

Study Regarding the Resource Allocation of Private Medical Institutions into a Risk Management System

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ABSTRACT

The Risk Management System is one the most important aspect in organizations acting in the medical field. The private medical institutions have to ensure a proper risk management system. In order to ensure this system, they have to ensure a proper organizational effort, that includes financial investment and personnel training in order to ensure a functional risk management system. Our research is focused on the perception of key decision makers in private medical institutions regarding the organizational effort in order to ensure a functional risk management system. Because the private institutions have to ensure profitability and also to be competitive, we also research their approach on the risk management system as a quality differentiator on the market and not only as a mandatory regulation. The medical field is overall one of the most regulated fields and has additional specific regulation for each country.

KEY WORDS: Risk Management, Private Medical Institutions, Organizational Effort, Competitivity, Safety.

INTRODUCTION

Even though many domains are in development, safety is a key element in the medical domain. Safety in private medical units is primarily ensured through the risk management system. It is well known that the medical field is one of the best regulated areas. Depending on every country, different requirements have to be fulfilled in the medical activity. The private medical institutions have to ensure quality services, which also include, safe services and profitability. The risk management system is the one who ensures that the organizations delivers safe services that are composed of standard complaint processes. Depending on the regulations, ensuring a qualitative and efficient risk management system can represent a specific organizational effort. In our research we analyze the perspective of key decision makers in private medical institutions regarding the organizational effort vs. benefits.

RESEARCH HYPOTHESIS AND METHODOLOGY

In order to analyze the perception of the key decision makers in medical institutions of the organizational effort to ensure the risk management system, we selected a list of representative aspects of the organizational effort. These aspects were organized in several categories, from financial investment to the investment in personnel training and personnel costs, time, equipment and suppliers.

After determining the key aspects of our research, we developed a survey and collected the data in order to process the results. For this, we ensured that only key decision makers acting in private medical institutions could answer the survey. We also linked the results of different questions in order to interpret the results and obtain our conclusions.

Our research hypothesizes, based on which the survey was build are:

1. As the field of medical activity is very well regulated and safety has a major role, most of the medical institutions have a well-established and performant risk management system.
2. As most of the decision makers threat the risk management system as mandatory, the organizational effort in order to keep the risk management system is considered to be reasonable but, the optimization of the costs with the risk management system is also important, as the profitability of the institution very important.
3. Most of the decision makers acting in medical institutions understand that the risk management system involves the whole organization and is not restricting to only several people in the organization. Therefore, personnel training regarding the risk management is considered to be an important topic.

4. In order to ensure a highly efficient risk management system, key decision makers are concerned not only on the own organization risk management system, but they also check the safety requirements of their suppliers.

RESULTS

The created survey contained a set of questions that should validate or invalidate the four-research hypothesis. The survey was distributed to a set of private medical institutions and was targeting people from the management layer.

The first question asked about the amount of resources invested by the responders in applying the risk management system. All the responders agreed that there is necessarily this effort. 40% of the responders see the risk management investment as an opportunity of avoiding later issues. All the rest of 60% see it as mandatory. The figure below explains the distribution of the answers.

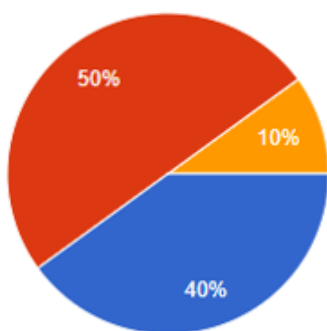


Figure 1. Answer of the question: For your organization, the investment of resources in the process of risk management is: 40% - a mandatory, considerable effort, 50% - a normal effort in order to avoid later issues, 10% - an insignificant effort

The second set of questions were addressing if there is in the medical institution an organized risk management system. All the responders understood that the risk management system is a system that involves the whole organization and not only some members of it. Its appliance extends even to the suppliers and other third parties that are involved or can influence the activity of that medical institution. Only 30% of the responders are focused on a continuous improvement principle, according to ISO standards. A possible explanation would be that maybe the strict regulations of such a system creates need of other organizational-specific system. Figure 2 illustrates the distribution of the answers.

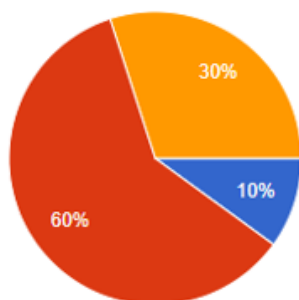


Figure 2. Answer of the question: In our organization we have a risk management system: 10% - well defined with clear procedures and constantly monitories, 60% - functional, everybody knows what he has to do, 30% - in development, we are now preparing a new risk management system.

