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THE MEDICAL PROFESSION AND THE CORPORATIZATION OF THE HEALTH SECTOR

ABSTRACT. This article describes the most important determinant of contemporary American medical practice: the corporatization of the health care delivery system. It argues that there is an urgent need for greater reflection by physicians on the values inherent in profit-based health care and on the implications of such a model of care. Other pressures on the medical profession and several available responses are examined. The article then poses a challenge to the profession to assume a more forthright advocacy for social equity in health care provision.

Key words: Cost containment, Corporatization, Professional autonomy, Right to health care, Social ethics, Justice.

INTRODUCTION

There is a story that people in Africa tell each other during periods of famine about a fat man and a thin man. The fat man approaches the thin man and admonishes him, “You should be ashamed of yourself. If a foreign visitor sees you first, he will think that we have famine in our country.” The thin man glances back at his heavy-set counterpart and replies, “And if he were to see you next, he would know the reason for the famine.”

Over the last few years, everyone became acquainted with the dimensions of the continuing plight of the people of Ethiopia. No one could have missed the media attention, particularly the rock stars in “We Are the Children.” Our recent American rendition, “Hands Across America” brought similar attention to the growing hunger and homelessness in the United States. These conditions of underdevelopment, throughout the world and here at home, exist in a social relationship to their obverse of development.

The delivery of health care in American society can be divided into two aspects in close relationship: (1) the underdevelopment of health providers who continue to serve the uninsured and underinsured poor, disabled, and aged, comprised mostly of local public health departments, a shrinking number of public hospitals, and certain urban voluntary hospitals and community-based ambulatory agencies; and (2) the rampant development of the proprietary nation-wide corporate firms and their mimicking “not-for-profit” multi-institutional competitors, who seek only the better-insured middle-class and less severely ill Americans, from which to turn a handsome profit [1].

The for-profit sector in health care has risen dramatically in just over a
decade and a half [2]. Corporate conglomerations of multihospitals,
nursing homes, health maintenance organizations, ambulatory centers, etc.,
are now positioning themselves to be the major contenders for a whole
new range of health services for the well-paying segments of our popula-
tion. The rise to dominance of this "new medical industrial complex" in
the delivery system, the phenomenal growth of their sales and profits, and
their rapid diversification has taken the medical profession, as well as the
general public, by surprise. [3, 4] Even now the top for-profit health care
chains are poised to make inroads into academic medicine [5].

In contrast to this rapid rise of the for-profit sector is the accompanying
decline of the public sector's overall delivery of services to the under-
served segments of our population. Public hospitals all across America
have been closing, along with urban voluntary hospitals that have tried to,
or had little option but to, remain in neighborhoods of poor, aged, and
minority concentrations [6]. A comparison between the growth of the
for-profit segment and the decline of these other provider agencies
represents a condition of underdevelopment amidst development, a reflec-
tion of an economic system that does not value social equity in receipt of
services.

These developments in health care have been complex as well as
extensive. Most physicians have felt their impact through significant
alterations of their practices. There are new diverse patterns in modes of
practice. There are shifts in patient loads, changes in expenses and
earnings, new relationships within hospital and other practice settings, as
well as audits and interventions by payors — government, business
purchasers, and insurers. There are, of course, scientific and technological
innovations too. This list would be incomplete without mentioning the
malpractice insurance problem, now occupying so much space in the
profession's newspapers and journals, and even in the popular press.

But while most physicians have heard about, and indeed experienced
such changes, a crucial need exists for the profession to gain a fuller
understanding of what is really going on. The medical profession as a
whole needs to open the aperture to its lens, to view more fully the
corporate terrain and the developments coming over the horizon. In
addition, rather than only reacting in defense of their own accustomed
status and economic self-interest, I suggest that physicians join with other
health professionals and ally with consumer groups to offer broader
community health alternatives to profit-based corporate medicine. I shall
argue that physicians' professional autonomy may depend on how well
they resist the financial agenda imposed by corporate purchasers of care.