Provider Organizations

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Provider Organizations

Since the nature of the community not-for-profit hospitals is for unconditional patients’ acceptance, they normally receive tax exemptions. The exemption of taxes is for the sole purpose of increasing charity cares thus ensuring maximum benefits for the community. That will ensure that the hospitals remain in operation for a longer period. However, the not-for-profit medical centers do not have extra avenues or means of raising extra money. Therefore, they are in a way limited to progress and growth. Luckily enough, these medical organizations do not have to answer to shareholders. That will be useful for the hospitals to maintain the interests of the community (Berwick, 2016).

One of the common differences between a profit and non-profit medical organizations is that a nonprofit hospital has a better community representation than a for-profit organization. That is because of the latter aims at maximizing profits other than serving a community’s interests. Also, for-profit organizations have a high propensity to offer profitable medical care like surgeries than a not-for-profit medical organization. Another stack difference is that for-profit organizations respond faster to financial incentives than the not-for-profit medical organizations (Mossialos et al., 2015). For example, when there is a financial pressure, the for-profit medical organizations will quickly undergo a restructuring or change in internal policies, then the not-for-profit medical organizations.

The financial impact of for-profit-organizations will not be much. That is because people tend to prefer the not-for-profit organizations as compared to the for-profit organizations. Statistics have indicated that 91 percent of global consumers tend to offer much support to businesses or organizations that are attached or associated with social benefit functions.
(Taichman et al., 2017). However, consumers with higher social status will prefer to use the for-profit medical organizations. In that case, some of the revenue that was accrued will be lost.

Academic medical facilities are advantageous in the sense that they provide better technologies because they are associated with continuous medical research. In that case, they experience new treatment therapies and new cures.
References

