



Joint Centre for Bioethics  
UNIVERSITY OF TORONTO

**ETHICAL DECISION-MAKING ABOUT  
SCARCE RESOURCES:  
A GUIDE FOR  
MANAGERS AND GOVERNORS**

© 2002 (Updated 2012)

## A. Introduction

Resource allocation is one of the most challenging ethical issues faced in healthcare organizations. Priorities must be set because demand for health care exceeds available resources. For decision-makers, this is at once a practical challenge of determining how best to make these choices. It is also an ethical challenge about how to allocate resources fairly when not all needs can be met. From experience, we know how difficult it is to reach agreement on what constitutes a fair outcome (i.e., distributive fairness). This means that decision-makers must rely on a *fair process* (i.e., procedural fairness) to establish the ethical legitimacy of resource allocation decisions (Daniels and Sabin 2002; Holm 2000). The purpose of this guide is to help health sector managers and board members make resource allocation decisions through an ethical lens. The guide introduces an ethical decision-making framework, provides practical suggestions about how to apply it, and addresses some frequently asked questions. The Appendix includes an implementation checklist and an evaluation checklist.<sup>1</sup>

## B. Accountability for reasonableness: an ethical decision-making framework

Accountability for reasonableness (A4R) outlines five principles of fair priority setting process that contributes to establishing the ethical legitimacy of priority setting decisions, particularly in the eyes of affected stakeholders – patients/clients, providers, and funders (Daniels & Sabin 2002; Gibson et al 2005a). Together, these conditions describe an open and transparent priority-setting process which is flexible enough to incorporate a range of relevant decision factors, facilitates constructive stakeholder engagement around the decisions, and supports decision-makers’ public accountability for managing limited resources (Gibson et al 2005b).

<b>RELEVANCE</b>	Decisions should be based on reasons (i.e., evidence, principles, values) that fair-minded people can agree are relevant under the circumstances.
<b>PUBLICITY</b>	Decisions and their rationales should be made publicly accessible.
<b>REVISION</b>	There should be opportunities to revisit and revise decisions and a mechanism to resolve disputes.
<b>EMPOWERMENT</b>	Efforts should be made to minimize power differences and to ensure <i>effective</i> stakeholder participation.
<b>ENFORCEMENT</b>	There should be voluntary or public regulation to ensure the other four conditions are met.

---

<sup>1</sup> *Acknowledgments: An earlier version of this guide was developed with support from a Canadian Health Services Research Foundation post-doctoral fellowship in partnership with the University of Toronto Joint Centre for Bioethics and Sunnybrook & Women’s College Health Sciences Centre.*

### **C. A4R in action: How can I approach ethical decision-making in practice?**

This section offers some practical suggestions about how to operationalize each A4R condition. These suggestions can be used as a guide for designing ethical decision-making processes in your local health care setting. (For case examples and additional practical advice on how to put A4R into action, see: Gibson, Martin & Singer, 2005b.)

#### **RELEVANCE:**

- **Clarify the aim and scope of the priority setting process (including what is out-of-scope)**
- **Identify clear and explicit decision criteria.**
  - ❑ Align criteria explicitly with the institution's mission, vision, and values, operational goals, and other relevant factors.
  - ❑ Engage stakeholders in identifying and defining relevant decision criteria.
  - ❑ Ensure each criterion describes a distinct concept.
  - ❑ Build criteria into decision tools (e.g., decision trees, business case templates).
- **Collect data/information related to the criteria.**
  - ❑ Validate accuracy and completeness of data/information with stakeholders.
- **Develop a rationale for each decision based on the criteria and data/information.**
  - ❑ Ensure sufficient time for deliberation and discussion to build agreement on the rationale.
  - ❑ Provide an explanation for any departures from the established decision criteria, data/information, or procedures.
- **Engage a broad range of stakeholder perspectives and relevant experience/expertise in the priority setting process.**

#### **PUBLICITY:**

- **Develop a formal communications plan to support decision-making.**
  - ❑ Identify appropriate mechanisms to communicate effectively with affected stakeholders.
  - ❑ Communicate *why* decisions must be made (i.e., what the decision-making process is/is not about), *how* decisions will be made, *who* will make decisions, *which* criteria will be used to make decisions, *how* stakeholders can participate, and *what* stakeholders can expect once the decision has been made.
- **Publicize the decision *and* its rationale.**
  - ❑ Communicate the rationale for each decision related back to the decision criteria and available data/information.

