

A STUDY ON FINANCIAL PERFORMANCE IN HOSPITALS WITH SPECIAL REFERENCE TO COIMBATORE CITY

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ABSTRACT

In this present era hospitals play a major role in each and every one's life. In each industry there are steps needed to get improvement in away hospitals also needed some measures to get improvement. The study gives a detailed step related to financial performance and it also answers the questions how to improve the financial performance in hospital. The study is the conceptual based study which tells us the financial performance of hospitals in Coimbatore city.

KEYWORDS:

Financial Performance , Improvement , contents for financial performance

INTRODUCTION:

In human life hospitals play a major role. Even its a small issue or larger one. Though medical service is public oriented service. There also some financial performance is needed. In this study the we are going to see about the financial performance contexts containing seven points. The study has found that these are the contexts that will help a organisation to built up their service at the same time this will built up the financial performance of the hospitals in greater manner. The study has also given the suitable suggestions to enhance the performance level.

REVIEW OF LITERATURE:

TITLE: The association between hospital financial performance and the quality of care—a scoping review protocol by Katarzyna Dubas-Jakóbczyk, Ewa Kocot, Marzena Tambor and Wilm Quentin. Published online 2021 Aug 10. the study tells us about the quality care of financial performance of hospitals. They are operate under pressure to contain costs and improve the quality of care. The literature suggests that there is an association between health care financial performance and the

quality of care. On the one hand, providers that are financially more stable might have better capacity to maintain reliable systems and resources for quality improvement. On the other hand, providing better quality of care might lead to financial gains in the form of increased revenues or achieved savings and, in consequence, a higher profitability. The general objective of this scoping review is to identify and map the available evidence on the association between hospital financial performance and the quality of care. It aims to (1) provide a broad overview of the topic and (2) indicate a more precise research question for a future systematic review.

Title: The Financial Performance of Hospitals Belonging to Health Networks and Systems February 2000 Inquiry : A Journal of Medical Care Organization, Provision and Financing 37(3):234-52.published on feb 2000. The U.S. health industry is experiencing substantial restructuring through ownership consolidation and development of new forms of interorganizational relationships. Using an established taxonomy of health networks and systems, this paper develops and tests four hypotheses related to hospital financial performance. Consistent with our predictions, we find that hospitals in health systems that had unified ownership generally had better financial performance than hospitals in contractually based health networks. Among health network hospitals, those belonging to highly centralized networks had better financial performance than those belonging to more decentralized networks. However, health system hospitals in moderately centralized systems performed better than those in highly centralized systems. Finally, hospitals in networks or systems with little differentiation or centralization experienced the poorest financial performance. These results are consistent with resource dependence, transaction cost economics, and institutional theories of organizational behavior, and provide a conceptual and empirical baseline for future research.

FINANCIAL PERFORMANCE:

Financial Performance in broader sense refers to the degree to which financial objectives being or has been accomplished and is an important aspect of finance risk management. It is the process of measuring the results of a firm's policies and operations in monetary terms. It is used to measure firm's overall financial health over a given period of time and can also be used to compare similar firms across the same industry or to compare industries or sectors in aggregation.

CONTEXTS OF FINANCIAL PERFORMANCE:

- **Reduce overall spending**
- **Maintain the uniqueness**
- **Go green**
- **Make readmission low**
- **Avoid unnecessary testing**
- **Make patient completely satisfy**
- **Invest in smart investment**

REDUCE OVERALL SPENDING

The main context to improve the financial performance of your health system is to reduce your expenses. To achieve this is , reduce the number of suppliers your hospital work. A single hospital some time often work with hundreds of different suppliers across multiple categories of hospital supplies and equipment. Target to reduce the number of suppliers that your hospital works with by around 15-20 percent. This should help to reduce extra buying, while standardizing vendors and purchases.

Understand one thing that inventory management and the entire purchasing process are simplified when your hospital purchases from a lower number of suppliers.

MAINTAIN THE UNIQUENESS

Medical technology is perpetually evolving, and healthcare providers must keep pace with this rapid change to ensure patient satisfaction. While the cost of first investment for cutting edge technology can be high, it's possible to improve your profit margin by upgrading your technology and equipment on a regular basis.

