind; even if he does, others might question the vision or the proposed means of its realization.

Such concerns deserve explicit discussion as *moral* issues, with the business dimension a key ingredient in the *ethical* discussion. This discussion might, however, require a change in established habits of thought and speech. The values and vision driving a proposed course of action need more than shorthand expression if they are to be recognized, appreciated, and considered fully. The choices facing Stark Medical Center are more than "business decisions"—even as they are nothing *less* than business decisions. In health care, "[t]here is a need to become more skilled at including dollars in discussions of ethics and more skilled at including ethics in . . . discussions of dollars."³ "Business" and "ethics" need each other.

1. David B. McCurdy, "But Is It a Business?" *Business Ethics Quarterly* 12, no. 3 (October 2002): 536.

2. Leonard J. Weber, *Business Ethics in Healthcare: Beyond Compliance* (Bloomington: Indiana University Press, 2001), 25.

3. Ibid.

e-Ethics provides discussion of important ethical issues in clinical care and organizational life. In specific cases, fuller ethical analysis may be required. The discussions in *e-Ethics* should not be construed as legal advice and do not necessarily represent official positions of Advocate Health Care.

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