Mission, margin, and mindset

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Editor's Note: Knowing that I wanted to write an editorial about the influence of money in medicine, I asked a dear friend, colleague, and mentor, Fred Hafferty, to join me. Fred's background as a sociologist and his expertise in the culture of medicine pushed my own thinking forward in new and important ways, and I am grateful for his co-authorship.

In the Summer 2024 issue of *The Pharos*, James Webster wrote:

> [Osler] would probably be appalled that in 2023 private equity firms are involved in completing the 'financialization' of health care. Their goal is to maximize profits by manipulating the fiscal opportunities in the management of business dealings surrounding care without providing any actual care for patients. Rather than being a social good, health care becomes a series of market driven financial transactions.[1]

Looking back through this past year of submissions to *The Pharos*, be they articles, poems, or letters to the editor, the "financialization" of healthcare has been an oft-invoked topic.

We find these concerns well grounded. For example, at a recent clinic staff meeting, there was a conversation about facility fees and vaccinations. The internists were struggling with how to provide the best population-based primary care possible, since many had chosen to refer patients to local pharmacies to get vaccines rather than administer them in clinic because the pharmacies did not charge facility fees. The larger context is that many hospital-affiliated clinics (like this one) had begun to add an additional service charge to patient bills for routine vaccinations, with these "facility fees" intended to pay for things like the nursing time to administer vaccines, refrigeration storage costs, etc., all leading to an additional charge of up to $400, which is typically not covered by insurance. The struggle is that referral adds extra time and effort on the part of the patient and possibly reduces vaccination rates because of an understandable lack of patient follow-through. From an institutional standpoint, there is a need to recoup revenue for an activity—vaccination—that may incur costs for the medical center, underscoring the need to remain profitable in order to sustain operations. No margin, no mission.[2] From a primary care standpoint, however, there is the need to promote the best health outcomes for the population served by the medical center, which would suggest maximizing vaccination rates by maximizing convenience. It's a pickle, and just a small sampling of the kind of important healthcare issues that are increasingly ingrained in care delivery systems at many institutions.

Is money evil? Are good healthcare and capitalism fundamentally incompatible? A story about Paul's father provides some illumination. After he left active duty in the US Navy, Walt Haidet worked his entire career at the Aluminum Company of America, also known as Alcoa. An accountant by background (he was a supply officer in the Navy), he worked his way through the ranks to become Alcoa's manager of construction accounting. Sometime in the early 2000s, in a fit of capitalist despair, Paul said to his father: "Dad, you worked at a Fortune 500 company. What was it like? Were you folks just *all about the money,* or what?" Walt paused for a minute, gave Paul a look that usually meant he was about to speak some important truth, and said: "Look, I'm an accountant. You can't ignore the money. If you do that, you are not going to have a business for very long."

He paused.

"AND… at Alcoa in the 1960s, there was a palpable belief throughout the company that aluminum was going to make people's lives better." At this point, he ripped off a series of facts about aluminum —how it is lighter than steel, how all sorts of useful things can be made out of it, etc. The Alcoa headquarters in Pittsburgh had this etched into its architecture, being an aluminum-clad building with doors, fixtures, furniture, and other features made of aluminum. "And so," he continued, "we BELIEVED that aluminum was going to make people's lives better, and, if we were better than the other guys at doing it, the money would take care of itself."

The realization now, 25 years after that conversation and ten years after his death, is that Walt was describing a conceptual model for the culture and decision-making within an organization (Figure). At its core, a company's organizational mindset is represented by two concentric circles. One represents the money and the other the mission. Whichever one dominates the middle makes all the difference. Not only does an organization's center circle determine resource allocation, it also drives critical decisions at all levels of the organization and impacts such intangibles as how people feel when they come to work. To the extent that Walt's assessment of Alcoa was accurate (and he definitely was not one to wax rhapsodic or exaggerate), it probably also explains in large part why Alcoa was the world's leading manufacturer of aluminum in the 1960s. "We BELIEVED that aluminum was going to make people's lives better."

As a sociologist and one of the nation's foremost scholars on the culture of medicine and medical education, Fred often has the opportunity to sit in and observe high-level meetings at medical schools and hospitals. One day, he was sitting in a physician all-staff meeting where the CEO seemed to be addressing, among other things, issues of organizational identity. At one point, and with great conviction, the CEO asserted that: "unless we are able to keep the doors open and the lights on, we are not going to be able to do all the good work we do on behalf of our patients." He then went on add, as if additional emphasis was necessary, that unless "we can maintain a certain operating margin 'it' might be necessary to reevaluate the organization's current commitment to staff benefits." (And a point of social psychology–note the ordering of pronouns, from the collective "we" followed by the impersonal "it" rather than the more personal "I".) As these words washed

