

Reporting practices and ethics paper

[Sociology](#), [Ethics](#)



Planning is when the financial manager identifies the steps that must be taken to accomplish the organization's objectives. The purpose is to identify objectives and then to identify the steps required for accomplishing these objectives. Controlling is when the financial manager makes sure that each area of the organization is following the plans that have been established. The purpose of controlling is to ensure that plans are being followed.

Organizing is when the financial manager decides how to use the resources of the organization to most effectively carry out the plans that have been established. Directing is when the manager works on a day-to-day basis to keep the results of the organizing running efficiently. The purpose is to ensure effective resource use and provide daily supervision. Decision making is when the financial manager makes choices among available alternatives. Decision making actually occurs parallel to planning, organizing, and controlling.

All types of decision making rely on information, and the primary tasks are analysis and evaluation. The purpose is to make informed choices (Baker and Baker, 2001). Summary of generally accepted accounting principles and general financial ethical standards Most healthcare organizations operate on the accrual accounting basis. With this type of accounting; revenue is recorded when it is earned-not when payment is received; and expenses are recorded when they are incurred-not when they are paid.

Ethical decision making is required when the healthcare executive must balance the needs and interests of the individual, the organization and society. Those involved in the decision making process must consider ethical principles such as justice, autonomy, beneficence and fairness, as well as <https://assignbuster.com/reporting-practices-and-ethics-paper/>

professional ethical standards and codes. Physicians, nurses, and other caregivers may primarily address ethical issues on a case-by-case basis. Healthcare executives also have a responsibility to address those issues at broader organization, community, and social levels (ACHE, 2007). Examples from articles that reflect ethical standards of conduct and financial reporting practices. Explain significance of each example. In May 2004, Larry J. Tyler wrote in an article that financial managers need to keep their own personal finances in order. If a financial manager is living too close to the edge on his/her own finances or are in fear of losing their job, and then they are more likely to “bend” their convictions (Tyler, 2004).

The importance of this example is so financial managers do not “fix” the books to make the organization look better than it actually is. If someone thinks that their job is on the line, they are more likely to do what others want them to do as well. In an article written by Joe Batte, a healthcare compliance specialist, he reported that state and federal agencies are increasing their efforts to eliminate fraud and abuse in healthcare.

Batte defines fraud as: Knowingly and willfully executing or attempting to execute, a scheme or artifice to defraud any healthcare benefit program. Or to obtain, by means of false or fraudulent pretenses, representations or promises, any of the money or property owned by, or under the custody of, or control of, any health care benefit program. Batte defines abuse as: Abuse is defined as receiving payment for items and service when there is no legal entitlement for that payment and the provider has not knowingly or intentionally misrepresented the facts to obtain payment.

Abuse may, directly or indirectly, result in unnecessary costs to the Medicare or Medicaid programs for services which fail to meet recognized standards of care, or that are medically unnecessary. Whether it's abuse or fraud, the fact that a provider can lose everything through being excluded from state and Federal health care program's participation makes it imperative to run the providers company in a professional, compliant, and business-like fashion. It is also wise to know what is currently being done by the agencies that oversee our health care systems (Batte, Joseph R. 2001). In the articles above, knowledge of what can happen to someone, or the organization as a whole, will deter managers of falsifying financial reports. Education is key to any position, whether healthcare or another. Knowledge of the consequences will help keep managers on the straightened arrow. Conclusion It is incumbent upon healthcare executives to lead in a manner that sets an ethical tone for their organizations. Education in ethics is an important step in healthcare's executives' life-long commitment to high ethical conduct, both personally and professionally.

In today's more aggressive enforcement environment it pays to have an active compliance program in effect, make sure that documentation is complete and legible, and don't assume that the small or medium sized provider is not going to be reviewed on a regular basis. The medical industry is held to a higher standard of ethics and many of the overseeing agencies are now using their considerable arsenal to make sure that fraud and abuse reduction is on everyone's front burner.