Target Article

Lying to Insurance Companies: The Desire to Deceive among Physicians and the Public

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This study examines the public's and physicians' willingness to support deception of insurance companies in order to obtain necessary healthcare services and how this support varies based on perceptions of physicians' time pressures. Based on surveys of 700 prospective jurors and 1617 physicians, the public was more than twice as likely as physicians to sanction deception (26% versus 11%) and half as likely to believe that physicians have adequate time to appeal coverage decisions (22% versus 59%). The odds of public support for deception compared to that of physicians rose from 2.48 to 4.64 after controlling for differences in time perception. These findings highlight the ethical challenge facing physicians and patients in balancing patient advocacy with honesty in the setting of limited societal resources.

Keywords

ethics
managed care
doctor-patient relationship
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insurance coverage
deception

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INTRODUCTION

In an effort to contain rising health care costs, many third-party payers have developed mechanisms to limit physicians' ability to order expensive tests, treatments, or referrals for their patients. One common mechanism is to limit insurance coverage of services unless a patient meets certain clinical criteria. These restrictions are designed to guide physicians away from expensive tests in favor of less expensive tests. In some cases, these restrictions force physicians to use less expensive tests that also have less benefit, and thus make cost–quality tradeoffs. In these cases, lack of coverage for expensive health care services that bring only a small marginal benefit may force physicians to use less expensive services.

Third-party payer restrictions often impede physicians' abilities to provide what they deem to be medical necessary health care for their patients, instead asking them rely on insurers to define medical necessity. These restrictions have forced physicians to balance their roles as patient advocates with their obligations to third-party payers. Because of the conflict this balance causes, some physicians have responded by misrepresenting the truth to insurers in order to obtain desired health care services (Morreim 1991). Previous research has shown that in many circumstances physicians are willing to deceive insurers to obtain specific health care benefits (Freeman et al. 1999; Werner et al. 2002; Wynia et al. 2000). Over one-third of physicians reported manipulating the reimbursement rules on behalf of their patients (Wynia et al. 2000).

Physicians' support for deception of insurers varies based on a number of factors, such as how sick the patient is and the health service in question. In addition, physicians' willingness to use deception varies with the hassle of the appeals process. As the appeals process becomes more burdensome, lengthier, and with a lower likelihood of having a successful outcome, physicians are more likely to misrepresent the truth to insurers in order to obtain approval for medical services (Werner et al. 2002).

Recently, we found that the public supports deception. Twenty-six percent of the surveyed public sanctioned the use of deception to obtain health care services. While the support for deception was substantial among the public, as a whole respondents were largely unaware that many physicians feel they do not have enough time to appeal insurance company decisions. Among the subset of the public who thought physicians had *inadequate* time to appeal coverage decisions, the proportion of people who support physicians' use of deception was substantially higher (Alexander et al. 2003).

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If the public had increased awareness of the time pressures that physicians face, their support for deception might increase substantially. No research has directly compared the public's and physicians' support for deception or if perceptions about the hassle of the appeals process differentially impacts the public's and physicians' support for deception of insurance companies.

We undertook this study to directly compare differences between the public's and physicians' support for insurance deception. Additionally, we sought to quantify the difference between the public's and physicians' perceptions of physicians' time pressures, and how this difference affects the likelihood of support for insurance company deception.

METHODS

Participants

During the fall of 1999, we surveyed a convenience sample of 700 prospective jurors at the Philadelphia County Courthouse. All jurors in the juror reading room were invited to participate and were given a candy bar for completing a written survey. In previous studies, over 75% of prospective jurors completed surveys (Armstrong et al. 2002), but we did not track participation in this study.

We also conducted an anonymous mail survey of 1617 physicians (general internists, family practitioners, general practitioners, and internal medicine subspecialists) in the United States. Subjects were selected randomly from the American Medical Association (AMA) master file, which is the most comprehensive available mailing list of physicians, as it includes AMA members and nonmembers. Each physician received a five-dollar bill in the first mailing to encourage participation (Asch et al. 1998). Nonresponders were sent a second mailing without financial incentive.

