



Organizational **ETHICS** in Health Care

Principles, Cases, and
Practical Solutions



**The Park Ridge Center for the
Study of Health, Faith, and Ethics**

Philip J. Boyle • Edwin R. DuBose • Stephen J. Ellingson
David E. Guinn • David B. McCurdy



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A Wiley Company

San Francisco

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Published by Jossey-Bass

A Wiley Imprint

989 Market Street, San Francisco, CA 94103-1741 www.josseybass.com

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Library of Congress Cataloging-in-Publication Data

Organizational ethics in health care : principles, cases, and practical solutions /

Philip J. Boyle ... [et al.]. — 1st ed.

p. ; cm. — (The Jossey-Bass health series)

Includes bibliographical references and index.

ISBN 0-7879-5558-2 (alk. paper)

1. Health services administration—Moral and ethical aspects.

2. Medical ethics.

[DNLN: 1. Ethics, Institutional. 2. Health Facilities. 3. Organizational Case Studies. WX 150 O693 2001] I. Boyle, Philip. II. Series.

RA427.25 .074 2001

174'.2—dc21

2001001349

Printed in the United States of America

FIRST EDITION

HB Printing

10 9 8 7 6 5 4 3 2

The Jossey-Bass Health Series

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To the memory of Angela Schneider-O'Connell

Angela was a pioneer in bridging the fields of bioethics and business and organizational ethics. More than that, her keen intellect, sense of humor, and warm personality were a joy to all who knew her.

Foreword

Complexity is the hallmark of contemporary health care organizations. The emergence of multisystem hospitals and even larger integrated delivery networks throughout the United States has radically altered and indeed reordered the landscape of health-related services. Sources of influence and incentive have shifted as various constituencies struggle to adapt to the dynamics of a largely market-driven environment that is characterized by instability and exposure to rapidly shifting political priorities. Health care organizations are forced to make more critical decisions, and more rapidly and decisively, than ever before. Given the complexity of the environment and the relatively small margin for mistakes that can take down an entire organization, a serious question emerges with particular relevance: How does an organization safeguard its moral integrity while responding to the incessant, voluminous, and immediate demands of day-to-day operations?

Although the problems associated with the emergence of new modalities of health care delivery have been proliferating for some time, the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) has now explicitly acknowledged the increasing potential for serious ethical consequences. The JCAHO now mandates that health care organizations seeking its prestigious imprimatur develop mechanisms for identifying and addressing organizational ethics. The complex and rapidly moving pace of today's health care environment simply lends itself to too much ethical ambiguity, which, if left generally unexamined and largely untouched, may threaten the well-being of innocent individuals and unsuspecting communities. The JCAHO standards are, however, just what they appear to be: statements of principle that demand concrete expression in the practical order.

The need to move from statements of theoretical principle to the lived experience of organizations and of the persons who are responsible for the moral character of those organizations provides the rationale for our volume on organizational ethics in health care. Applied ethics usually lags behind the emergence of practice patterns that it eventually recognizes, analyzes, and tries to influence in the public square. It is not surprising, then, that little substantive work has appeared in the field of applied health care ethics as it relates to institutional or organizational ethics.

Given the sometimes overwhelming demand from health care organizations for assistance in complying with JCAHO standards, and our unique approach to health care ethics, the Park Ridge Center for the Study of Health, Faith, and Ethics is responding with this comprehensive, practical guide to understanding and implementing the requirements of organizational ethics at a turbulent time in the history of U.S. health care. In this way, we hope to advance the field of organizational ethics as it applies to health care, while at the same time making a modest contribution to improved quality. Finally, we hope our efforts ease at least some of the burdens experienced by our colleagues in health care leadership and governance as they strive to do their best under damnably difficult circumstances.

LAURENCE J. O'CONNELL
President and Chief Executive
The Park Ridge Center for the
Study of Health, Faith, and Ethics

Preface

Why we wrote this book, and not some other book on health care organizational ethics, is best understood by examining the research process we carried out to gather and reflect upon the stories collected herein. The process was about as simple as the transformation of modern health care itself. Anyone who inhabits the vast territory called health care ethics could not have remained untouched by the last decade's chaotic, and at times opportunistic, restructuring of health care. HMOs, PPOs, PSOs, and "E-I-E-I-O-s" have made health care ethicists think differently about health care and the positions from which they reflect upon it. Thirty years ago, when bioethics was in its infancy, ethicists could follow doctors and nurses around and watch them in their natural habitats. The problems ethicists observed seemed daunting at first, but after years of public conversation, debate, and clarification many dilemmas seemed less imposing, and it became easier to resolve at least some issues.