## **REVISION:**

- **Incorporate opportunities for iterative decision review.**
  - ❑ Revise decisions as new data/information or errors in data/information emerge.
  - ❑ Share draft decisions with stakeholders for feedback and comment.
- **Develop a formal decision review.**
  - ❑ Define explicit decision-review criteria (e.g., new information, correction of errors, failure of due process).
  - ❑ Be explicit about which decisions may be subject to review.
  - ❑ Develop a communication strategy to support the decision review process.
  - ❑ Communicate the final decision and rationale to affected stakeholders.

## **EMPOWERMENT:**

- **Facilitate the effective participation of all affected stakeholders.**
  - ❑ Include critical mass of affected stakeholders in consultation and decision-making, where significant disparities in influence exist among stakeholder groups.
  - ❑ Develop communications materials in accessible language and use multiple communications media to optimize reach.
  - ❑ Consider decision procedures that optimize decision-making autonomy (e.g., closed voting)
- **Provide training and support for staff.**
  - ❑ Train and provide ongoing assistance to program managers and staff in the use of decision tools, workbooks, etc.
  - ❑ Provide communication materials for managers to use locally with their staff.
- **Support the process with appropriate change management strategies.**

## **ENFORCEMENT:**

- **Lead by example.**
  - ❑ Commit to ethical decision-making and encourage and support colleagues to do the same.
  - ❑ Maintain a low tolerance for political end-runs and 'gaming' behaviour.
- **Evaluate and improve the decision-making process.**
  - ❑ Monitor process to ensure fairness and make mid-course corrections as needed.
  - ❑ Develop a formal evaluation strategy to identify good practices and opportunities for improvement.
  - ❑ Identify improvement strategies to use in future decision-making.

## D. Frequently asked questions

### 1. *How do I know we've made the 'right' decision?*

The ethical framework provides guidance on how to reach decisions *rightly* – that is, it creates a fair process for deliberation and reflection among affected stakeholders (including decision-makers) about what the decision should be. It is because these decisions are value-based that an open, transparent, and inclusive decision-making process is so important.

### 2. *How transparent should the process be?*

In general, stakeholders should have access to as much information about the decision and the decision-making process as is available and as they desire. This is because stakeholders deserve to know and understand how and why a decision that affects them was made. Decision-makers sometimes express reticence about being too public about their decisions. It is important to remember that transparency is not just about the transmission of information; it is also about keeping people engaged constructively in the process. In the rare cases where confidentiality is ethically necessary, the process should still be made as transparent as possible by identifying explicitly what the confidentiality constraints are and why, and by maintaining transparency about other aspects of the decision-making process.

### 3. *Won't a formal decision review process escalate conflict between stakeholders and decision-makers?*

Our experience so far is that this is not likely to be the case if the decision-review process is open and transparent and if it uses decision-review criteria that focus on bringing forward new data/information, correcting material errors in the original decision and addressing the material impact of any procedural inconsistencies. The purpose of decision review is not to prove wrong doing or assign blame, but instead to improve the quality of decisions. A formal decision review process creates conditions for constructive stakeholder feedback around the decisions.

### 4. *Affected stakeholders have an interest in the decision, so how can they be expected to be 'fair-minded'?*

Being “fair-minded” doesn’t require being disinterested. Decision-makers are stakeholders as well and also have an interest in the decision-making outcome. Instead, being “fair-minded” means being willing to play fair with each other in deciding how resources will be allocated, whether or not one’s interests are ultimately served. Stakeholder involvement can have three benefits: 1) it can often be a good way to encourage buy-in and to mitigate feelings of alienation and vulnerability that many stakeholders experience when subject to decisions they’ve had no part in making; 2) it can increase the chances that the decision will be based on relevant reasons, including stakeholder interests; and 3) it can contribute to cultivating collaboration among stakeholder groups toward finding collective solutions.

### 5. *Isn't this just ethical window-dressing?*

Politics can always hide behind the veil of “ethical legitimacy”. However, because the ethical decision-making framework focuses on making the reasons for decisions transparent and creating conditions of fair play among participants, attempts to exert political influence or to game the process can be minimized.

## E. References

Daniels N, Sabin JE. *Setting limits fairly: Can we learn to share medical resources?* Oxford: Oxford University Press, 2002

Gibson JL, Martin DK, Singer PA. Priority setting in hospitals: fairness, inclusiveness, and the problem of institutional power differences. *Social Science & Medicine* 2005a; 61: 2355-2362.

Gibson JL, Martin DK, Singer PA. Evidence, economics, and ethics: resource allocation in health services organizations. *Healthcare Quarterly* 2005b; 8(2): 50-59.

Holm, S. Developments in the Nordic countries— goodbye to the simple solutions. In A. Coulter, & C. Ham (Eds.), *The global challenge of health care rationing*. Buckingham: Open University Press, 2000, pp. 29-37.