Materials

Each survey included one of two clinical vignettes (see the appendix), several attitudinal questions, and demographic information. Each vignette featured a patient who had been denied insurance coverage for a medical procedure by his or her insurance company and asked the respondent if the physician in the scenario should (1) accept the insurance company's decision, (2) appeal the insurance company's decision, or (3) misrepresent the facts to the insurance company in order to obtain coverage. Vignettes differed by severity of the medical condition (severe angina versus moderate low-back pain), time required for the physician to appeal the insurance company's decision (60 minutes versus 5–10 minutes), and likelihood of having a successful appeal (50% versus 95%). Beliefs about time pressures faced by physicians were assessed using a five-point Likert scale.

Statistical Analysis

Chi-square tests and independent sample t-tests were used to (1) compare juror and physician responses across questionnaire versions, (2) compare juror and physician demographics across questionnaire versions, and (3) compare demographic characteristics of physician responders and non-responders. No data was gathered on non-responders among jurors.

Our primary interest was in differences in support for deception between jurors and physicians. Data was initially analyzed separately for each of the three variables that changed across vignettes (severity of disease, length of the appeals process, and likelihood of success). Because differences in support for deception between jurors and physicians were independent of vignette version, we collapsed data across the versions. We first calculated the proportion of respondents recommending that the physician in the vignette appeal the restriction, accept the restriction, or misrepresent the facts to the insurance company. Next, we used chi-square tests for differences in these proportions among jurors versus physicians. We then calculated the proportion of jurors and physicians agreeing with the attitudinal item about time pressures. To focus on the relationship between respondent agreement with the attitudinal item and the choice to sanction deception, the responses to the Likert scale were grouped into "agree" and "disagree," excluding those who responded "not sure." Finally, we used multinomial logistic regression to study the relationship between the physician's hypothetical management decision (accept, appeal, or misrepresent) and respondent (juror vs. physician). This model was re-estimated, controlling for perception of physician time pressures. Data were analyzed using STATA 7.0 (Stata Corporation, College Station, TX).

RESULTS

Of the 700 members of the public we surveyed, the mean age was 43 years (range 19–80 years), 56% were white, and 66% were female. Of the 1617 surveys mailed to physicians, 50 were undeliverable and 890 were returned completed, for an overall response rate of 57%. Physicians were

predominately male (77%) and white (75%), with a mean age of 48 years (range 28–89 years). The majority were family practitioners (48%) or general internists (43%). Most respondents worked in solo or small group practices (58%), while 5% worked in managed care organizations. Across survey versions, there were no differences in physician response rate or in physician or juror demographics (all p-values >0.05). Physician responders did not differ from nonresponders in regard to age, gender, or medical specialty (all p-values >0.05).

Differences in Sanctioning of Deception Between Jurors and Physicians

There were significant differences in the likelihood of endorsing deception rather than appealing the insurance company's decision between jurors and physicians. Overall, jurors were more than twice as likely as physicians to choose to misrepresent facts to the insurance company by reporting that a patient is having fictitious symptoms (26% vs. 11%; see Table 1), while fewer jurors than physicians recommended to appeal (70% vs. 77%) or accept (4% vs. 12%) the insurance company's restriction ($\chi^2 = 76.14$, $p < 0.0001$).

The Impact of Perception of Physician Time Pressures on Decision to Misrepresent

Jurors and physicians had significantly different responses to the statement "My physician has [I have] enough time to appeal coverage decisions that are denied by the insurance company." Almost three times as many jurors agreed with the statement as physicians (59% vs. 22%, $\chi^2 = 209$, $p < 0.0001$).

Table 1. Jurors' and Physicians' Support for Misrepresentation as Percent Supporting Misrepresentation and Odds Ratios of Jurors' Willingness to Endorse Misrepresentation of Patient Symptoms Compared to Physicians*

	Support for misrepresentation
Jurors	26%
Physicians	11%
Unadjusted OR (95% CI)	2.48 (1.89–3.25)
Adjusted OR † (95% CI)	4.64 (3.38–6.37)

OR = Odds ratio; CI = 95% confidence interval.

