

**Position Statement  
on  
Corporate Practice of Medicine  
(Approved by the Board of Directors: March 2, 2013)**

The corporate practice of medicine doctrine prohibits corporations from practicing medicine or employing physicians to provide professional medical services. This doctrine is based on multiple public policy concerns, including the concern that a corporation's interests may interfere with the physician's independent medical judgment, thus interfering with the best interests of the patient.

Most states place limits on the corporate practice of medicine; however, nearly every state provides exceptions, such as allowing the existence of professional corporations or the employment of physicians by certain entities, such as hospitals. Because of these exceptions, the potential exists for the influence of non-physicians on the practice of medicine and on the patient-physician relationship.

The essence of the practice of medicine is the exercise of independent medical judgment in the diagnosis and treatment of patients. Physicians are uniquely qualified to make medical decisions that protect the safety of patients based on the physician's medical knowledge and experience. If a corporate employer seeks to impose or substitute its judgment for that of a physician or the employment is structured in such a way that undermines the physician-patient relationship, the integrity of such relationship is undermined and patient safety is jeopardized. It is the position of the American Academy of Dermatology/Association that in order to maintain the integrity of the physician-patient relationship, decisions made by the treating physician for the benefit of the patient should not be influenced by corporate concerns that could negatively affect patient health and safety. Therefore, the Academy opposes any corporate practices or other policies that would compromise a patient's well-being by superseding a licensed physician's clinical decision-making.

*This Position Statement is provided for educational and informational purposes only. It is intended to offer physicians guiding principles and policies regarding the practice of dermatology. This Position Statement is not intended to establish a legal or medical standard of care. Physicians should use their personal and professional judgment in interpreting these guidelines and applying them to the particular circumstances of their individual practice arrangements.*