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How to Promote Financial Management Level of Public Hospital under the New Medical Reform

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ABSTRACT

Following the continuous development of our country's economy, the new medical reform of our country is also gradually speeding up. And potential problems existing in public hospital's financial department are being gradually magnified that has brought new challenge to financial management. The financial staff are studying the problems and trying to solve the problems through their working experiences from long-term practices and on a certain basis. Therefore, in this article, we try to find out the existing problems and to explore efficient solutions to the problems under the background of new medical reform and in the light of the importance of financial management to public hospital's development. The main purpose of this study is to try to solve the existing problems in financial management of public hospital so as to promote perfecting the systems of public medical institutions to get a better development.

1. Introduction

At the present stage, under the background of the new medical reform, public hospital has achieved certain development but managers of such hospital still has some shortcomings in handling financial affairs, and for public hospital its financial management has a certain importance to its development, which not only can control its operating cost but also can manage its financial capital rationally to promote its management efficiency and management level. However, such hospital has many departments and personals that bring challenge to hospital management. So the study in this article has a certain important significance to the financial management of our country's public hospital.

2. The Significances of Financial Management for Development of Public Hospital under the Background of New Medical Reform

2.1 Financial Management Contributes to Hospital Cost Control

In the course of public hospital running, financial management also plays a very important role, and in financial management, controlling hospital cost is the most important. Hospital cost is restrained by its personnel cost, material cost, fixed asset cost and other costs which can impact the smooth running of financial management in some way. So under the condition of the new medical reform, the fund that public hospital has must be able to ensure that public hospital can run normally, and by using scientific and rea-
sensible methods to optimize public hospital's controllable resources, to rationally plan public hospital's expenditure, to control various medical consumptions within a reasonable range, to control public resources of each department as well as to control the staff's medical service cost and R&D cost, etc., cost expenditure and unreasonable fund expenditure of public hospital can correspondingly be reduced in a certain degree. Thus, under the effect of reducing public hospital's cost, the economic level of public hospital is promoted and its medical status in the medical industry is guaranteed.

2.2 Financial Management Helps to Improve Management Efficiency of Public Hospital

Under the background of new medical reform, if public hospital wants to achieve stable operation at the present stage when the industrial competition is stiff, it must establish a financial management system that can accord with the development of present medical industry. In hospital management, it is a guarantee to have a complete financial management system for hospital running normally. Using scientific and reasonable management methods can maximize the application of the controllable and uncontrollable resources of public hospital so as to increase effective utilization of resources of public hospital, and can promote financial management system of public hospital to achieve a maximally optimal extent, so that hospital can run normally in a reasonable range. Make a clear financial management system of public hospital, so that the hospital also can on certain economic basis obtain a maximal economic benefit under the condition that investment amount reduce, which has certain significance for promoting the financial management level of public hospital.[3]

2.3 Financial Management Contributes to Hospital's Sustainable Development

For a public hospital, except for own fund, financial aid also plays a certain role in the hospital's operation. According to hospital's daily operation, normally financial aid goes to the part of policy-related loss of hospital and is designedly used by hospital. A good operation of fund is very important to development of public hospital. To achieve a better development in the medical market with stiff competition, public hospital has to have certain economic strength and must enhance its financial management level under the condition of enough fund.[3] Therefore, public hospital has to set up scientific and normative financial regulations that should accord with its own economic conditions and must perfect its old regulations so as to enhance professional skill of managers and finance department's staff, besides, financial management department should study the development of medical market and ensure that it can use and administrate fund more reasonably and help its hospital further develop under the condition that hospital's fund is limited by means of paying the best money to get a maximal economic profit in purchasing medical supplies and ensuring that the purchased medical supplies can meet the requirements of national standard, etc., so as to promote the public hospital to develop sustainably.[4] Therefore, in order to get a rapid development in the future operation, public hospital has to ensure that its medical service level can reach standard and that financial management level and financial staff's work efficiency can get raised so as to provide a certain guarantee for fund running.

3. Existing Problems in Financial Management of Public Hospital under the Background of New Medical Reform

3.1 Public Hospital's Financial Staff without Strong Professional Skill and Clear Fund Management Consciousness

As financial work is quite professional, so financial administrative staff of public hospital must have not only basic accounting skill but also certain financial management ability, therefore, when hiring employees to do financial management work, it is necessary to heighten hiring requirement and to conduct other relevant comprehensive examinations. Now, at work, most of financial management personnel of public hospital lack professional knowledge of financial management of hospital with low professional level, and hospital lack management expertise that cause a low financial management level in public hospital. Besides, the heavy workload of public hospital make its managers ignore the working conditions and professional training of workers,[3] as a result, financial management staff of public hospital cannot fully exert their own professional knowledge and meet the requirements of the present medical industry in the complicated and multiple work environment.

3.2 Lacking of Internal Management Regulations of Finance

With the reform of medical system of our country, our medical insurance mechanism is also improving incessantly and the insurance mechanism has also come deeply into public hospital. Now the competition in the medical market is quite stiff, which makes a certain financial cost risk in the market.[5] Therefore, public hospital should pay more attention to financial cost under the background of new medical reform. Our country's public hospital has certain risks in the financial cost management, and financial administrative department lacks necessary guard consciousness and ignores the importance of financial specialized management which makes under-capitalized
condition appear when financial department using fund and counting cost of funds. Besides, once financial management department lacks of an internal management system, it is easy to make the staff reduce guard consciousness to financial risk and the public hospital produce underfunded condition in the aspect of using funds, which can give rise to an adverse effect on the future development and management of public hospital.