*For example, an odds ratio of 2.48 means that the odds of endorsing misrepresentation of patient symptoms are 2.48 times higher among jurors than among physicians.

† Odds ratios are adjusted for perceptions of physician time pressures.

To further assess whether these differences in attitude played a role in sanctioning of deception, willingness to appeal insurance company restrictions or misrepresent the facts to the insurance company was stratified by each group's perception of the amount of time physicians have to appeal coverage decisions (Figure 1). Jurors who thought that physicians had insufficient time to appeal coverage decisions were much more likely to support misrepresentation than physicians were. Specifically, among respondents who thought that physicians have inadequate time to appeal insurance company restriction, 50% of jurors endorsed misrepresentation compared to 13% of physicians.

To further explore the hypothesis that perceptions about time impact a respondent's willingness to endorse misrepresentation, we calculated the odds of endorsing misrepresentation with and without controlling for perceptions of time pressures (Table 1). Without adjustment, the odds of jurors endorsing misrepresentation were more than double that of physicians (OR 2.48, CI 1.89–3.25). After adjusting for the disparity in perceptions of physicians' time pressures, the odds that jurors would endorse misrepresentation compared to physicians became even larger, rising from 2.48 to 4.64 (CI 3.38–6.37).

DISCUSSION

We found that the public was significantly more likely to endorse misrepresentation of a patient's medical condition than physicians were. In addition, the public's greater support for physician deception increased substantially after accounting for different perceptions of physicians' time pressures.

To practicing clinicians, the fact that physicians misrepresent the truth to insurance companies may not be surprising. Clinicians often face busy schedules of patients with challenging problems. As the prevalence of managed care has increased in the United States, physicians report feeling more strapped for time (Hadley et al. 1999), experiencing higher administrative burden for each patient they see (Lasker and Marquis 1999), and having decreasing autonomy to take care of patients as they see fit (Burdi and Baker 1999). Part of physicians' response to these pressures may be to choose to deceive insurance companies rather than play by their rules.

The decision to deceive might be easy to see from the perspective of a busy physician who is an hour behind schedule, whose pager has been going off steadily, and who is seeing a woman with chest

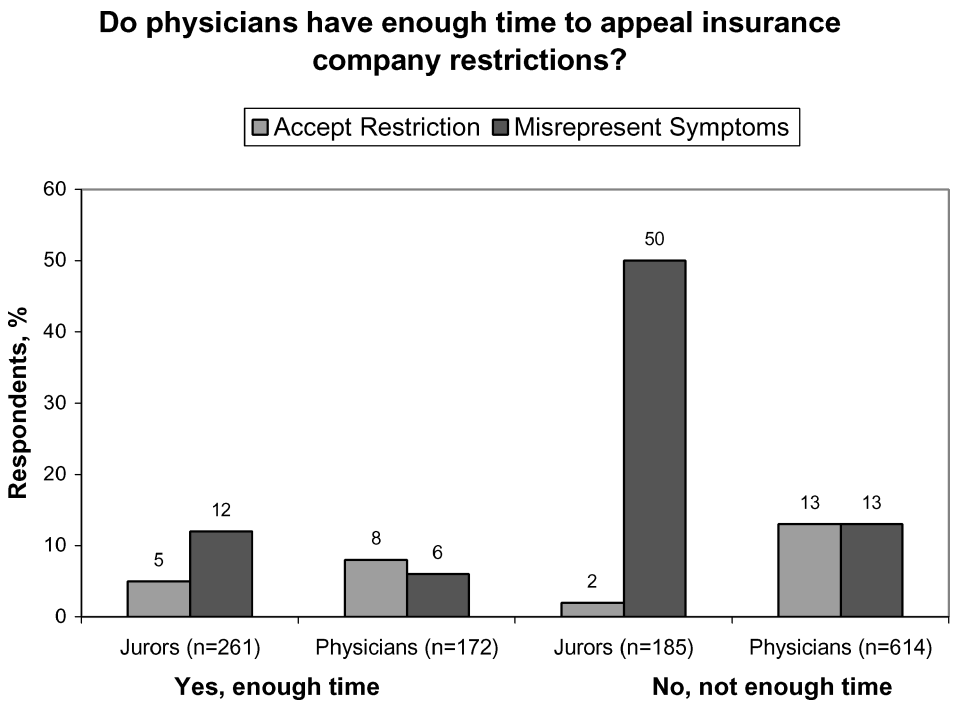

Figure 1. Comparison of jurors' and physicians' willingness to accept an insurance company restriction or to misrepresent patient symptoms to the insurance company stratified by perceptions of physicians' time pressures.