The next set of questions asks about the time invested in creating procedures for the risk management. Being a very wide domain, the lack of information and specialized consultants make the responders to feel guilty about not doing enough in the direction of making the risk management system better. Figure 3 illustrates the responses of the questions.

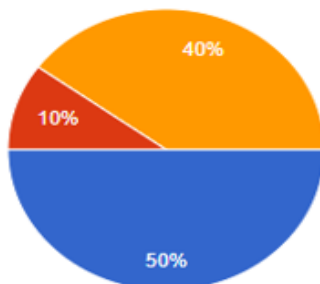


Figure 3. Answer of the question: Regarding the time allocated for creating procedures of the risk management system: 50% - normal allocation, as needed, 10% - to much, the employees could be focused also on different other tasks, 40% - to less time allocated.

The next question approaches if there is a designed person responsible for the risk management in the selected medical institution. Only 30% of the responders responded that they have a dedicated person in this direction. This happens because of the dimension of the organization, generally in small institutions, a dedicated person generates significant costs. Therefore, the top management people in the organization have the direct responsibility in creating and updating the risk management system of the organization. The next set of questions approaches the financial investment allocated by the institutions regarding the creation and implementation of a risk management system. 50% of the responders consider an optimal investment but try to optimize and minimize them as much as possible. The figure below illustrates the responses.

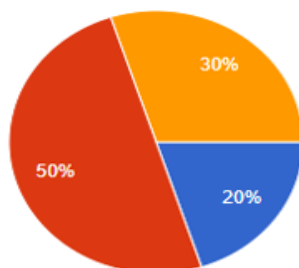


Figure 4. Answer of the question: The financial investment needed for implementing and having a risk management system: 50% - a necessary effort, we spend as needed, 20% - a to high effort, impacts the profitability of the organization, 20% - the investment could be higher.

The next set of questions approaches the regarding the responsible person in regards of the risk management system and the periodicity in which the trainings and updates are shared to the employees. Most of the responders, 40% answered that they have at least every 3 months periodical updates session. The rest of 60 % can be grouped in organizations that organize such sessions only when it is needed or there is a change in the current system. In regards of thee person in charge, there is either a dedicated person, or a equal distributed responsibility among all employees. Figure 5 illustrates the distribution of the answers.

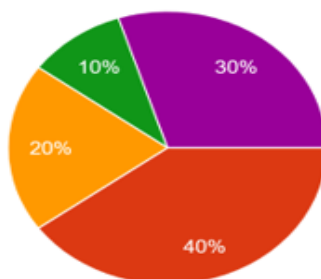


Figure 5. Answer of the question: How often do you have periodical trainings for updates regarding the risk management system, 40% - at least once every trimester, 30% - at every change in the risk management system, 20% - yearly trainings, 10% - it is not necessarily, procedures are very clear, they aren't changing so often

Last two questions approach the requirements requested from the suppliers. The answers were surprising: 50% of the responders answered that they prefer suppliers that offer them the latest generation of equipment, complaint with all the existing regulations, and 50% answered that they don't care about the regulations, but the equipment should be completely functional. Regarding the criteria based on which the suppliers are chosen, 90% of these responders answered that they look for suppliers that know the standards and deliver product according to it or functioning as the standard indicates.

CONCLUSIONS

The general conclusion of the current study is that most of the hypotheses are confirmed. The single hypothesis that was infirmed is the hypotheses no. 4, regarding the attention of the fulfillment of the suppliers. In order to ensure a highly efficient risk management system, key decision makers are concerned mostly only on the own organization risk management system and they do not check the safety requirements of their suppliers.

Safety and risk management system is considered very important in the medical field. There for the first hypothesis is confirmed with the mention that most of the key decision makers see it as mandatory and only some of them think in perspective as treat the risk management system as a competitiveness asset in avoiding unpleasant organizational damage.

Furthermore, with so many regulations, most of the decision makers threat the risk management system as mandatory and the organizational effort in order to keep the risk management system is considered to be reasonable but, optimization of the costs with the risk management system is also important, as the profitability of the institution is the most important.

Safety is ensured through the risk management system, which is understood as a system that involves the whole organization and is not restricting to only several persons in the organization. There for personnel training regarding the risk management is considered to be an important topic.

The focus of the private medical institutions on the risk management system is a major concern and a lot of resources an effort is being invested in this direction. This proves a maturity of the sector and well defined and secured services.

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