

Example of hospital corporation of america research paper

[Business](#), [Company](#)



Hospital Corporation of America

HCA was incorporated in 1968 in Nashville founded by Dr Thomas F. Frist jr, and C. Masey. Frist Sr was the father of a former Unites States senate leader Bill Frist. Currently the chief executive of HCA is Richard Bracken. The Park view hospital was the first hospital HCA created located in downtown Nashville. HCA issued its first initial public offer (IPO) in the year 1969 on the New York stock exchange. As the hospital expanded, their little office space could not efficiently serve their needs and thus in 1972; the hospital decided to build a new building behind Centennial Park in Nashville to house its office (HCA, 2007)s .

The period between 1970 and the 80s was a significant time for HCA since it marked the time when the hospital engaged into substantial expansion plans (Datamonitor, 2005). HCA acquired a good number of hospitals across the United States totaling to 255 owned and 208 HCA managed hospitals. HCA was one of the very first national hospital firms. In the present day, HCA ranks as the largest healthcare provider in the United States providing healthcare on a national scale. The firm comprises of 162 locally managed hospitals; 113 independent surgery centers spread in over 20 states, in the US and England. The firm affords employment to about 199 000 individuals. About 4 to 5 % of the entire health care offered in the US today is offered by HCA.

The firm commits its mission towards the care and improvement of human life aiming at delivering the highest possible health care quality, cost conscious community health care services to the people it serves. Through its mission and values, HCA puts a high priority on its patients and seeks to

progressively improve the quality of care through measures that sustain the company's care givers, ensure patient safety and offer the best quality health care to its patients.

Internal and external assessments

Hospital Corporation of America is a healthcare service corporation that owns and controls acute, rehabilitation and general care hospitals in the United States. The firm's high position in terms of outpatient and inpatient markets gives it a competitive advantage and thus offering prospects to further improve its position. Nevertheless, the rising number of uninsured patients and the weakening of the collectability of uninsured accounts might in the future affect the firm's operations in a negative way.

In order to understand the internal and external environment of HCA, it would be imperative to critique the firm's strategic position e. g. a SWOT analysis that gives the picture of the firm in terms of the environments within which it operates. HCA SWOT indicates that its internal strengths supersede the firm's weaknesses and the external threat seems to surpass the opportunities (Datamonitor, 2005). The firm's current values and mission statements are enough to qualify its success though improvements in both of these could come in handy.

HCA carries out business in the health care market environment, a sector with many key challenges and financial constraints. There exist about five interlinked external factors influencing HCA's current position. These factors include A rise in the number of uninsured American citizens, a rise in health care costs, changes in political and regulatory frameworks e. g. in health

care reimbursements, industry's stiff competition and changes in the national demographics. While many may argue that the introduction of managed care has helped control health care cost, the said costs seem to be rising again thus affecting the health premiums. From 1994 up to 97, the health premiums were on an increasing trend rising by 2-4% on a yearly basis. The year 2002 saw large form's health premiums rise by a 12% margin while smaller firms had absorbed a 20% increase on the premiums. In the past, it was easy for healthcare firms to overlook tier competitors since the use of cost plus and reimbursements for Medicare helped settle most of their health care bills. A change in the health care and Medicaid reimbursements alongside better audit controls has shifted emphasis on competitor analysis. Today, CMS constantly audit the firm's billing practices to unearth potential fraud or abuse. Most health care firms have had to readjust their accounting policies and billing practices to conform with the federal state's requirements.

Stakeholder analysis

With HCA holding the position of the largest national health firm in the US, the firm has a couple of stakeholders of different company success interest levels. The firm's stakeholders are divided into three categories namely: interface, internal and external. The firm's employee base forms the internal stakeholders. HCA has registered remarkable employee satisfaction and reduced employee turnover rate (Datamonitor, 2005). This success can be traced in the firm's sound leadership, employee investment through various training and educational initiatives and through the adoption of state of the

art technology that alleviates the abilities of the firm employees to deliver high quality health care. The firm has several important net worth interfaces stakeholders such as the US department of labor, the US army and partner nursing programs. HCA has invested I the army's PAYS program and offer scholarship to the department of labor to reduce the small number of trained medical workers within HCA.

Another huge interface stakeholder would be Madcap, a firm that controls on and leases medical offices to HCA. The global health exchange that facilitates HCA's supply chain and health stream, an interest education and training firm that gives training resource to the HCA. The firm's external stakeholders comprise patients, government agencies, investors in company stock, professional association and communities from 23 states and two overseas countries.

Overview and assessments of services provided

HCA has several service categories that include 78 surgery centers, 179 hospitals, and several ancillary centers in over 23 states of the US.

Furthermore, HCA runs 8 consolidating hospitals in the UK and Switzerland.

HCA owns various facilities which include: hospitals, rehab centers and several outpatient centers. The firm owns acute psychiatric and general hospitals that offer surgical and medical care including emergency services, diagnostic services, inpatient care, cardiac and intensive care (HCA, 2007).

The firm's outpatient services can be found in outpatient settings and hospitals too.