pain. In this physician's eyes, this woman clearly needs surgery. Is it in the physician's best interest to spend the extra time it would take to appeal to the insurance company to cover the needed surgery, putting him even further behind in caring for his patients that day, when in his view, the surgery should have been covered to begin with? Or is it better to simply exaggerate the woman's symptoms during his routine documentation of the visit knowing that this will guarantee coverage of a medically necessary procedure? The right answer is unclear. However, it is clear that at times some physicians will choose the option that is less hassle: deceiving the insurer.

Would physicians' support for misrepresentation be negligible if it were not for the time pressures they face? It is unlikely. Our study suggests that even after controlling for time pressures, some physicians still choose to misrepresent facts to third-party payers. Previous studies have suggested that patient expectations may play a role in physicians' sanctioning of deception (Wilson et al. 2001; Zemencuk et al. 1999). Other studies have suggested that in the era of cost containment in health care, physicians' ethics may be compromised, and cost containment arrangements have increased the likelihood that physicians will resort to deception (Connelly and DalleMura 1988; Novack et al. 1989; Sulmasy et al. 2000). Our findings of high rates of public support for deception may add to the numerous pressures that physicians face in their day-to-day practice.

It is noteworthy that not all physicians are willing to deceive insurers to benefit their patients. Some view the issue of misrepresentation in the context of the declining professionalism of medicine and thus are reluctant to endorse deception. One recent study documenting physicians' willingness to deceive insurance companies noted that "physicians consistently assumed that society would provide greater justification ratings (for deception) than they (the physicians) would." (Freeman et al. 1999) Indeed, many professional organizations specifically denounce gaming the system (American College of Physicians 1998; American Medical Association 1997), and the majority of doctors surveyed find the practice unethical (Wynia et al. 2000). While physicians face enormous pressures to obtain health care for their patients, when these goals are in direct conflict with insurance companies' goals of cutting costs, physicians continue to struggle to maintain professionalism.

There are good reasons, beyond ethics and legalities, for physicians to be wary of misrepresentation, including the medical consequences to misrepresenting the truth to the insurers. When physicians fabricate medical information for insurers, the information becomes part of their patients' medical records. Not only can this mistakenly impact the decisions future physicians make about patients; it can directly impact patients if they are unaware of the misrepresentation and believe the chart lore is the truth about their medical condition.

There are ways for physicians to avoid deceiving insurers while still obtaining necessary services. For some services, such as vaccinations, some patients may be able to pay for the needed but uncovered health care out of pocket. For other, more expensive services, physicians can devote resources to navigating the reimbursement system—if not with their own time, then with the efforts of support staff.

Our study demonstrates that not only do physicians support deception of insurance companies, but the public seems to agree with this practice more often than physicians do. Unlike physicians, patients may be less likely to be motivated by the level of professionalism in medicine. Instead, the primary concern of many patients may be the health care they receive. Patients may see tests and procedures as necessary, not optional. Thus, the benefits of any health care service are high, and making cost–quality tradeoffs may in and of itself seem unethical. Additionally, patients are concerned about the quality of care they receive and may view obtaining tests and procedures as being an important part of high-quality care. Thus, a general desire to have access to tests and procedures may partially explain the public's greater support for insurance company deception. Finally, the public may be less concerned with the potential legal ramifications that physicians face when they deceive insurance companies on behalf of their patients. All of these reasons may motivate patients to support deception at higher rates than physicians do.

