

EVALUATING NEW VENTURES/SERVICES

Many healthcare organizations are actively pursuing the addition of new ventures or services that complement those already being provided. Some examples include expanded palliative care services, pain clinics, PACE programs and transportation services. Risk assessment is an important part of the process in order to identify the potential loss exposures associated with new projects or business ventures. Be proactive to help reduce loss exposures. Compare the potential for loss against the potential benefit of the project as part of the evaluation.



PLAN

- Do research on the topic and organization. Designate a task force or committee of the organization's board to gather information.
- Identify organizational and community resources that may help in the planning phase.
- Find out about potential risk exposures and losses with the program or service being considered.
- Perform a needs assessment and identify what is already available in the community in order to limit duplication of services.
- Identify additional resources that will be needed for implementation, including staffing.
- Brainstorm about outside factors that might impact the program/service, such as funding sources or regulatory authorities.
- Develop contingency plans.

- Patients and caregivers
- Community (donor base)
- Regulatory bodies
- Insurance and reimbursement sources
- Accrediting agencies
- Insurers
- Local health systems
- Social service agencies
- Advocacy groups

COMMUNICATE

- Keep your Compliance Officer/Risk Manager in the loop
- Keep board members and management involved in the planning process
- Inform insurance agent/company of anticipated new programs or services to verify that appropriate coverage is available. Communicate if this is an expansion of an existing service or program or a new separate entity

IDENTIFY STAKEHOLDERS

Determine who has an interest in the new venture or service. Discuss ideas with the groups or individuals to see what they can offer to the planning process. Consider:

JOINT VENTURES

Joint ventures (JV) often create a different type of risk. With one or more partners, not one individual or group has total control of the planning process or execution. When such a

venture is contemplated, it is advisable to have legal advice from the inception. Give consideration to what each partner brings to the table and whether the partners have a similar culture and/or philosophy regarding quality care. Clearly define roles and responsibilities and goals/objectives.

According to the National Law Review article, Top 10 Issues When Considering a Joint Venture, questions to consider include:

1. Will company names, trademarks, patents or know-how be transferred to the JV?
2. What are the ownership/capital contribution percentages? Can each party provide enough capital or future needs for capital?
3. What board and officer slots go to which party?
4. Who will fill the key executive employee slots?
5. Will the JV be perpetual or have a term (e.g. 10 years)?

SUMMARY

A new program or service may not succeed if there is a failure to properly plan or allocate the necessary resources. Before jumping in, it is important to take the time to adequately assess new programs or services that are being considered. Taking the extra time at the front end is more likely to lead to successful program implementation in the end.

REFERENCES

¹The National Law Review. (2011, March). Top 10 Issues When Considering a Joint Venture. Retrieved from <https://www.natlawreview.com/article/top-10-issues-when-considering-joint-venture>