

Many top academics and professors serve on US healthcare company boards, reveals research

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Nearly 1 in 10 healthcare company board positions are held by top academics from many of the most renowned medical and research institutions in the United States, finds a new study published in *The BMJ* this week.

These dual obligations pose major individual and institutional conflict of interests that are not addressed by national guidelines, explain the authors.

In total, 279 healthcare company directors were affiliated with 85 non-profit academic institutions. These included 19 of the top 20 National Institute of Health funded medical schools, and all 17 of the US News Honor Roll hospitals

These directors received "considerable" cash compensation totaling \$54,995,786. Salaries often approached or surpassed common academic clinical earnings, and on average they each received annual payments of \$193,000 as well as significant stock options.

Overall, 73 were chief executive officers, presidents, trustees, provosts, deans, and department chairs; 121 were professors and 85 were trustees.

Unlike consultants or academics who receive industry funding, less attention has been paid to individuals who also serve as directors, who

oversee executive officers, set major strategic initiatives and handle major financial decisions. They hold a fiduciary responsibility to the financial success of the company

The US Physician Payments Sunshine Act requires that payments to physicians and [academic medical centers](#) by pharmaceutical and medical device companies are reported. But the Act does not mandate separate reporting of payments for serving as a company director.

So the team of authors analysed the prevalence, characteristics and compensation of company directors who also held academic positions. They looked at healthcare companies that specialize in pharmaceuticals, biotechnology, medical equipment or healthcare services, and publicly traded on the NASDAQ or New York Stock Exchange in 2013.

They found 442 companies with publicly accessible disclosures on boards of directors, and 41% of these included at least one director with an academic affiliation.

The study is likely to have under reported the full scope of ties between industry directors and academia because large and foreign private companies as well as small start-ups were not included.

Names of directors with academic affiliations are not revealed because the authors want to highlight the topic, rather than focus on individuals.

"There are potential benefits to having greater representation of the non-profit healthcare sector in the corporate board room, and academic institutions may directly benefit from their leaders, professors and trustees developing management skills and forging fundraising or research partnerships," explain the authors.

"However, these same director qualifications and connections can be the

source of conflicting interests which have not been fully addressed by professional societies or academic institutions and deserve additional review, regulation, and in some cases, prohibition when conflicts cannot be reconciled," they add.

In a linked editorial, Professor David Rothman from Columbia College of Physicians and Surgeons, USA, says that "no one seeks to demonize industry" because "academy-company cooperation is necessary for medical progress." However, he argues that the compensation sums are "unsettling" and "although it may seem radical, excluding leaders from directorships is the only credible policy."

"Many ways exist for sharing knowledge without joining a board," he says, and encourages academics to "share information with industry as appropriate" but to not "take payment, travel, and the rest." He concludes: "integrity must take precedence over individuals' compensation."

More information: Prevalence and compensation of academic leaders, professors and trustees on publicly traded United States health care company boards of directors: cross sectional study
www.bmj.com/cgi/doi/10.1136/bmj.h4826

Editorial: Leadership by example: saying no to health industry board membership www.bmj.com/cgi/doi/10.1136/bmj.h5065

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