

# Business law



**ASSIGN  
BUSTER**

Assignment 5: Business Ethics Scenario A patient had been confined in a private room in this health for almost one month due to chronic illness with diverse complications. Due to her long stay and numerous laboratories, diagnostic and therapeutic examinations, her statement of account reached a staggering amount which could not be immediately covered by the funds of the patient and her family. She is supported by her daughter who helps by providing physical, emotional and financial support. However, due to the critical condition that her mother experiences and the amount of unpaid bills, their account was classified as red tag.

Patients with red tags are immediately referred by Unit Managers to the Customer Relations Department who monitors their status and closely coordinates with the Accounting and Cashier Department for settlement and collection purposes. Once a patient has been classified as red tag, any procedure (therapeutic, diagnostic, laboratory, etc.) need to be immediately settled prior to the administration of the procedure, regardless of the necessity and the kind of the procedure to be undertaken. The rationale for this is to prevent further increases in the amount due to the hospital which might not be collected nor paid.

The patient regularly needs any of the abovementioned procedures to monitor her health progress and to identify and assess whether present medications need to be adjusted (increase or decrease in dosage and frequency of administration). However, since this patient was already classified as red tag, and since the daughter still needs to look for alternative sources of funds to settle the staggering amount, the required regular procedures could not be undertaken. In this regard, in the capacity of the Unit Manager, an ethical dilemma needs to be resolved through ethical

theories and analytical thinking for recommendation to higher management in the hospital. The hospital with medical and ethical responsibilities to their patients has to assess their red tag policy in terms of contradicting conformity to ethical standards.

#### Decision Made

Given the scenario, the alternative courses of action, as recommended by the Unit Manager are available for both the hospital and the patient: (1) immediately transfer the patient to a room with the least cost (a ward or semi-private room) without compromising health benefits. By transferring the patient to a room with lower cost, all other hospital costs associated with the room transfer would be decreased; (2) seek the necessary financial assistance from health insurance (Medicaid, Medicare) as appropriate in her case; and (3) arrange an amicable agreement with the senior management of the hospital in terms of forging payment schemes which are amenable to both parties. Based on the Unit Manager's recommendation, the hospital implemented all three courses of action, after consultation and approval was made with the patient's daughter.

#### Rationale for the Decision

Based on the underlying definition of ethics, one should examine the rules that govern human action and the goods one is seeking in life. One of the philosophies which are applicable in this case is Kant's categorical imperative principle which stipulates that actions must be made according to a prescribed general rule where everyone is expected to abide. (BBC, n. d.) The hospital has the obligation to render appropriate medical service to ensure that their patients receive the necessary treatment to improve their health conditions. However, it is also the responsibility of the patients and

their families to pay for all the medical services to ensure that the hospital would sustain their resources for the efficient delivery of health care in the present and in the future. If the hospital would consistently allow patients to accumulate amounts payable for services that were already rendered, eventually, the resources of the hospital would not be enough to sustain the delivery of future health care of other patients.

Likewise, the principle of utilitarianism also applies. The utilitarian theory stresses the need to select a particular action which will ultimately result in the greatest good for the greatest number of people. The theory emphasizes the interests of others more than one's personal interests (Utilitarian Theories, 2002). The red tag policy was designed to prevent further accumulation of amounts to for payment to the hospital. If this remains unchecked, the very existence of the hospital would be endangered.

Accumulation of unpaid bills would reverberate to financial losses. The hospital funds would eventually be depleted if these accounts are allowed to persist. Inasmuch as the status of human lives might be at stake, both family members of the patients and the administration and top management could design ways and means to accommodate ethical concerns without compromising the quality of health care and the standards that the hospital upholds.

#### Conclusion

The Unit Manager is responsible in ensuring the hospital policies are enforced to adhere to the highest standards of health care delivery for all patients. Health care organizations have a great responsibility to ensure that patients receive the best possible treatment within their respective budgets or finances. Problems occur when one party fails to deliver what is expected

by the other. Apart from financial problems brought about by hospital bills, patients and their families are faced with the burden of finding out possible outcomes from the delivery of health care. However, despite clearly stated policies and rules that ensure that management does the right things in compliance to ethical standards, inevitable events still occur which seem to contradict business ethics. In the end, by establishing a harmonious relationship and by ensuring that the health care organization has complied with the high standards of safety and efficient delivery of patient care closely adhering to ethical codes of discipline, no ethical problem could remain unresolved.

#### Works Cited

BBC. Ethics Guide. n. d. Web. 27 April 2010.

Utilitarian Theories. Utilitarianism. 2002. Web. 27 April 2010.

< <http://caae.phil.cmu.edu/Cavalier/80130/part2/sect9.html> >