

Case study: managing risk



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Introduction

This study demonstrates the critical value of having an essential knowledge and practical strategy in managing risk considering the policy and procedures with strategies and operation that can safeguard the organization against the threat of the healthcare business functions and additional option that is necessary for the advantageous and success of the organization welfare. The entire case study elucidated how the two private surgical hospitals integrate as combined facility aiming to provide the highest quality of medical services and other high standard approach resulted to become center of clinical excellence as well as the business prosper with the hold of the name to be well-known as the best facility providing finest healthcare system. Teaming up also bring more risk to the formed unification of the two private surgical hospital. The policies and standard procedure of each organization should be efficiently contemplated bearing in mind of some factors that may jeopardize the integrations. Aiming to eliminate or if not, to reduce negative risk and developing opportunities and success should place the top priority of the organization. Foreseeing objectives of the cost that is maximizing the potential gain and attainment as well as minimizing the likelihood of the severity of losses and negative outcome. The Acute Clinical Hospital must be prepared for any consequence they might face as well as how they controlled and monitored risk to have

successful operational healthcare business functions that may benefit the consumer and the producers.

The Acute Clinical Hospital's planned a strategic risk management policy and procedure to safeguard the operational healthcare business function from any risk that may encounter and is identified in nine different risk factors:

A. Business Risk

As being privately owned by a number of shareholders, the business risk of this organization most likely is more successful and propitious because of the organizations dedication in providing high standards of services and holding their accreditation as the award recognizes the quality of healthcare delivered and the commitment of improvements of the unified hospitals. Unlike government funded healthcare business which is rather fuzzy always relying government economic status in which mostly interfered by some politics decisions, privately owned business is more focus on their endeavor concerning with those that have social or collective interest. However, private business is at risk liabilities under the management and professionalism aspect that is unexpected massive range of events, for instance are government fines, costly lawsuits, data thief and some other criminal activities. Administrative and financial disaster is so disruptive that is hard to recover even to those larger companies.

B. Insurance Risk

Insurance covers a wide range of perils and incidents except those that are noted in the policy. In business category, insured company covers the loss of

income, the incurred expenses or any peril that interrupts the normal business operation. However, insurance contract is the policy. The policy of the insurance may define all or specific covered perils with certain named exclusion. The risk of anticipated losses is transferred from the policyholder to the insurer who has the authority to specify rules and condition.

C. Compliance risk

There are some standard regulations and rules set by the government on their policy in terms of business sector. Conforming to those arrangements of stated requirements and regulation is a must and there will be reasonable punishment if you will not do so either government funded or privately owned business. The potential cost and risk against non-compliance of the applicable requirements that is set by the laws, regulations, contract, policies and strategies as well as the expenses to achieve corrective actions to comply into it.

D. Information technology risk

Security risk to information technology is one of the problems encountered in modern times most especially in the business sector. Cyber attacks jeopardized the business by hacking their sensitive data via the network. Some important structure of figures might be lost that cause harm and a big loss to the system as well as the event to the capital interest of the company that make them vulnerable. Another example that put the business at risk through information technology is fire, flood and the loss of access.

E. Legal risk

Every country there is a law that is established and should be executed and implemented in order to smoothly run legal. In the business sector private or public, government legal rules must be followed and be adapted to the complex sets of processes. Legal risk in the business sector put concentrations on evaluating the present alternative regulatory as well as the non-regulatory responses to risk. This legal risk entails to have knowledge in legal, social and economic factors along with knowledge and ideals of the business world in which legal groups function.

F. Business disruption risk

Hospitals are businesses that will hang towards time because of the demand of healthcare by the people. However, when a lot of hospitals have been put up there would be a competition that would be a risk to the business especially when there is no innovation. In addition, technology really plays a big role in healthcare nowadays, due to advancement of equipment used in diagnostic, surgical operations, etc. If hospitals would not improve their equipment business will be disrupted. To demonstrate, people would go to hospitals that have advanced equipment for many various reasons and one of which is to save time.

G. Accounting and financial risk

In any case, business is about money. Not having the right employees in accounting then there would be a big financial risk which could lead to bankruptcy. Many businesses have shut down because financial risk was taken for granted. Having the right people to manage the flow of money can minimise or stop loss of money which could nourish the business.

The purpose of having a good management in accounting can be accomplished by giving relevant information to improve the willingness and ability of the workers to attain the goals and objectives of the company. In addition, it is a necessity to give information on the risks that is taken and its relationship to the risk manner competence of organisations as well as their connection to the profit produced.

The demonstration of uncertainty and risk in the system of accounting is limited in technique and scope as well as isolated over different systems. As for now, there is no specialised comprehensive system in accounting for the main reason of representing risk organisation wide in comparison terms has developed.

H. Employment practices

In hospitals having the right employees to function in their designated areas is an asset to the business. Management should hire the right people for the position to provide the utmost level of functioning. Hiring the wrong people would lead the institution to have a bad reputation which could lead to loss of money. Having excellent doctors and physicians can boost the reputation of the hospital which is nourishing to the business. In addition, having nurses that have finished their degree and have registered to the company is a big help to the management and the patients. Furthermore, having trained, hardworking, loyal employees can help deliver the best service to the customers.

Hospitals should provide trainings to its staff to enhance their skills in providing healthcare to the patients. Having the best healthcare providers is

a big factor in every healthcare institution for the customers will always go for the best quality care there is with respect to the price.

I. Workplace Health and Safety

Hospital is a place where most of the people with diseases are confined may they be good or criminals. Ensuring the health and safety of the staff and employees should be given importance, considering that it is the responsibility of the management. Occupational health and safety is important for financial, legal, and moral reasons. If taken for granted could cause legal issues. In addition to this, financial security of the staff should also be given importance by the management. Every employee would go for employers that provide good benefits for their employees.

Maintaining and promoting the safety and health of the employees in the workplace to the highest degree of mental, physical, and social well-being would minimise the risk of many issues in the work force. To mention, workers would depart from work due to diseases caused by environmental conditions in the workplace.

Although work provides many economic and other benefits, a wide array of workplace hazards also present risks to the health and safety of people at work. These include but are not limited to, allergens, chemicals, physical factors, biological agents, adverse ergonomic conditions, a broad range of psychosocial risk factors, and a complex network of safety risks.