

APPLICATION OF FINANCE TOWARDS IMPROVEMENT OF MEDICAL SERVICE

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ABSTRACT

“Finance” is an important subject for any business management. In medicine, the concept of finance can be applied and it is a really needed concept. Here, the author discusses on application of finance towards improvement of medical service.

KEYWORDS: Finance, Medicine, Application.

INTRODUCTION

“Finance” is an important subject for any business management. In medicine, the concept of finance can be applied and it is a really needed concept. The finance is an important requirement for achieving healthy firms. Burger et al. noted that “improved access to finance and improving business processes especially among pharmacies would support improved contributions by private health facilities [1].” Here, the author discusses on application of finance towards improvement of medical service.

HOSPITAL FINANCE: IMPORTANT CONCERN

As already mentioned, the good management requires the finance concept. This is also applicable to medical center administration. Sarto and Veronesi noted that “clinicians’ involvement in leadership positions has explored its implications for the management of financial resources, the quality of care offered and the social performance of service providers [2].” It is accepted that health financing, health-care provision, health reforms and health system performance have to be

considered in the same way when we talk about the health system [3]. Winter halter concluded that “hospital service price structures are complex and tend to be significantly higher than the actual cost to provide the service [4]” and suggested that pricing strategies plan required good financial analysis [4]. Brinal mann et al. noted that “to ensure future development, compassionate services and continued existence of hospitals, a balance of seemingly conflicting perspectives, such as finance, customer, process, learning and growth are of utmost importance [5].”

The good hospital financing system is the basic requirement in hospital administration. Jeurissen et al. noted that cost effectiveness analysis is an effective tool in financial analysis of hospital activities [6]. Focusing on the present general hospital financing system, Gaal et al. noted that “a key problem is the continuing lack of an overarching, evidence-based strategy for mobilizing resources for health, which leaves the health system vulnerable to broader economic policy objectives and makes good governance hard to achieve [7].”

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SOME COMMON PROBLEMS IN HOSPITAL FINANCIAL SYSTEM

BANKRUPT

Bankrupt is a totally unwanted event in any business management. The problem can also be seen in hospital management. The private hospital might face up with this problem. Krajewski-Siuda and Romaniuk note that it is need to “to create clear and coherent legal frames for the privatisation of hospitals, as well as harmonisation of the changes with general reforms of the health care system[8].” Landry and Landry found that “common nonfinancial factors associated with hospital bankruptcies include mismanagement, increased competition, and reimbursement changes [9].”

CORRUPTION

Corruption is a common unethical practice that can be seen worldwide. This can also be seen in hospital administration. The problem seems common in underdeveloped countries. For sure, corruption is an important precipitating cause of many economical crises [10]. Holmberg and Rothstein noted that “to improve health levels around the world, in rich countries as well as in poor countries, is to improve the quality of government (QoG) (QoG) and to finance health care with public, not private, money [11].” Effective “interventions to reduce corruption in the health sector” are required [12].

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