CASE AND COMMENTARY
Financial Incentives in Managed Care
Commentary by Kayhan Parsi, JD, PhD

Case

Mr. Nelson presents to Dr. Porter's office complaining of bitemporal headaches for a couple of weeks. A medical history reveals that Mr. Nelson has been experiencing difficulties and stress in his marriage, and a complete neurological physical exam is nonfocal. Based on his evaluation, Dr. Porter believes that the headaches are stress-related and can be managed by NSAID pain relievers and stress management. Mr. Nelson, however, believes that his headaches may have a more serious etiology and would like a CAT scan to rule out anything of greater concern. Mr. Nelson has read in the news that some health plans use financial incentives that reward physicians who save the plan money by ordering fewer expensive tests. Mr. Nelson asks Dr. Porter: "Are you not ordering the CAT scan because it is too expensive to get?"

Questions for Discussion

1. Some have advocated that disclosure of financial incentives be considered a part of the informed consent process. Should physicians be legally required to disclose this information. See Neade v. Portes.
2. Beyond the legal judgment on the matter, does Dr. Porter have an ethical obligation to disclose any financial incentives to Mr. Nelson?

See what the AMA *Code of Medical Ethics* says about this topic in Opinion 8.054 Financial incentives and the practice of medicine. American Medical Association. *Code of Medical Ethics* 1998-1999 Edition. Chicago, IL: American Medical Association; 1998.

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