3.3 Imperfection of Financial Budgeting

In public hospital’s operation, as a huge fund is needed so it is very important for financial staff to conduct an effective management of the fund under the precondition of satisfying the country’s relevant provisions. But, at present, the compiling system of our country’s financial budgeting is not perfect enough which has at the present stage become a prominent problem existing in financial department, and a scientific and rational budgeting can play an important role in financial staff’s work. The low usage efficiency of public hospital’s budget fund, big deviation of fund amount and non-standard budget seriously impact the use of public hospital’s fund. According to relevant survey, most of our country’s public hospitals haven’t set up a reward and punishment system for the loss of financial management which has caused risk of financial cost budgeting existing in financial management of public hospital, and that can easily make fund waste.

4. Explore Efficient Ways to Solve the Existing Problems in Public Hospital’s Financial Management under the Background of New Medical Reform

4.1 Raise Professional Level of Public Hospital’s Staff

Under the institutions of new medical reform, public hospital’s financial department should in actual work analyze and research the relevant data of reforms and innovations under the present financial institutions and consider an effect the institutions have on financial cost of hospital so as to prompt hospital’s managers to pay more attention to the work of cost control and to request the hospital’s financial staff in the range of management of financial department to apply the modern accounting system to prompt the hospital’s financial institutions to change with their relevant technical supports.[7] Generally in the process of management of financial department, as some mangers of public hospital do not pay much attention to the management plus that financial workers lack of professional skills so hospital’s fund cannot be used rationally and managed appropriately which causes some losses of hospital’s fund. Therefore, managers of public hospital should pay more attention to accounting activity forming an environment of taking accounting activity seriously and conduct more relevant training and regular evaluations to the financial staff so as to train high-class accounting personnel and build up a talent team of accounting profession so that they can in actual work improve work efficiency and take full advantage of hospital’s fund flow into the important medical and health services to bring about better and higher economic benefit for public hospital.

4.2 Perfect Institutions of Internal Financial Management of Hospital

To achieve an effective control on various costs of hospital under the background of new medical reform, hospital’s managers should first conduct a rational and effective management of hospital’s financial department meanwhile should implement supervision to management system of the department so as to ensure that the financial department can in hospital’s daily operation control various costs of hospital effectively, during which, hospital managers should according to hospital’s actual conditions determine concrete working aim of financial management and make up definite working methods about cost control so as to perfect hospital’s internal financial control system and prompt that financial management work can achieve development of a modern hospital and can ensure to provide solid and effective measures for cost control. Therefore, in the process of establishing a perfect hospital’s internal financial control system, public hospital can intensify formulating rules and regulations of hospital’s financial work by studying the relevant laws and regulations of our country’s accounting system to prompt financial management work more detailing and to promote financial staff’s risk awareness in term of duty so as to be able to control hospital’s cost more rationally at work providing effective guarantee for hospital’s development and cost control.\[8\] Secondly, hospital’s financial managers should intensify calculation work and enhance custody of relevant accounting information of each department, during which, financial manager can do a good work on collecting financial information and bookkeeping of each department to enhance accounting accuracy of financial staff and ensure authenticity of financial information so as to promote hospital to get effective intensification and promotion in term of cost control. Finally, hospital should set up corresponding cost control mechanism based on self-practical condition and apply it into each work to supervise and manage practical usage of hospital’s financial fund and check hospital’s cost so as to prompt cost control work to be done more comprehensively and systematically to promote hospital to be able to develop long.

4.3 Build up a Sound Financial Budget System

Before setting up financial budget control system, public
hospital's managers must have a clear understanding of the importance of financial management. Financial budget not only can reduce risk for public hospital but also increase its medical technical level in certain degree. Besides, financial staff need in the process of financial management to further enhance their work ability of budgeting to ensure that public hospital can rationally dominate funds within budgeting range when purchasing medical supplies and should according to self-financial condition timely report to hospital's managers to let them know financial situation comprehensively and be able to give accurate data support in the future allocation of funds. At the end of a year, it is necessary to analyze progress rate of budget schedule so as to provide fund guarantee for hospital work of next year. In medical services, public hospital must establish financial budget system according to national relevant standards so that when purchasing goods and materials it can reduce operating cost and boost economic benefit of public hospital.

4.4 Formulate Scientific and Rational Cost Control Countermeasures

To control cost effectively, public hospital shall analyze scientific data and then concretely plan a cost control measure. Generally, to make cost control have reasonability, public hospital must control its relevant departments in medical financial work; meanwhile, all departments shall analyze concrete costs and rationally adjust and control them according to actual demands to ensure that relevant departments in the process of involvement achieve reasonable control of cost so that public hospital can lay a certain foundation for its sustaining and healthy development in the medical market. Under the policy of new medical reform, hospital's cost control strategy has become diversifying that provides more help for the hospital's financial administrative staff at work; for example, the value engineering. It is quite common method used in hospital to control cost, and the so called "value engineering" means to organize hospital's managers to investigate medical service cost, medical consumptions, and apparatus and consumables' service conditions within a certain time and to put forward multiple cost control countermeasures and at last to formulate a scientific and rational cost control system in the best cost control countermeasures so as to promote the real value of public hospital's work and to reduce cost as far as possible to promote hospital's rapid development.

5. Conclusion

With stiffer competition in the medical market, under the background of new medical reform and for consolidating own status in the market, public hospital must enhance work efficiency of financial management, perfect the system of financial management departments and financial control system as well as relevant departments according to the national standards. In this article, we stress the importance of financial management for public hospital under the background of new medical reform, analyze the present shortcomings existing in public hospital's financial department including low professional level and bad risk awareness of financial department's staff as well as imperfect financial calculating formulation, and explore effective solutions to the existing problems under the background of new medical reform to raise professional level of financial staff, perfect financial internal control system and build up a sound financial budget system.

References