Martin DK, Singer PA. A strategy to improve priority setting in health care institutions. *Health Care Analysis* 2003; 11(1):59-68.

## Appendix 1. Implementation Checklist

The following questions can serve as a “double-check” in the design of a priority setting process.

### *Relevance:*

- Are we clear on the criteria we will use in making this decision? Do we anticipate any emerging decision factors that will inform our decision?
- Have we got the data/information we will need to apply the criteria?
- Which internal and external stakeholders will be most affected by this decision and what are their specific interests?

### *Publicity:*

- Have we clearly articulated the context, goal(s), criteria, processes, and possible outcomes of our decisionmaking process? What mechanism will we use to communicate our decisions and rationales to affected stakeholders (internal & external)?
- How will we communicate with stakeholders about the implications of these decisions?

### *Revision*

- If stakeholders have concerns about the decision process or the outcomes, what mechanism should they use to address these concerns to us?
- If new information emerges or errors are identified, what mechanism will be used to revise our decisions?

### *Empowerment*

- Given our stakeholders’ competing interests, how will we ensure that less powerful groups or vulnerable populations have a fair chance of voicing these interests to inform our decision-making?
- If we are asking managers, staff, and other stakeholders to contribute to the decision-making process, what needs do they have and what can be done to support these within our timeframe to ensure their effective and constructive participation?
- Given the differential impact of our decisions on stakeholders, what supports do we have in place to facilitate the implementation process?

### *Enforcement*

- What am I going to do to make sure we stay true to our ethical framework? What are we going to do as a team to ensure we stay true to our ethical framework?
- What mechanism do we have in place to learn from this experience to improve future iterations?

## Appendix 2. Evaluation Checklist

Each decision-making process should include an evaluation strategy to facilitate on-going quality improvement. Decision-making processes can be more or less fair. A4R provides a helpful framework for evaluating the fairness of decision-making processes. Good practices are indicated where there is correspondence with A4R and opportunities for improvement are indicated where there are gaps between A4R (i.e., what should be done) and practice (i.e., what is done) (Martin & Singer 2003). The following checklist provides a starting point to assist you in evaluating the fairness of your decision-making process.

<b>RELEVANCE</b>	
• Were appropriate criteria used to set priorities? (Do stakeholders agree that the criteria were appropriate?)	
• Were available data and information sufficient to make evidence-guided decisions? (What critical gaps in data/information need to be filled for future priority setting?)	
• Was a rationale for each decision clearly identified based on aim and scope of the priority setting process, the decision criteria, and available data/information?	
<b>PUBLICITY</b>	
• Were the context, aim and scope, criteria, processes, and possible outcomes of the priority setting process communicated clearly from the outset and throughout to both hospital staff and external stakeholders?	
• Was the decision and its rationale communicated clearly to stakeholders?	
• Was the communication plan effective in reaching affected stakeholders, including staff, providers, patient/client populations, and the community? (How do you know? What do we need to improve for future processes?)	
<b>REVISION</b>	
• If stakeholders had concerns about the decision process or the outcomes, did we provide an effective mechanism to capture and respond to these concerns in a timely fashion? (How do you know? What do we need to improve for future processes?)	
• Were there opportunities to revisit and revise decisions on the basis of new evidence or argument, and a validation process	



to engage stakeholders around draft decisions?	
<ul style="list-style-type: none"> <li>• Did any decisions change as a result of these revision processes?</li> </ul>	
<b>EMPOWERMENT</b>	
<ul style="list-style-type: none"> <li>• Were any stakeholder views allowed to dominate the decision-making process? (What was the effect? How well did we manage this?)</li> </ul>	
<ul style="list-style-type: none"> <li>• Were there any stakeholders that we realize in retrospect that we ought to have engaged, but did not? (What are we doing now to engage them?)</li> </ul>	
<ul style="list-style-type: none"> <li>• Were we attentive to the impact of our decisions on vulnerable client or patient populations? (How are we monitoring this?)</li> </ul>	
<b>ENFORCEMENT</b>	
<ul style="list-style-type: none"> <li>• Were we disciplined in our commitment to apply the priority setting framework consistently and if we needed to depart from it, were we able to articulate good reasons for this to our stakeholders?</li> </ul>	
<ul style="list-style-type: none"> <li>• Was a formal evaluation strategy implemented to monitor progress and to identify good practices and opportunities for improvement?</li> </ul>	
<ul style="list-style-type: none"> <li>• Is there a mechanism in place to learn from this experience to improve future iterations?</li> </ul>	