AMA CODE SAYS

AMA Code of Medical Ethics’ Opinions Related to Health Care Waste
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Abstract
This article examines how the AMA Code of Medical Ethics addresses different kinds of waste generated by health care delivery streams. This summary considers AMA Code opinions about advocacy and access that can guide clinicians’ and health care organizations’ disposal and stewardship duties to patients and communities, especially in an era of climate change.

Health Care Waste
In the discussion of waste and the health care system, material waste (such as infectious waste, sharps, and general waste) is only one part of the ethical issue; the other part is the waste of health care resources. Currently, an estimated 25% of annual spending in the US health care industry is wasted—totaling between $760 and $935 billion—with some of the biggest categories including pricing failures ($230.7 billion to $240.5 billion), overtreatment or low-value care ($75.7 billion to $101.2 billion), and fraud and abuse ($58.5 billion to $83.9 billion for the Medicare population). This kind of waste is not just economically inefficient; it presents a particular ethical dilemma for doctors individually and for the health care profession more generally.

Opinion 11.1.2 of the American Medical Association (AMA) Code of Medical Ethics, “Physician Stewardship of Health Care Resources,” “requires physicians to be prudent stewards of the shared societal resources with which they are entrusted.” Currently, however, the conditions of the health care industry are such that much of health care waste is caused by factors outside of the control of individual physicians, as they are not directly responsible for the waste associated with, for example, pricing failures and administrative overhead. This waste represents an ethical failure—physicians cannot be responsible stewards of health care resources if the conditions that cause irresponsible stewardship happen upstream of them.

Advocacy
Beyond being out of physicians’ control, the overarching issues of health care pricing and administrative overhead are at best opaque and at worst completely inscrutable to patients and many physicians. This ineffability only complicates the problem of waste that is upstream of physicians; accordingly, medical institutions must implement...
reforms that increase transparency and fairness in order to create an environment in which physicians can be capable of responsible stewardship. The AMA Code strongly suggests that physicians have a responsibility to advocate for policies that would enable this kind of change. Opinion 11.1.2 states:

Physicians are in a unique position to affect health care spending. But individual physicians alone cannot and should not be expected to address the systemic challenges of wisely managing health care resources. Medicine as a profession must create conditions for practice that make it feasible for individual physicians to be prudent stewards by:

(h) Encouraging health care administrators and organizations to make cost data transparent (including cost accounting methodologies) so that physicians can exercise well-informed stewardship....

(j) Ensuring that physicians have the training they need to be informed about health care costs and how their decisions affect resource utilization and overall health care spending.

(k) Advocating for policy changes, such as medical liability reform, that promote professional judgment and address systemic barriers that impede responsible stewardship.3

This idea—that there are preconditions that must be met within the system before physicians can be prudent stewards in individual cases—is echoed in Opinion 11.1.1, “Defining Basic Health Care,” which states: “Individually and collectively as a profession, physicians should advocate for fair, informed decision making about basic health care that ... is transparent.”5

Access to Care

Inefficiencies, price failures (which occur “when there isn’t a correlation between cost and value/quality [of care]”6), and the kind of fraud and abuse implicated in this discussion artificially drive up the costs of health care beyond what is reasonable or necessary for efficient distribution of scarce resources; waste is, by definition, inefficient. The unwarranted and unnecessarily inflated cost of care in turn creates barriers to access for many individuals, particularly those from historically marginalized populations, who are unable to get the health care they need. This lack of access to care makes relevant Opinion 11.1.4, “Financial Barriers to Health Care Access,” which states: “Physicians, individually and collectively through their professional organizations and institutions, should participate in the political process as advocates for patients (or support those who do) so as to diminish financial obstacles to access health care.”7

Physicians can be—and in fact have certain obligations to be—prudent stewards of the resources with which they are entrusted, including both the specific health care resources needed to treat patients and the more generalized administrative resources needed to make a health care system possible. Even though their primary responsibility is to effectively steward resources when dealing with individual patients, managing health care resources responsibly for the benefit of all patients can be compatible with physicians’ primary obligation to serve the interests of individual patients. Opinion 11.1.2 states:

To fulfill their obligation to be prudent stewards of health care resources, physicians should:

(a) Base recommendations and decisions on patients’ medical needs.

(b) Use scientifically grounded evidence to inform professional decisions when available....

(e) Use technologies that have been demonstrated to meaningfully improve clinical outcomes to choose the course of action that requires fewer resources when alternative courses of action offer similar likelihood and degree of anticipated benefit compared to anticipated harm for the individual patient but require different levels of resources.

(f) Be transparent about alternatives, including disclosing when resource constraints play a role in decision making.
(g) Participate in efforts to resolve persistent disagreement about whether a costly intervention is worthwhile, which may include consulting other physicians, an ethics committee, or other appropriate resource.

**Conclusion**

Since the waste caused by the kinds of structural inefficiencies outlined above causes unwarranted high prices, these inefficiencies in fact constitute financial obstacles to accessing health care and prevent physicians’ responsible stewardship of scarce resources; the AMA Code suggests that physicians therefore ought to act collectively to advocate for reforms to the administrative and pricing structures of the health care industry so as to reduce this waste, ameliorate financial obstacles, and responsibly steward scarce resources in a way that best serves the needs of their individual patients and patients more generally.

**References**


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