Today ethicists find it less easy to observe the new organizational ethical dilemmas that can entangle an entire health care institution, from the boardroom to the mailroom. Ethicists can no longer simply observe clinicians to identify the moral problems within health care. They must approach the task from many perspectives to see how a health care organization works, and talk with every person who works within and with the health care organization (executives, housekeepers, and vendors, to name only a few) as well as visit every kind of health provider (acute-care hospital, home care agency, physician practice, and more). At a minimum, this observation requires a revised method for gathering information, and new tools to dissect the ethical problems. The impetus for this book was our own experience of wrestling with this transformation.

The Park Ridge Center team has been fortunate to work within the many nooks and crannies of the health care system. The Center's staff provides ethics consultation and education services to a range of local and regional health care organizations—from acute care to home care—including our parent organization, Advocate Health Care, an integrated delivery system of eight hospitals and two hundred sites of care in the Chicago region. Through these experiences and several dozen semistructured interviews with informants in many health care organizations, we gathered and analyzed lists of problems and tentative solutions.

Organization of the Book

Armed with data, the authors of this book imagined many ways of capturing an adequate and cohesive picture of health care organizational ethics. We decided to give moral snapshots of an organization at short and long range. In Chapter One, we offer a big picture: how organizational ethical problems span the institutional landscape, lurk in the woodwork of organizations, and touch many moral actors. Chapter Two takes a sociological picture of the formal and informal structure of health care organizations, produces practical insight into organizational complexity, and applies these insights to ethical analysis. Chapter Three also explores the overall picture by enumerating and investigating the possible “ethics mechanisms” an organization can use in promoting acceptable behavior.

Chapters Four through Ten offer different perspectives from which to analyze organizational ethics. The relationship of the law to ethical requirements is a puzzle in all applied ethics, but this relationship has a fresh twist in health care organizational ethics. Just as the latter became a specialized topic of discussion, legal concerns about fraud and abuse in health care finance also began to grow. Chapter Four seeks to untangle this complicated picture.

As our research group discussed how to capture an image of organizational ethics, we thought it might be useful to examine functional units in an organization, such as executive, managerial, and departmental functions. Indeed, future books might approach organizational ethics by investigating health care organizations department by department. Chapter Five presents an analytic model of organizational function by examining the management of human resources.

Another way to depict organizational ethics is to explore choices that span the organization. One issue that affects every member of the organization is the potential for conflict of interest (Chapter Six). Another such issue that affects each member of the organization is using discretion in carrying out job responsibilities (Chapter Seven). Still another issue that touches every member and that partially reveals the moral nature of the organization is policy development and implementation. Chapter Eight uses a resource allocation policy to model the moral method described in Chapter One; in so doing it illuminates how policy reflects the moral nature of the organization. Chapters Nine and Ten approach issues that often remain in the background of discussion of organizational ethics, issues that most ethics mechanisms find difficult to approach. Chapter Nine addresses how resource allocation shapes the moral culture of an organization, and how an organization's external culture affects resource allocation. Finally, Chapter Ten addresses the perennial chestnut of ethics and the business of health care: Is it an oxymoron to be an ethical health care business?

Although we have included twenty cases and accompanying commentaries in Part Two, all the chapters include a mix of practical cases and sample policies. Space limitations forced us to be selective about cases. The selection hardly represents the entire organizational ethics picture, but the cameos do add ways to identify, analyze, and address organizational ethics issues practically.

Acknowledgments

This is an appropriate place to thank the many anonymous informants who provided some of the background for the cases. To ensure confidentiality, the storytelling is ours, not theirs. We obtained the cases from so many informants across so many health care organizations that, in the final depiction, we ourselves are hard pressed to identify the original case—so don't even ask.

This book would not have been possible but for the many friends and colleagues who directed us. Many editorial eyes looked at this book; we are especially grateful to Bette Crigger, Margaret Brennan, and Ann Rehfeldt. Our colleague Joal Marie Hill contributed to the cases, and she and Martha Holstein offered practical insights into resolving organizational ethics conflicts. Final manuscript preparation was made extremely easy thanks to the earlier work of Regena Jackson and Bernice Chantos. Last but not least, we are deeply grateful to the informants—friends in health care systems near and far—who allowed us to use the stories in this book.

