

Chapter 2 -- The VOLATILE HEALTHCARE ENVIRONMENT

INDICATE WHETHER EACH OF THE FOLLOWING IS TRUE (T) OR FALSE (F)

1. ____ The introduction of managed care removed a number of significant restrictions on the use of services.
2. ____ Passage of the Balanced Budget Act brought about a number of facility closures and prompted an increased number of mergers and other affiliations.
3. ____ An increasing number of medical group practices and other free-standing healthcare providers are competing with each other for patients.
4. ____ The diminishing use of inpatient hospitalization has considerably reduced the apparent degree of competition between and among hospitals.
5. ____ A typical hospital is largely describable as an example of Rensis Likert's cooperative motivation system.
6. ____ Accountable care organization (ACA) is simply another designation for a health maintenance organization (HMO).
7. ____ One of the factors contributing to the present problems with the country's healthcare system is the absence of sufficient external regulation.
8. ____ Managed care generated cost-saving benefits for a time following its inception but has been unable to sustain its early promise of continued efficient and cost-effective care.
9. ____ Managed care strengthened the position of the acute-care hospital as the true center of the healthcare system.
10. ____ Competition between and among healthcare organizations largely involves concern for access to care, cost of care, and the quality of healthcare service.

11. ____ As in-patient hospital lengths of stay have been reduced and an increasing number of forms of care are pushed toward an outpatient environment, the number and variety of specialized healthcare settings has increased.
12. ____ It is necessary for most management in health care to be production-centered.
13. ____ Regulation of healthcare activities, which began to expand significantly in the 1960s, has levelled off and in many instances has actually diminished.
14. ____ Many managers take a legalistic view of employee relations as opposed to a humanistic view primarily to keep themselves and their organizations out of legal trouble.
15. ____ It remains generally true that the best workers in a department, when promoted, will become the most effective first-line supervisors.

Answers: 1-F; 2-T; 3-T; 4-F; 5-T; 6-F; 7-F; 8-T; 9-F; 10-T; 11-T; 12-F; 13-F; 14-T; 15-F

Circle the correct answer for each of the following

1. Competition in health care essentially involves:
 - a. A great many anti-trust violations.
 - b. Necessary agreement on service pricing with competing organizations.
 - c. Focus on patients as the ones who select all of their own health care.
 - d. Organizations vying for patients by promoting improve access, lower cost, and improved service quality.
2. Much of the movement into managed care was driven by:
 - a. Corporate employers attempting to contain healthcare benefit costs.
 - b. A strong desire to curb the growth of health insurance costs.

- c. The government's passage of the Health Maintenance Organization (HMO) legislation.
 - d. All of the above.
3. The marketing process as concerns healthcare organizations essentially involves:
- a. Concentrated advertising promoting one's own strengths and pointing out the competition's weaknesses.
 - b. Guiding potential customers in differentiating the organization's products and services from those of competing organizations.
 - c. Establishing preferential relationships with health insurers.
 - d. Promoting one's own organization as better than the others serving the same market area.
4. One significant difference between health care and industry at large is:
- a. There are no useful skills or occupations that can cross from health care to non-health business.
 - b. All health care deals with its customers face-to-face; all non-health business deals with customers only remotely.
 - c. All aspects of health care require more educated employees than all other businesses.
 - d. Health care is subject to more external regulation than the majority of other businesses.
5. Under managed care, the primary care physician:

- a. Has essentially been placed in the role of gatekeeper for the healthcare system, in many instances having to make formal referrals for patients to access certain services.
- b. Is now fulfilling a significantly smaller role than before managed care.
- c. Has in most instances been required to become members of group practices.
- d. Is no longer involved in determining what services beyond primary care a patient may access.

Answers: 1-d; 2-d; 3-b; 4-d; 5-a

Fill in the blanks in each of the following

- 1. The PPACA is intended in part to reform the _____ system to promote greater efficiency by restructuring reimbursement from fee-for-service to bundled payments.
- 2. _____ consists of a number of practices originally intended to reduce costs and improve quality and offer reasonable access to quality care at an affordable cost.
- 3. The _____ process essentially encourages potential clients or customers of the organization to differentiate the organization's products and services from those of other organizations.
- 4. The greatest percentage of healthcare workers engaged in most health-related occupations are employed by _____.
- 5. Health care remains at or near the forefront of activities that are most subject to _____.

6. In a strongly people-centered operation system functioning _____ as people come and go.
7. The _____ phase of employee relations ended legally, although not factually. In the early to middle 1960s.
8. Health care will likely continue to get most of its first-line supervisors by _____.
9. A majority of managers in health care tend to _____ more strongly with a profession or occupation than they do with management.
10. It is essential to recognize that all of the sources of true motivation exists in the form of _____ and are inherent in the work itself.

Answers: 1-Medicare; 2- Managed care; 3-marketing; 4-hospitals; 5-technological turnover; 6-fluctuates; 7-authoritarian; 8-promotion; 9-identify; 10-opportunities