The chief service area of HCA engrosses the whole United States. This area's

profile encompasses demographics, health status and economic indicators. The CDC utilizes the top 10 causes of death in the US as national health status indicators (Kim, 2012). Of the ten, the three chief causes of death in the year 2002 included cancer, heart diseases and cerebral vascular ailments. A porter's analysis was employed in assessing the structural service region analysis. In general, HCA is at par and contends with healthcare levels but additionally must monitor domestic competition in the market segments it serves. New firms trying to access this market would be deterred by their abilities to quickly amerce capital assets, liaise with HMOs and earn brand recognition (Datamonitor, 2005). The firm's chief competitors in hospital business are tenet health companies. Health management Association (HMA) and Universal health services (UHS). The competitors are singled out and ranked on merit of annual sales and profits; each competitor employs a distinct operational strategy.

Competencies and resource

For a very long period of time, HCA has been recognized as an innovator especially when the fact that it was one of the first large national hospital chains considered. HCA ranks at the helm of the healthcare industry and has been branded the industry leader in the healthcare industry (Kim, 2012). In 2001, HCA emerged top in terms of sales and profits. The firm has continually reinvested in itself as a firm. In the same year, the firm plowed back \$1.7 billion back into its operational activities. In addition, the company has several holdings in other non-related lines of business which helps diversify the company's financial base and strengthen its position.

The company seems to possess a sound financial strength and infrastructure though still has its share of shortcomings. In the recent past, the firm made a tentative agreement with a number of its shareholders to settle class action litigation for \$ 49 million and remain under the federal government's radar over its business practices.

Public entities and regulatory requirements

Hospital Corporation of America is solely responsible for all citizens and communities wherever it operates. HCA's minimum standard is to be environmental stewards in meeting and possibly exceeding all the legal and regulatory standards required by the law. In the month of October 1997, HCA added an ethic and compliance department in its organizational structure. The department's role is to serve the role of articulating the set standards of compliance to the code of conduct that relates to the nature of its operations (Rodengen, 2003). The company has a duty of creating awareness of such standards to all of its employees. This can be achieved through quality ethics training efforts by HCA, compliance training and instituting other major communication efforts required to ensure adherence to the law. The firm must conduct constant audits and monitor efforts of its employees to ensure that the set procedures and policies are being adhered to and followed in an effective manner.

Demographics served

In the present day, HCA ranks as the largest healthcare provider in the United States providing healthcare on a national scale. The firm comprises of 162 locally managed hospitals; 113 independent surgery centers spread in

over 20 states in the US, and England. The firm affords employment to about 199 000 individuals. About 4 to 5 % of the entire health care offered in the US today is offered by HCA. The company makes a \$ 1. 5 billion investment each year towards maintaining its state of the art level of operation, especially the hospital facilities and expansion plans. Owing to the fact that HCA founders were physicians, the firm has a sound relationship with local physicians and assists them with a variety of services and ultra modern facilities in a bid to assist them to deliver the best healthcare possible

Strategic and financial planning

Strategic planning entails coming up with workable alternatives, thorough evaluation of the alternatives and making a strategic choice. A complete situational analysis paves way for strategic formulation. HCA has an adequate mission backed by objective value statements. It is important for any organization to develop sound forward looking strategies for directional strategies form the platform for other strategies. All in all, revising or implementing a proposed vision value or mission helps firm up the directional strategy of the firm. Looking at the current HCA's strategy, one can easily tell that the firm is implementing adaptive strategies while mildly carrying out competitive and market entry strategies. Adaptive strategies point out three alternative courses of action for the firm to adopt: slope contraction, slope expansion or slope maintenance strategy. The firm seems to employ diversification and vertical integration to create health care networks, increasing the number of services availed to communities and the number of patients. The purchase of new services and the plan of expanding

current emergency room services contribute significantly to the growth of new health networks. An aggregate increase in patient numbers achieved through vertical integration will allow HCA to realize its healthcare growth goal.

Financial and operational outcomes

With regards to the firm's marketing strategy, HCA received an offer to purchase a number of hospitals in the city of Kansas. This huge outcome presents the firm with an opportunity to expand and fulfill its goal of becoming the top healthcare provider for urban and suburban groups. Acquiring more healthcare services will go a long way into fulfilling the company's vertical integration strategy (Kim, 2012). The invitation to purchase more hospital is, therefore, a useful result of the firm's marketing strategy that holds even better prospects for HCA. In a bid to support its internal development strategy, HCA has reinvested over \$1.7 billion to its already existing facilities. This large plough back has allowed the firm to purchase new beds; diagnostic technology and creation of emergency departments to offer new services not present previously.

Current and future direction

Examine the firm's future quadrant; HCA needs to employ a number of useful strategies such as vertical integration, expansion, penetration and diversification strategies. HCA should plan its operation based on these four strategies if it is to achieve its chief goal of becoming the leading healthcare provider in the United States. The current premises location of HCA businesses shows that the firm is yet to venture into urban settings that are

densely populated such as New York Ohio, and New Jersey. HCA should conduct a serious research on these markets before deciding to venture into them. In addition HCA operates in a considerably specific niche in order for the firm to realize returns from the aging population, they should think about implementing vertical integration and diversifying their products.

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