Medical Leaders Double as Corporate Directors

BY DEBRA L. BECK
Contributing Writer

TORONTO — If accepting free pens or lunches from industry represents a potential conflict of interest for physicians, what do you call it when a medical school dean is also the corporate director of a large, for-profit health care company?

"An academic medical leader serving on the board of directors of a health care corporation could entail huge conflicts of interest," Dr. Roy M. Poses said at the annual meeting of the Society of General Internal Medicine.

"Directors of a for-profit corporation have legally enforceable fiduciary responsibilities to its stockholders for the corporation's direction and financial viability, including its profitability," said Dr. Poses, president of the Foundation for Integrity and Responsibility in Medicine, a not-for-profit educational group.

In a cross-sectional study, Dr. Poses and his colleagues scrutinized the biographies of all board members of "pure" health care companies among the Standard & Poor's (S&P) 1500. Their data came from publicly available company proxy statements, annual reports, and Web sites.

In 2005, there were 164 U.S. health care companies in the S&P 1500, and 125 U.S. medical schools. The investigators identified 198 people who served on the companies' boards of directors and had faculty or leadership positions at a medical school. Of the 125 medical schools, 65 (52%) had at least one faculty member and/or academic leader who also served on a health care corporation's board of directors. Four schools had 10 or more such individuals, and 15 schools had 5 or more.

Of the 125 medical schools, 7 reported to university presidents who also were directors of health care corporations. 11 reported to vice presidents for health affairs who were corporate directors, and 5 were lead by deans who also were health care corporate directors.

Also, 11 schools had academic medical center CEOs who were corporate directors, and 22 schools had at least one top leader who also was a director of a health care corporation.

"There are a lot of factors at play, including how aware you are of the potential conflict and how much transparency protects you from acting in a conflicted way if you are conflicted," said Dr. Nicole Lurie, codirector for public health at the Center for Domestic and International Health Security, in an interview.

"Many physicians in practice don't perceive a conflict at all. The first thing is to open yourself up, look at yourself, and examine the issue. Then you have to think, if these relationships exist, are there things you can do to make them work, because I don't think as a matter of public policy that we're going to succeed in obliterating all these relationships," Dr. Lurie said.

Amid efforts to prevent physicians from accepting small gifts, meals, and travel reimbursement from company sales representatives, the new study highlights a potentially much bigger problem.

"The bottom line is that a substantial portion of medical schools are led or influenced by people who also have fiduciary duties to health care corporations," Dr. Poses said.

The study used readily accessible public data only and did not collect data on board members of smaller U.S. health care corporations, other U.S. corporations with major health care activities, corporations outside the United States, or privately held corporations. "So, our data really only give lower-bound estimates of the number of medical schools influenced or led by people who also have fiduciary duties to health care corporations that may conflict with their academic leadership obligations," Dr. Poses said.

"At a minimum, all in academia who also serve on boards of directors for health-related for-profit corporations should fully disclose their relationships in any context in which such relationships could possibly be considered influential," he suggested.

"At a minimum, all in academia who also serve on boards of directors for health-related for-profit corporations should fully disclose their relationships in any context in which such relationships could possibly be considered influential," he suggested.