Not only is the public's support for physician deception high, but among those who know how busy physicians are, the odds of support for deception is almost five times higher among the public than it is among physicians. It seems that if more patients knew how busy their physicians were, they would wonder why doctors don't routinely deceive insurance companies. Physicians may feel that the managed care system has increased their burden. Patients, on the other hand, may have simply lost faith in the whole system.

Our study has several limitations. The primary limitation is that we ask how people *would* behave under certain conditions rather than how they *actually* behave. However, our results are consistent with prior studies demonstrating that a substantial minority of physicians admit they have deceived insurance companies in the past (Freeman et al. 1999; Wynia et al. 2000). Another limitation is that some of our respondents are drawn from a jury pool in one large northeastern city and do not reflect a representative national sample. Although we found no significant association between jurors' sociodemographic characteristics or self-reported health and the sanctioning of deception, support for physicians' use of deception may vary substantially by geographic region. Finally, it is possible that we overestimated the public's support for deception due to the nature of the question we asked. Physicians and jurors were asked what the doctor in the scenario should do. This may have allowed jurors to make a recommendation for unethical physician behavior without feeling like they were shouldering any of the burdens of lying themselves.

In some circumstances, many physicians and patients support deceiving insurers in order to obtain health care services. Our findings of substantially higher support for deception among the public than among physicians highlight the ethical challenge facing physicians and patients in balancing patient advocacy with honesty in the setting of limited societal resources. ■

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The authors declare that they have no competing financial interests.

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APPENDIX

The following is the text that was used in the surveys sent to physicians. The same survey, except without medical jargon, was given to jurors.

***One* of the following vignettes was included in each survey:**

Severe Angina

A 55-year-old woman who just moved to a new city comes to her new doctor. She asks to be referred to a surgeon of heart bypass surgery. She is homebound because of chest pains. Before moving, she had an angiogram and it showed that she had triple vessel disease. She is on maximal medical therapy, but continues to have severe chest pain when she walks up a flight of stairs or tries to carry groceries in from the car.

Based on the medical literature and the degree of stenosis in her coronary arteries, her new doctor believes that bypass surgery is needed. However, the patient's insurance company will not pay for bypass surgery for this pre-existing condition because her chest pain has been stable for several months. The insurance company will pay for bypass surgery in this woman only if her chest pain gets worse.

Moderate Low Back Pain

A 55-year-old man who has just moved to a new city comes to his new doctor. He asks whether he can receive an MRI to evaluate his low back pain. He says that four months ago he injured his back while doing some heavy lifting. Since then, he has continued to have low back pain that limits him from doing many of his normal daily activities. He has undergone conservative therapy for four months, but has had no significant relief from his pain.

Based on the medical literature, the doctor believes that after four months of continuous low back pain, the patient needs to be evaluated for surgery by receiving an MRI. However, the patient's new insurance company will not pay for an MRI until he has had six months of conservative medical therapy, unless the patient develops leg weakness.

For both vignettes, the respondent was told the doctor had one of the following three options:

- *Accept* the insurance company's decision. In this case, the patient must either delay surgery until her symptoms worsen or pay for the surgery with her own money.
- *Appeal* the insurance company's decision. To do this, the doctor has to make a *ten-minute* phone call. (*Or:* To do this, the doctor has to make several phone calls and fill out some forms. This process takes about *an hour*.) In the past, the doctor has been *successful 95% of the time* in obtaining coverage for bypass surgery in patients like this. (*Or:* In the past, the doctor has been *successful 50% of the time* in obtaining coverage for bypass surgery in patients like this.) Appeals, however, take time away from the doctor's ability to see other patients and, if unsuccessful, the patient will not receive the bypass unless her symptoms worsen.
- *Misrepresent* the facts to the insurance company and report that the woman's chest pains are getting worse. This would guarantee that the insurance company will pay for the surgery.

Respondents were then asked what the doctor in the vignette should do:

- *Accept* the insurance company's decision not to pay for surgery.
- *Appeal* the insurance company's decision not to pay for surgery.
- *Misrepresent* the facts to the insurance company and report that the patient is having increasing frequency of chest pain.