

Financing in healthcare essay examples

[Business](#), [Management](#)



- The factors contributing to misalignment between costs and productivity

Jones (n. p.) explains that the healthcare sector's extremely small, and dwindling, labor supply pool exposes a significant weakness in the medical field. He further adds that if this problem is left unsorted, it could do irreparable harm. Employee turnover in this sector is alarmingly high and costs organizations a lot of money. This is because the recruiting, training and replacing of employees is a costly process. Employee turnover has been attributed to the low competition in this sector.

Another problem leading to high costs relative to productivity is poor management. Many healthcare organizations use approaches that only generate basic productivity data. Reports are also not timely enough to guide daily staffing decisions. Because of this, key goals like cost, profitability and productivity are missed repeatedly. This causes labor cost control to be elusive.

Between the two factors, employee turnover is reportedly the most influential contributor to the misalignment between costs and productivity.

- Methods of assessing service line productivity

Langabeer (129-130) claims that it while assessing productivity it is important to consider outputs and inputs. Two methods for productivity assessment include benchmarking and unit costing. Benchmarking is the process of comparing one fixed portion of information with other fixed portions of information for the purposes of comparison. For example, individual inputs labor inputs are compared with other labor units to assess their comparative productivity. Benchmarking helps management to pinpoint

on non-performing inputs and make decisions accordingly.

The difference between these methods is that while benchmarking is a comparative method between input items, unit costing sums up all input costs and expresses them against unit outputs.

Works cited

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