

Financial environments essay sample

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There are different financial environments within the health care industry. Within the Central Texas region, there are a number of health care facilities all with different financial environments. The largest for-profit entity, St. David's Healthcare is owned and run by HCA, the largest for-profit health care organization in the United States. Seton Healthcare Family is owned and operated by the largest not-for-profit Catholic health care organization, Ascension Health. The government financial environment is evident when looking at San Antonio Military Health System. It is the major military level 1 trauma center in the Central Texas area that handles severe burn and trauma cases. While these three entities serve the same region, their financial structure is significantly different and caters to different populations in the area. FOR PROFIT ORGANIZATION

Hospital Corporation of America (HCA) is the leading health care provider with 165 hospitals and 115 outpatient surgery centers in a number of states employing 204, 000 people (HCA, n. d.). HCA estimates its facilities account for approximately “ four to five percent of all inpatient care” within the United States (HCA, n. d.). St. David's Healthcare boasts the employment of 7. 900 employees and annual gross revenues of \$3. 1 billion; it is the largest for-profit financial environment in the area and the fifth-largest private employer (St Davids Healthcare, n. d.). St. David's Healthcare works to generate profits; to do so, it minimizes the amount of charity care it provides. HCA, its board members, and investors decide how said profit will be distributed within the company and/or sharing with employees through annual bonuses or profit sharing.

As a for-profit organization, St. David's Healthcare facilities and operations are focused on bringing in substantial revenue and minimizing expenditures. The control of cost ensures a greater net income at the end of the year. Although EMTALA requires all health care facilities with designated emergency departments to see patients presenting for care regardless of their ability to pay, St. David's minimizes the amount of charity and indigent care it provides. St. David's Healthcare facilities adhere to the EMTALA requirement but they discontinue treatment once the patient has been stabilized. If a patient enters for a minor complaint, the emergency triage team assesses the patient and determines whether the patient's symptoms are emergent and require immediate attention. If they do not meet the definition of emergency, the patient is discharged and instructed to follow up with primary care. This is far different from its not-for-profit counterpart. NOT FOR PROFIT ORGANIZATION

Seton Healthcare Family has been serving Central Texas for over one hundred years. The Daughters of Charity established and ran the Seton Infirmary in 1902 and have been part of the Austin community ever since (Seton Healthcare Family, n. d.). Previously the city of Austin had a county-run trauma hospital that was hemorrhaging revenue. Spending was out of control and a major of patients seen were uninsured. It was during this time, that the city leaders and Seton Board of Trustees negotiated the future of the facility. Thus the only Level 1 Trauma Center in Central Texas was established with Seton at the helm. In 1999, the Daughters of Charity and St. Joseph health system merged and created Ascension Health; it is now the

largest Catholic and non-profit health care system in the United States (Seton Healthcare Family, n. d.).

Because Seton operates more than 20 hospitals and health care facilities across Central Texas and has a history with the region, it is responsible for the care of over 1.8 million residents annually (Seton Healthcare Family, n. d.). Seton Healthcare Family has a board of trustees who makes decisions based on the needs of patients and what will be the most beneficial for the community. As a not-for-profit, most revenue is put back into the community through health fairs, outreach, community clinics, and much more. In fiscal year 2009, Seton provided \$249.2 million in charity and other government-sponsored care while St. David's reported \$66.5 million for the same year (Roser, 2011).

Seton Healthcare Family operates under its mission that they are called by God to care for the sick, especially the poor and vulnerable. Following its mission, Seton has a strong presence in the Central Texas area and its residents depend on their services. Most of its net income is diverted back to the community so it is able to continue providing necessary care to individuals who cannot otherwise afford health care. GOVERNMENT

San Antonio Military Health System is the nearest government-run health care organization in the Central Texas region. Though it was recently established in 2011, it has had a presence in the San Antonio area since 1879 then known as Post Hospital (U. S. Army Medical Department, n. d.). San Antonio Military Medical Center is the hospital piece of Brooke Army

Medical Center and is the largest inpatient medical facility within the Department of Defense (U. S. Army Medical Department, n. d.).

A government-owned health care organization is structured differently than a for-profit or not-for-profit institution. Its responsibility is to the service men and women in the area who need care. Unfortunately, San Antonio Military Medical Center solely treats military health care beneficiaries and “severely traumatized patients from the local civilian community” (U. S. Army Medical Department, n. d.). The specialties it offers are comparable to those found in for profit and not-for-profit organizations with the only difference being SAMMC facility is reserved for military beneficiaries.

EFFECTIVE FINANCIAL MANAGEMENT

Effective financial management in health care is more difficult than in other industries because statements of profit and loss can differ depending on method used on the balance sheet. Health care organizations rely on outside entities such as private insurance companies and the federal government to reimburse for services rendered. Unfortunately, neither reimburses the full amount and the health care organization is forced to eat the remaining balance. Long term investments also take time to reap revenue, thus it continues to work against the organization during accounting. CONCLUSION

Competition in the health care industry keeps costs under control, to an extent. Regardless of the financial environment, they all work to ensure patients receive necessary care. Each financial environment is different and approaches health care differently. For-profit organizations look to minimize cost and spending to maximize revenue which is passed on to investors. Not-

for-profit organizations take what they get from federal and private contracts and redistribute the excess revenue back into the community with screenings and preventative programs. Government operated financial environments are strictly for military beneficiaries seeking medical care. They are limited in who they can treat, unfortunately. The financial environment does not dictate the quality of care. Though health care organizations come in different entities, they all work to care for the patient.

References

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