

EDITORIAL

THE CORPORATE PRACTICE OF A PROFESSION

In recent years the corporate practice of medicine has been widely discussed but often poorly understood. It has been misunderstood for the most part because reliable information on the subject is not readily available.

The Ohio State Dental Board and the Ohio State Medical Board have recently raised a number of questions pertaining to the corporate practice of the dental and medical professions. The Hon. C. William O'Neill, Attorney General of the State of Ohio, in his opinion discussed and answered the pertinent issues of the corporate practice of a profession. The following is a syllabus of his ruling on the subject.

A corporation, whether or not organized for profit, may not lawfully engage in the practice of medicine in this state.

A lay individual, association or corporation, either for profit or not for profit, is violating the law if he or it employs a doctor and charges a fee for his professional services. The physician may, however, be employed to provide services on a purely charitable basis.

A corporation, even one that has a nonprofit status and is supported by a local community fund, is not authorized to engage in the practice of a learned profession. Such a corporation would be unlawfully engaged in the practice of medicine, dentistry or law if it has undertaken to operate a clinic by charging a fee for the professional services of licensed practitioners.

Institutions may lawfully supply accommodations for patients either on a commercial basis for profit or not for profit, but they may supply medical treatment only as an incident thereto by permitting the practice therein of licensed physicians. Such institutions may not share in the fees charged by such physicians for their professional services.

A hospital corporation, whether or not organized for profit, is entitled to a fair compensation (a) for the use of technical equipment owned by it and used by a physician in the performance of professional services, and (b) for nonprofessional services supplied to such physician; but when such corporation enters into an arrangement with a physician whereby it receives compensation for such use and such services which is manifestly in excess of the fair value thereof, the hospital is unlawfully engaged in the practice of medicine and the physician concerned is guilty of grossly unprofessional conduct.

Under the provisions of the Ohio General Code, licensed dentists may not lawfully accept employment from a corporation or association of persons not licensed as dentists under the terms of which employment

such employee performs professional dental services for which such association or corporation charges and collects a fee.

The Attorney General pointed out that violation of this law is sufficient reason to suspend or revoke a physician's license to practice within the State of Ohio. It is very important for physicians, and particularly anesthesiologists, to understand the philosophic reasons for opinions such as those formulated by Attorney General O'Neill.

The prime consideration is to protect the best interests of the public and prevent the gradual deterioration in the quality of professional care to the individual patient. This would inevitably occur if lay individuals or corporations were permitted to engage in and control the practice of medicine. It should also be noted that the policies stated in the Attorney General's opinion are virtually identical to those expressed in the Statement of Policy adopted by the American Society of Anesthesiologists and the "Guides for the Conduct of Physicians in Relationships with Institutions" formulated and adopted by the House of Delegates of the American Medical Association.