



The Evolution Of a Policy



- **Board members are fiduciaries of a charitable trust**
 - Preserve fiscal stability
 - Protect non-profit corporate interests
- **Physicians who invest in a competitive inpatient facility create a conflict of interest situation**
 - Inherent conflict of interest
 - Financial conflict of interest



- **Competition is NOT the issue – hospitals compete all the time**
- **For-Profit boutique hospitals capture physician investors to guarantee referrals = unfair competition**



- **Board not required to sacrifice charity's interest in favor of physician's self-interest**
- **“Can't be partners and competitors at the same time!”**