

Why Preserve the Not-for-Profit Tradition?

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I represent an ancient tradition that goes back to Hippocrates and has been embraced by most of the religious communities in the Western world—Jewish, Christian, Islamic. This ancient tradition says that for-profit organizations are a good thing in many cases, but there are certain notable exceptions. For example, Aristotle says self-interest (which is the for-profit bottom line) is good. However, society is better served if, in its hospitals, altruism, not self-interest, is the bottom line.

BOTTOM LINE EFFECTS

If (by definition) profit, not service to the patient, is the bottom line in healthcare organizations, that in itself changes for the worse the way four of the main ingredients function in healthcare:

Quality Patients can and do receive high-quality service in for-profit hospitals. But in the for-profit hospital, quality functions only as a way to the bottom line. What happens when providing quality does not help the bottom line?

Ethics It isn't that for-profit hospitals do not have ethics. It is how ethics functions—as a way to the bottom line. And ethics can change as dictated by the bottom line.

Indigent Care The for-profit hospital provides indigent care because this is the only way the community permits it to enter the market. But what happens when the bottom line dictates a change in public relations? The hospital can say, "We are doing indigent care" and throw in things such as discounts to insurance companies. What happens then to the family that says, "We can't pay. We have no insurance and don't qualify for any government program such as Medicaid"? Indigent care can clearly function differently in a for-profit setting.

Profits A common saying of the for-profits is, "Both for-profit and not-for-profit hospitals seek a profit, so there is no difference between them." Both may seek profits. But in which is profit the



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bottom line? In which is altruism the bottom line? Profits function differently in each case.

What if, for example, in a particular not-for-profit the bottom line becomes money? Do you have only one choice: abandoning your not-for-profit status? No, you have a second choice—rekindling the fires of devotion.

LESSON FROM THE MIDDLE AGES

If altruism should be the bottom line in healthcare, why do the for-profit hospital chains seem so attractive to many people who influence health policy? A glance at European history is instructive. In the Middle Ages one could walk from Spain to Scandinavia and never leave not-for-profit territory—the great monastic holdings of various groups. The kings and dukes and other nobles—the politicians, so to speak—were more often than not dead broke. Not surprisingly, they were always looking for new sources of income.

When the not-for-profit world got too acquisitive, what did the kings and the dukes do? They suppressed monasteries and churches and grabbed their land. Henry VIII of England broke with Rome and started the Church of England, not merely because he wanted to get married for a second time. In fact, he was cash short. He saw many monasteries not serving the common good, and he took their land to solve his financial problems.

Something similar is happening today. Local, state, and national governments are hard up. So it sounds like a terrific deal when a for-profit chain offers to buy a non-tax-paying hospital and then pay taxes.

My message to not-for-profit hospitals is: If you want the for-profits to prevail, hoard your money. Do not be generous to the poor. Then it will be inevitable that we will lose this long, ancient tradition. People in the communities we serve will lose the altruistic goods that only not-for-profits can provide. How about rekindling the fires of devotion? □