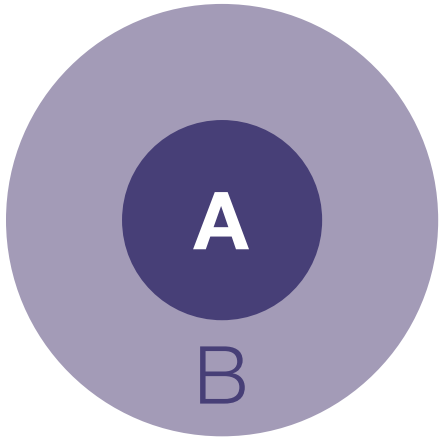

Figure. In any organization, one circle has the money, and one has the mission. Whichever one is in the central (A) circle makes a big difference.

across the audience, Fred found himself swept along in a gaggle of nodding heads. It all seemed so logical and to make perfect sense. It wasn't until several years later that Fred began to unpack what had happened. Essentially, there had been staff complaints that the organization had lost its way and was becoming too corporatized, and in response, the CEO was delivering a face-the-music, margin before mission, wake-up call. Although his words were brilliantly colloquial, the CEO constructed an ordering that placed margin before mission–an ordering that framed mission as dependent upon adequate revenue streams. In doing so, and without ever saying so directly, the CEO reminded his audience that to do their good work, staff first need to keep the doors open and the lights on.

As we think about how enmeshed this lights-on, doors-open logic has become, we are finding it difficult to recall a real-world counter statement that reverses the equation and makes margin the dependent variable–something along the lines of a "being true to our mission allows us to…" statement. It is as if we now live within an epistemological bubble where the competing logics of managerialism, markets, and mission flow in only one direction.[3] This "financialization" or industrialization of medicine tends to put the money squarely in the central circle, and that influences the way we all see the world, and the humanity (or lack thereof) of the patients in it. With money at the core, patients become raw materials for hospital assembly lines (how recently have you heard the term "throughput"?). With money at the core, patients become cost centers for insurance companies. With money at the core, patients with particular illnesses become lucrative markets for pharmaceutical companies. What we put in our central

circle determines the professional values of our organization, and those professional values will influence the individual values of most, if not all, of the doctors, nurses, and workers in the organization. The way we talk about things defines our reality.

Reflecting upon the inversion of margin over mission comes with additional troubling recognitions. Why has this prevailing logic taken root? Why, in light of Walt Haidet's story, was the organization Fred observed not more like Alcoa of the 1960s? Both of us are still waiting, hoping, to hear some rendering of: "keeping the lights on and doors open only happens when we first do the good work we do on behalf of our patients." What if, instead of talking about capturing lucrative high-revenue procedure referrals, we instead defined what our communities need and what our organization's purpose is, and then, only then, talk about what volume of high revenue procedures we would need to do to support said purpose? The content of the conversation is the same, but the goal is completely different.

The narrative—and nomenclature—of healthcare needs to change, and this is where we all come in, because not only do Walt Haidet's concentric circles apply to organizations, they apply to individuals as well. If you are a practicing physician, what do you think about when you walk into clinic? No doubt you are cognizant of the tacit organizational directive for you to dispatch your list of patients (something delivered to you by invisible scheduler hands) as efficiently as possible, but what do YOU think about as you are doing so? What about at the end of the day? If you are a medical student or resident, what is truly drawing you to the specialty you are considering? What is in your own central circle? Clay Christensen, in his book *How Will You Measure Your Life,* talks about meaningful work, responsibility, and relationships leading to career and life fulfillment more than lucrative pay and status. Unfortunately, many (but not all) of the executives in his study experienced an erosion over time of an initial focus on meaningful work, responsibility, and relationships.[4] It seems that money has a way of sneaking into the central circle, and we need to look at our decisions carefully and actively discern what is going on with our circles as we make those decisions.

The ΑΩΑ motto is "Be Worthy to Serve the Suffering," not "Be Profitable Enough to Treat the Sick." The organization itself was founded because William Root, as a medical student in 1902, saw the need for activism to counter what he perceived as money and greed corrupting the purpose of the medical profession.[5] What we face today is not a new problem, but rather a twenty-first-century flavor of an old one. The playing field has shifted though, as healthcare has become a big business, accounting for nearly one-fifth of US GDP, and approximately 80 percent of US physicians now being employees of hospitals or corporate entities. In this environment, the arrival of ever newer forms of capital, like private equity, are shifting agency ever further upstream, as corporate logic pushes healthcare to become like other industry sectors where margin defines mission.

We need to reclaim our agency.

We need to use our individual and collective voice. Each of us, every day, faces what the organization is making us do, but in whatever latitude we have, the way we do things centers either the money or our own personal mission. Most of us have opportunities to speak out in our organizations and to start the conversations about what they, and we, are ultimately about. If all politics is local, perhaps by speaking with one another we can form collectives within the organizational juggernaut that foster values-based practices and ultimately sway conversations in the boardroom.

In a better world more suited, more worthy, to serve the suffering, we would talk about the work of medicine in a different way. Individual docs will hold on to their core mission in daily practice. Organizations will firmly place mission at the center, in public and private conversations, processes, and structure. The profession itself will reaffirm its commitment to patients and healing. It's time for us all to help medicine rediscover its inner 1960s Alcoa. No mission, no margin.

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