The Ethics of Hospital Marketing

Marketing efforts are necessary but should be ethical and appropriate.

Q. Our facility is developing a marketing campaign in a competitive environment. Are there ethical guidelines for marketing?

A. In the increasingly competitive world of healthcare delivery, more and more hospitals are engaging in marketing to expand awareness of services that can build market share, diversify the payor mix and generate needed revenues. But does the altruistic nature of hospitals make it inappropriate for them to market their services in the same ways companies in other sectors market their goods? Because of the perception that marketing is more about financial enhancement than enhancing a community's healthcare needs, is the term “marketing ethics” an oxymoron?

We, like others, take the position that marketing by healthcare facilities can be appropriate and ethical. Marketing can function as an extension of the organization’s transparency by communicating its various services.

However, there are specific situations when marketing efforts either raise ethical questions or are, arguably, inappropriate, such as when the marketing message is less than truthful, is manipulative or creates a conflict of interest. One example is the classic case of the hospital that was advertising it would provide free meals to ambulance drivers when they brought patients to their emergency room.

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The basic ethical standards of marketing as described by the American Marketing Association include honesty, fairness and avoiding conflicts that promote the organization’s interest over consumer needs. These fundamental marketing ethical guidelines also are reflected in ACHE’s Code of Ethics, which states: “Be truthful in all forms of professional and organizational communication, and avoid disseminating information that is false, misleading or deceptive.”

In addition, the American College of Physicians Ethics Manual indicates that: “Advertising by physicians or healthcare institutions is unethical when it contains statements that are unsubstantiated, false, deceptive or misleading, including statements that mislead by omitting necessary information.”

Adhering to ethical standards cannot be undervalued because of the inherent relationship between ethical practices and organizational success. Unethical marketing, whether real or perceived, can ultimately be harmful to the organization. So the issue is not whether it is ethical to market, but, rather, how does a healthcare facility do so ethically?

There is no simple, absolute answer to this question. However, the leadership of the healthcare facility, the group developing the marketing activity and perhaps representatives from the healthcare facility’s ethics committee should reflect on the following questions before any campaign is implemented:

Why is the marketing campaign being developed and potentially implemented? Are the hoped-for results truly aligned with the mission and best interests of the hospital and the community it serves?
How does the service or activity being promoted address a community health need? Is the marketing effort promoting the use of effective care—treatment viewed as medically necessary based on clinical-outcome evidence—rather than promoting care because of the supply of resources or financial return? Is too much emphasis being placed on specialized care that can significantly enhance the facility’s revenue stream compared to primary care services?

Is the campaign fully truthful? Is it misleading? Unsubstantiated claims or needlessly concerning people about their health needs are not appropriate ways to promote a hospital.

Is the marketing activity fiscally responsible? In a time of limited resources, is the marketing effort well matched to the community environment and an effective use of funds? For example, how will the spending of resources on four-color brochures and television advertisements be perceived versus supporting programs that meet the needs of the underserved? The marketing campaign should not take place in a vacuum, so if the talk of the town has recently been about a reduction in healthcare services, an increase in taxes (in hospital taxing districts) or a freeze in employee salaries, a marketing campaign may be seen by many as an unnecessary extravagance.

Does the tone of the marketing campaign fit the healthcare organization’s image and standing in the community? As a provider of needed, life-saving services, hospitals should not market their services in the same ways as new cars or consumer goods. A question to consider is, will the marketing effort damage the facility’s image in the community? The marketing effort should positively reflect on the healthcare facility’s mission and culture.

Does the altruistic nature of hospitals make it inappropriate for them to market their services in the same ways companies in other sectors market their goods?

If consumers know of the hospital only what they learn from the marketing campaign, are you OK with that? There will be a segment of the local population that doesn’t know much about you. A marketing campaign’s ads and brochures may be all some consumers have as a basis on which to form an opinion of you. Do these materials send the right message?

In the end, the test is whether the marketing campaign will benefit the hospital/community. This is the final and most important question that should be addressed. If the campaign is being undertaken to educate the public about needed healthcare services or support a crucial program of the hospital, you are most likely ready to go forward.

Healthcare marketing is ethical when the general ethical standards of practice are maintained. The responses to the above questions are not an algorithm for determining ethical marketing practices; however, the questions do provide guidance for determining whether your organization’s marketing effort has crossed the line of unethical behavior. As healthcare organizations have become more focused on organizational and business ethics, it is reasonable and important to think about the proper standards for your marketing efforts.

Editor’s Note: Research for this article was supported in part by the Veterans’ Rural Health Initiative at the White River Junction (Vt.) VAMC. The views expressed here do not represent the U.S. government or the Department of Veterans Affairs.

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