

Case study

Business



Case study The issue of whether a market-driven approach is valid for health organizations raises dissenting opinions. The supporters of a market driven approach to health care, argue that running health care organization as corporate entity is valid. They observe that running health organizations under the governmental approach is detrimental, since it stifles innovation while also making them inefficient, due the bureaucracies involved in government. Additionally, the application of the corporate model in the management of health care organizations serves to alleviate the problem of high costs, through putting in place measures that create efficiency, thus enhancing the minimization of costs. However for those opposing the application of market-driven approach in health care, the argument is that the model reverses the ethical priorities, by putting costs minimization measures and profits earning motives first, while rendering patient care the secondary objective.

3. Columbia/HCA applied mixed strategies, with some of them being sound while others were flawed and wrong. The strategy regarding physicians' equity and the one involving national branding were flawed strategies. However, all of the other strategies applied were sound, since they have been applied by the nonprofit hospitals and remained successful. The physicians' equity and the national branding strategies were wrong, since they caused tradeoffs between patient care and profits, thus encouraging the compromise of health care to patients. The other strategies were appropriate, seeking to improve the efficiency of the institution. The problem is that the degree of tenacity with which these strategies were implemented with, was so strong, such that it caused the compromise of services offered to patients, while advancing the profit making motives of the organization.

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However, the subsequent strategies that redefined the mission of the organization and renamed, it made the whole situation better.