

**Statement “Financial incentives in patient care:
an ethical guide for medical practice”
of the Central Ethics Committee at the German Medical Association (ZEKO)¹
published on October 1, 2025
English executive summary**

Financial incentives are forms of remuneration that can motivate physicians to behave in certain ways. This is not automatically positive or negative; under the right conditions, financial incentives can contribute to needs-based, efficient care and material job satisfaction. Problems arise when medical practice is distorted by the influence of financial incentives that are misaligned in terms of quality and/or quantity – this can lead to overtreatment, undertreatment, or mistreatment, damage patient trust, and create moral burdens for physicians. Within the given structural framework, physicians have room to maneuver and are obliged to reflect ethically on their relationship to financial incentives. Medical professionalism obliges physicians to adhere to high ethical standards that go beyond everyday morality and ensure the trust of patients. The World Medical Association’s International Code of Medical Ethics emphasizes, among other things, the responsible use of resources, independence from personal gain, and the obligation to report conditions that jeopardize care. These principles are enshrined in German professional law and form the basis of medical integrity. With this statement, the ZEKO provides guidance for physicians on ethical analysis for how to responsibly manage financial incentives.

Evaluation criteria for medical consideration: potential benefits/harm for individual patients, impact on other patient groups (justice), as well as the financial burden on the insured community and opportunity costs.

Types of financial incentives:

- Unproblematic: promote useful, desired services.
- Problematic: promote useless or harmful services or prevent useful measures.
- Ambivalent: benefits of the promoted service uncertain or variable; requires consideration on a case-by-case basis.

Concept of “competing interests”: Primary interests in medicine are patient well-being, respect for self-determination, and responsible use of resources. Financial interests are legitimate, but always secondary. “Competing interests” arise when financial influences could inappropriately influence medical judgments about diagnosis or therapy. This does not necessarily lead to an impairment of primary interests, but it does require critical self-reflection. The concept of competing interests offers an approach for physicians to reflect critically on their own actions in the situations described below and to deal with financial incentives responsibly.

The following **remuneration constellations** may be associated with an increased risk of distortion of medical practice:

- Remuneration for a service significantly exceeds the actual effort → risk of unnecessary measures without relevant benefits.

¹ Only an English summary of the statement is available. The complete statement in German can be found here: <https://www.zentrale-ethikkommission.de/stellungnahmen/finanzielle-anreize-2025>. In the event of any discrepancies between the English summary and the German statement, the German version shall prevail.

- Appropriate remuneration for low workload → risk of unnecessary accumulation of services offered.
- Remuneration for a service significantly below the actual effort → risk of inadequate care.

In addition, the following **organizational characteristics** may be associated with an increased risk:

- Repeatable billing without additional benefit,
- Purely economic control software for organizing service provision,
- Cooperation models with profit sharing and
- Return expectations of external investors.

Conclusion: Financial incentives in healthcare do not automatically lead to a distortion of medical judgment, but they can promote overuse, underuse, or misuse of services and run counter to patient well-being and the equitable distribution of resources. The macro-level framework conditions should be designed in such a way as to minimize distorting influences and ensure that necessary services are adequately remunerated. The concept of competing interests provides guidance for physicians on how to recognize distorting influences on medical practice, critically reflect on their own actions, and responsibly manage financial incentives. Particularly high-risk forms of remuneration or organization should be disclosed and problems addressed with ombudsmen or advisory bodies where possible in order to enable transparency and adjustments in remuneration structures.