

# Hospital financial management

Finance



## Hospital Financial Management

During the first quarter of 2014 budget, care provided for Medicare beneficiaries in the hospital outpatient transportation accounted for a total of 25.0% of the Medicare program spending (excluding the beneficiary fixed and variable cost), ranking it first before medical supplies (21.3%) and general supplies (18.8%). Generally the performance of the hospital financially is not that bad since the budgeted profit provision (92.4%) is slightly above the actual budget that had a profit of 91.4%. The results give a point value of 1 and that is way much above the expense expectation of the hospital which was to have an expenditure of 100%.

The business has good financial operating strategies. By developing fixed and variable expenses PPD strategies they find it efficient in paying long term expenses without running out of all the operational cash. During their 1st Qrt they expected a fixed cost structure of 20% which in actual budget shifted to 19% making a point value of 1. The same way by budgeting for variable cost structure of 80% and gaining an actual of 81% giving them a point value of 1, it means that the operation of the hospital is very strategically planned. The other reason for better financial performance of the hospital is because of the better turn out of patients both in and out patient, the benefits given to them and the services performed.

Despite good profit generation from the hospital it is still advisable that they develop good strategy based on the indicators shown by the office of the statewide health planning development (OSHPD). The indicators require the hospital financial management to develop corrective measures such as volunteer time so that the salaries benefit can be reduced by at least 10%, <https://assignbuster.com/hospital-financial-management/>

the need also to give professional training to lower the professional fee they provide for. The hospital management should be determined in developing ways of reducing their supplies from 15% to some reasonable percentage. The main issue the hospital management should focus on to help their performance is the salaries, variable patients benefit, and the supplies they receive. They should develop strategies that enable them reduce the cost of professionals pay. Additionally they can as well train their own staff to a professional level.

#### References

Elliott, B., & Elliott, J. (2008). Financial accounting and reporting (12th ed.). Harlow: Financial Times Prentice Hall.