The Authors

Philip J. Boyle is chief operating officer of the Park Ridge Center for the Study of Health, Faith, and Ethics. He earned his Doctor of Philosophy in theology at St. Louis University and Master of Divinity and Sacred License of Theology from Pontifical Faculty of Immaculate Conception, Washington, D.C. He comes to the Park Ridge Center from the Hastings Center, where he was the associate for medical ethics. In that capacity, he developed and directed multiyear, multidisciplinary research projects on ethics and public policy, including ethical and public policy issues in health care resource utilization, managed care, managed mental health care, technology assessment, outcomes data, employee health benefit plans, and values dilemmas in corporate science policy. He has also worked on research projects in genetics, ethics committees, and the 1991 federal Patient Self-Determination Act. Before going to the Hastings Center, he taught at St. Louis University Medical School in the Department of Internal Medicine. While there, he served four years as the associate director of the Center for Health Care Ethics and had appointments in the departments of Internal Medicine and Hospital and Health Care Administration. He lectures and consults widely on his areas of interest. He is the coauthor of *Medical Sources of Catholic Teaching* and the *Handbook for Nursing Home Ethics Committees*, coeditor of *What Price Mental Health? The Ethics and Politics of Setting Priorities*, and editor of *Getting Doctors to Listen: Ethics and Outcomes Data in Context*.

Edwin R. DuBose is a research associate at the Park Ridge Center. He holds a Ph.D. from Rice University and an M.Div. from the Harvard Divinity School. Before coming to the Park Ridge Center in 1990, he was a fellow in religious ethics at the Foundation for Interfaith Research and Ministry in Houston, where he served as director of

the foundation's AIDS education programs and taught as an adjunct professor at the University of Houston. Presently, he holds an adjunct position in the Department of Religion, Health, and Human Values at Rush University, Chicago. His articles have appeared in medical, public health, and religious journals, among them the *American Journal of Public Health*, *Pediatric AIDS*, and *Christian Century*. He is coeditor of *A Matter of Principles? Ferment in U.S. Bioethics* and *Must We Suffer Our Way to Death? Cultural and Theological Perspectives on Death by Choice*. He is the author of *The Illusion of Trust: Towards a Medical Theological Ethics in a Postmodern Age*. He chaired the planning committee for the 1996 and 1997 Advocate Health Care Clinical Ethics Conference and in 1997 organized the first Park Ridge Center bioethics intensive course.

Stephen J. Ellingson is an assistant professor of the sociology of religion, Pacific Lutheran Theological Seminary. His Ph.D. in sociology is from the University of Chicago, and his M.A. in theology is from Luther Northwestern Theological Seminary. He held a visiting professorship in the sociology department at the University of Chicago and served as the book review editor for the *American Journal of Sociology*. He was also a research associate at the National Opinion Research Center at that university. He was part of the Chicago Health and Social Life study led by Edward Laumann, studying how religious, health care, and social service organizations understand and address the causes and consequences of high-risk sexual behavior. As a graduate student, he was a member of the research team that conducted the national survey of sexual behavior and attitudes. He has published articles in the *American Journal of Sociology* and the *Review of Religious Research*. He is preparing a monograph based on his dissertation, titled *Discourse, Action, and Social Change: The Politics of Race and Slavery in Antebellum America*.

David E. Guinn is a research associate at the Park Ridge Center. He earned his Ph.D. in ethics and philosophy of religion at McGill University, his A.M. in constructive studies of religion at the University of Chicago Divinity School, and his J.D. at Fordham Law School. He joined the Park Ridge Center in 1997. Among other areas, he is interested in issues of religious freedom, pluralism, legal and moral philosophy, and political theory. He is coeditor or

contributing author for a number of books in press or in preparation, including *Religion and Law in the Global Village*; *Bioethics and Law: An International View*; *Organizational Ethics*; and *Religion and Civil Discourse*. Prior to commencing his study of religion and ethics, he worked for many years in the professional theater and practiced as a lawyer specializing in the areas of entertainment and intellectual property law, during which time he authored numerous articles, was coauthor of a two-volume treatise on entertainment law, and wrote two books on international collective administration of copyrights and neighboring rights.

Rev. David B. McCurdy is a research associate and editor at the Park Ridge Center. His D.Min. is from Bethany Theological Seminary and his M.Div. from Union Theological Seminary (New York). He came to the Park Ridge Center in 1995, following fifteen years as a chaplain, clinical pastoral educator, and vice president of religion and health at Good Samaritan Hospital (Advocate Health Care) in Downers Grove, Illinois. Previously, he served as a parish pastor and later as college chaplain at Elmhurst College. He continues as an adjunct faculty member in the department of theology and religion at Elmhurst, where he has taught courses in health care ethics since 1985. He has published articles, reviews, sermons, and correspondence in numerous journals and periodicals.

The Park Ridge Center explores and enhances the interactions of health, faith, and ethics through research, education, publications, and consultation to improve the lives of individuals and communities. It is an independent, not-for-profit organization supported by grants and gifts from foundations, corporations, and individuals. Additional information may be obtained by writing to the Park Ridge Center, 211 E. Ontario, Suite 800, Chicago, IL 60611-3215, or contacting www.prchfe.org.

Organizational Ethics in Health Care

Part One



