AMA Journal of Ethics®
May 2025, Volume 27, Number 5: E305-307

FROM THE EDITOR

Is Pursuing Profit Commensurable With Providing Good Health Care?

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The following ideas have guided me and will continue to guide me throughout my career: everyone should get health care when they need it, and a goal of care should be to help improve patients' health and lives. It has been clear to me that capitalist forces—in particular, markets and the systemic disparities they create—directly pose barriers to realizing this tenet. The clash between the ideal of health equity and the reality of profit-driven care models reflects a broader issue: health care in the United States is a true quagmire. Regulators, policy makers, special interest groups, advocates, and stakeholders (physicians, health care workers, and patients) all clash on how to best provide care in this country.

The conflict between providing access to equitable health care and making health care a profitable endeavor has been ongoing in modern America. There was a substantial growth of for-profit hospitals and nursing homes in the 1970s and a subsequent shift to a business-minded approach to health care, even among not-for-profit hospitals.[1] As this growth continued, literature began to question the ethical implications of the profit-driven approach to health care, such as whether for-profit health providers reduce access to care and treat health care as a commodity.[2] Meaningful progress has been made in advancing medicine in some areas and in providing equitable care, such as by reducing racial disparities in quality measures among patients hospitalized for common conditions such as pneumonia, heart failure, and myocardial infarction.[3] Yet inequities in access to care and life expectancy among the highest and lowest income earners have grown, along with the profits of nonclinical actors in health care—insurance, pharmaceutical, and administrative companies.[4,5,6,7]

Another player in US health care has emerged rapidly over the past 5 years: private equity (PE).[8] Growth in PE has been documented[9,10] and reflects the current political discourse, as some policy makers consider how to regulate it,[11] perhaps motivated by evidence that PE ownership is associated with an increase in hospital-acquired adverse events and higher costs for patients.[9,10]

PE might seem ambiguous to some. Simply put and to be clear, it's a pool of money (that can be from individuals, companies, retirement funds, or pensions, to name a few) in a private firm that is used for investment. PE's business model is unique in that it identifies companies that have room for profit growth, assets to leverage, or costs that can be cut. It purchases these companies, often utilizing a leveraged buyout.[12] A PE firm

then usually moves to cut costs, sell or leverage assets, and drive up profits, selling the acquired companies in a short horizon, usually within 7 years.[9] This model has proved massively lucrative to both PE firms and their investors. While some firms have been in the health care sector for years, the popularity of PE acquisitions of physician practices grew tremendously between 2012 and 2021.[8]

This topic is one that should concern not just clinicians and economists. Every person in this country has received or will receive health care, and a deleterious actor in health care can dramatically affect the delivery, quality, and equity of health care in the United States—*deleterious* being the key operating word. Given increasing inequity and costs of health care services and goods, PE is poised to be a disruptive actor in health care.[8]

PE acquisitions of nursing homes, clinics, and hospitals have become commonplace. The effect of these acquisitions is still being studied, but more and more studies have shown this effect to be negative.[9] PE can, at times, have a positive impact on health care. As we decipher the current impact of PE's entrance into health care, we must begin examining the future implications and direction of this growth. Doing so will help guide future advocacy, policy, and regulation to ensure that patients and other stakeholders are not hurt.

In this issue, contributors explore these implications, along with potential solutions, in depth. They examine specific case scenarios, policy implications, potential legal regulations, medical education impact, and potential benefits of PE in health care. They also delve into questions such as whether PE should own residency training positions and how practice-owning clinicians should navigate a PE-acquisition offer.

One of the core ethics values in health care is *beneficence*—advocating for and acting to promote what's good for patients. Beneficence is the lens through which PE and this theme issue should be viewed. Is the growth of PE in health care and its associated impact in the best interests of patients? Each reader will have their own takeaways from this issue, and I challenge them to be advocates based on these takeaways.

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Citation
AMA J Ethics. 2025;27(5):E305-307.

DOI
10.1001/amajethics.2025.305.

Acknowledgements
The author thanks Dr Cynthia Jumper for her mentorship in developing this issue of the *AMA Journal of Ethics*.

Conflict of Interest Disclosure
Author disclosed no conflicts of interest.

ISSN 2376-6980