An effective method to reduce hospital service costs is to provide more outpatient care via telehealth, which is becoming increasingly popular. Telemedicine offers improved accessibility and convenience for patients, while hospitals are able to deliver more economical care. By providing services virtually, your hospital profit margin should improve over time as your expenses fall and patients are offered more choice for care.

GO GREEN

Go green within your hospital can lead to a reducing in costs. Go greenembrace anything from upgrading your lighting system to get preventive maintenance on actual systems.

A reduction in energy consumption is only one way to improve your profit margin by utilizing green initiatives. Additive strategies include:

- Insulating piping and equipment for hot water systems.
- Schedule preventive maintenance regularly, to avoid costly one-off repairs.
- Install green lighting deemed to be energy efficient.
- Increase cooling and Heating in rooms and areas of the hospital only when they are occupied.
- Establish a baseline for energy usage throughout the hospital.
- Install renewable energy.

All of these initiatives will help to reduce hospital costs and bolster up your hospital's financial performance.

MAKE READMISSION LOW

Make focus on reduction readmissions must form a part of any cost reduction initiative.Hospitals with high readmission rates are penalized by the Centers for Medicare and Medicaid Services. It is estimated that one in six patients discharged from a Indian hospital is readmitted within a 20 day period.The majority of readmissions can be prevented, resulting in an improved financial performance. Some effective strategies to minimize readmissions include:

- Analyzing patient data identifies individual patient needs to enable you to provide a full continuum of care.
- Follow-up care is also simple to implement and less expensive than the cost of a readmission.
- The costs associated with telehealth services for follow-up care should be significantly less than the cost of readmission.

AVOID UNNECESSARY TESTING

Unnecessary testing results in Indian hospitals wasting around 1 crore every year, costs which can be avoided altogether. Unnecessary testing should be relatively simple for your hospital to eliminate. Your frontline employees can be reduced the number of redundant tests by discussing individual patient healthcare needs.

As for hospital supply waste, it is common for hospital supplies to be discarded without even being used. Some may be discarded due to the potential harm they may cause to patients. A high amount of supply waste is avoidable by taking the following steps:

- The supply room is organized, and expired products are thrown out
- Order new supplies only when they are in need. This is easier when a strong supply chain is in place. which is made easy with a strong supply chain in place.
- Educate all members in hospitals on the high costs of wasted hospital supplies.
- Focus on reusable supplies that are discarded.

These are some of the steps that will help to improve your hospital's financial performance.

MAKE PATIENT COMPLETELY SATISFY

Higher amount of patient satisfaction equals to enhanced hospital financial performance, as patients are more likely to return to your hospital in the future.

In 2016 suggests that hospitals which provide a better patient experience obtain profit margins around 50 percent higher than health systems which provide only an "average" patient experience. For hospitals struggling to reduce waste or effectively cut hospital service costs, enhancing patient satisfaction may be the ideal strategy to improve your financial performance.

INVEST IN SMART INVESTMENT

Effective management of all health IT systems is needed. Making wise investments in health IT systems can improve overall efficiency. One strategy used by an increasing number of hospitals is to implement clinical decision support systems, designed to oversee the utilization of laboratories. This step should result in a reduction of unnecessary testing throughout the hospital. It is also important to keep in mind that specific IT systems have also been effective at reducing the rate of errors that occur when prescriptions are being made. Errors in this process mean that prescriptions must be reordered, which can

be a high expense for any hospital. The elimination of these errors can save your hospital money. This is just one example of how health IT systems can improve your hospital's financial performance.

SUGGESTIONS AND CONCLUSIONS:

The right strategies in place, your hospital can significantly improve its financial performance. Today's hospitals face many challenges as they balance operational efficiency with the delivery of quality healthcare. One of the best ways to improve hospital financial performance is through bench mark and analyzing your supply and service spend across several areas in the hospital.

This detailed spend analysis, performed on a consistent basis, helps administrators make key decisions that result in reducing your non-labor spend and eliminates unnecessary expenditure. This leads to enhanced patient care, while staffing and supply resources are optimized.

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