

# Financial compensation and ethical issues in healthcare



**ASSIGN  
BUSTER**

Mrs. Glenda Trudell ME120 Medicalinsurance Software Applications February 2, Financial Compensation and Ethical Issues in Healthcare

The health care system faces challenges related to its workforce and the market forces. Issues regarding the workforce and the prevailing market forces are related and are faced with numerous ethical issues. Of concern, are the ethical issues relating to financial compensation and equity in the health care. It is important to carry out an analysis of the healthcare system and the ethical tenets that surround it in addressing these problems.

There have been lots of restructuring in the healthcare system over the past decade. This move has affected its delivery and financing. The goal of these restructurings was in the provision of access to high quality and effective health care to all individuals. This goal has however faced challenges from market-driven forces that characterize the healthcare system. Such factors include the reduction in costs, reduced utilization of resources and maximization of revenues. The result has been in the mismanaged care. The American Nurses Association in 1995 released a document that highlighted the ethical issues in healthcare. These issues included lack of coordinated care, misuse of financial incentives and decrease in the number of registered nurses. The association also noted a decline in the American healthcare system in a document published in 1996. Some ethical practices which the associations highlighted include the lack of full disclosure, gag rules and compensation plans that rewarded the withholding of nursing services.

The healthcare workforce in the American labor market has grown tremendously in the last ten years. This large workforce is now faced with the market-driven forces that seem beyond their control. These forces threaten the closure of some hospitals and retrenchment of workers. The <https://assignbuster.com/financial-compensation-and-ethical-issues-in-healthcare/>

resulting job insecurity brings forth fear of job changes, losses and increased hiring of unlicensed health personnel. The decrease in demand for registered nurses results in reduced and inequitable financial compensation available for them.

Financial compensation, ethical issues, and health care delivery systems are related to resource allocation. Application of ethical methods of resource allocation is, as a result, vital. The utilitarian ethical theory and the moral principles of justice are theories that seek to establish the best fit between the scarce resources and financial compensation. The utilitarian theory advocates for the greatest good, for the greatest number. This approach contrasts the existing situation in the U. S. Despite the healthcare workforce constituting the largest percentage of the American workforce; they receive inadequate financial compensation. The theory of ethical principles of justice focuses on fairness and equitable allocation and distribution of resources. The traditional ethic for financial compensation of registered nurses involved the principles of material justice. This, however, does not apply in today's health care environment. The financial compensation is now tied to the workers efficiency and organizations profit. This blatant disregard of the nurses and clients legitimate needs is unethical and undermines the principles of justice.

It is without doubt that unfair systems of financial compensation may place health providers in unethical situations that compromise their professional and personal integrity. Strategies need to be put in place to counter the ethical issues related to financial compensation in the healthcare system.

The American Nurses Association needs together with other professional bodies need to draft laws that will regulate the ethics in financial

<https://assignbuster.com/financial-compensation-and-ethical-issues-in-healthcare/>

compensation. The healthcare management also needs to develop and embrace a philosophy of business ethics in its operations. They should also ensure that all health workers understand the relationship between fair financial compensation and the ethics of justice

#### Reference

American Nurses Association. Managed care: Challenges & opportunities for nursing. Nursing facts from the American Nurses Association. Washington, DC: Author. 1995

American Nurses Association. National survey reveals serious concerns among Americans about cost-cutting trends in patient care. News Release. Washington, DC: Author. May 9, 1996.