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SundayReview

# The Paradox of Disclosure

Gray Matter

By SUNITA SAH JULY 8, 2016

A POPULAR remedy for a conflict of interest is disclosure — informing the buyer (or the patient, etc.) of the potential bias of the seller (or the doctor, etc.). Disclosure is supposed to act as a warning, alerting consumers to their adviser's stake in the matter so they can process the advice accordingly.

But as several recent studies I conducted show, there is an underappreciated problem with disclosure: It often has the opposite of its intended effect, not only increasing bias in advisers but also making advisees more likely to follow biased advice.

When I worked as a physician, I witnessed how bias could arise from numerous sources: gifts or sponsorships from the pharmaceutical industry; compensation for performing particular procedures; viewing our own specialties as delivering more effective treatments than others' specialties. Although most physicians, myself included, tend to believe that we are invulnerable to bias, thus making disclosures unnecessary, regulators insist on them, assuming that they work effectively.

To some extent, they do work. Disclosing a conflict of interest — for example, a financial adviser's commission or a physician's referral fee for enrolling patients into clinical trials — often reduces trust in the advice.

But my research has found that people are still more likely to follow this advice because the disclosure creates increased pressure to follow the adviser's recommendation. It turns out that people don't want to signal distrust to their adviser or insinuate that the adviser is biased, and they also feel pressure to help satisfy their adviser's self-interest. Instead of functioning as a warning, disclosure can become a burden on advisees, increasing pressure to take advice they now trust less.

Disclosure can also cause perverse effects even when biases are unavoidable. For example, surgeons are more likely to recommend surgery than non-surgeons. Radiation-oncologists recommend radiation more than other physicians. This is known as specialty bias. Perhaps in an attempt to be transparent, some doctors spontaneously disclose their specialty bias. That is, surgeons may inform their patients that as surgeons, they are biased toward recommending surgery.

My latest research, published last month in the Proceedings of the National Academy of Sciences, reveals that patients with localized prostate cancer (a condition that has multiple effective treatment options) who heard their surgeon disclose his or her specialty bias were nearly three times more likely to have surgery than those patients who did not hear their surgeon reveal such a bias. Rather than discounting the surgeon's recommendation, patients reported *increased* trust in physicians who disclosed their specialty bias.

Remarkably, I found that surgeons who disclosed their bias also behaved differently. They were *more* biased, not less. These surgeons gave stronger recommendations to have surgery, perhaps in an attempt to overcome any potential discounting they feared their patient would make on the recommendation as a result of the disclosure.

Surgeons also gave stronger recommendations to have surgery if they discussed the opportunity for the patient to meet with a radiation oncologist. This aligns with my previous research from randomized experiments, which showed that primary advisers gave more biased advice and felt it was more ethical to do so when they knew that their advisee might seek a second opinion.

To be sure, physicians who disclose a financial conflict of interest or a specialty bias do not necessarily give poor advice. Often physicians make great efforts to inform patients of facts relevant to their decision. It would be damaging if patients became distrustful of all expert advice. But the truth remains that it is often difficult to judge the quality of advice.

What can be done? When bias is unavoidable, as with specialty bias, options such as patient educational materials could alert patients to this problem without hearing it directly from the physician. Another solution could be multidisciplinary treatment consultations, in which patients meet multiple specialists at the same time. Another remedy is to incorporate mandatory "cooling off" periods for important decisions; this could reduce some pressure advisees feel to follow their advisers' recommendations.

One situation in which conflict of interest disclosure can work well is when the conflict itself can be avoided. For example, in cases involving gifts, bonuses or commissions, which can be readily rejected, my research has shown that disclosure requirements may encourage advisers to reject the conflict so they can disclose the absence of any conflicts.

Bias disclosure can have a profound effect on both advisees and advisers. Consumers should be aware of their reactions to disclosure and take time out to reconsider their options and seek second opinions. And advisers and policy makers must understand the potential unintended consequences when using disclosure as a solution to manage bias.

Sunita Sah is an assistant professor of management and organizations at the Johnson Graduate School of Management at Cornell University.

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