

Study on financial management problems and countermeasures of public hospitals under the new reformation of the medical treatment

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Abstract— *The reform of financial management is the top task of the new health care reform in public hospitals, and is the cornerstone that new health care reform has succeeded. This paper clarifies two basic concepts which are "New medical reform" and "Financial management of public hospitals", and on this basis, it analyzes and studies the financial management of public hospitals, and puts forward some improvement measures, such as strengthening the construction of administrative management system and improving the mode of decision-making management; building a team of high quality financial management and deepening the comprehensive budget management; perfecting cost management and control system, standardizing medical service behavior, and strengthening the management of state-owned assets; establishing and improving the financial supervision and control mechanism of public hospitals; establishing the finance risk warning, prevention and management system of hospital.*

Keywords— *new health care reform, public hospital, financial management, improvement measures.*

I. CONCEPT DEFINITION

1.1 New health care reform

The plan of new health care reform which upholds the concept of "people-oriented" and a view combining theory with practice includes four principles. The first is ensuring the health rights and interests of the people. Second, we should establish a set of medical and health systems in line with China's national conditions. Third, government leading and market mechanism should be harmonized to combine fairness and efficiency. The last is a combination of problem solving and system improvement.

1.2 Financial management of public hospitals

The financial management of public hospitals refers to the financial activities and financial relationship which related to daily operations and business activities. In which that, the financial activities refer to the general term for all activities in the operation of funds and the financial relationship refers to the relationship between the participants in financial activities. The basic contents of financial management in public hospitals include financing management, financial budget management, revenue management, cost management, asset management, financial reporting and analysis, financial supervision and control. The goal of financial management of public hospitals is to maximize the balance of public hospitals, which on the basis of steadily increasing public hospital funds and the value of hospital assets. In other words, the essence of financial management of public hospitals is to obtain the maximum economic and social benefits with the least cost.

II. ANALYSIS OF THE EXISTING PROBLEMS IN FINANCIAL MANAGEMENT OF PUBLIC HOSPITALS IN CHINA

On the premise of defining the goal of financial management development of public hospitals in China, accurate concept definition is helpful for us to correctly grasp the development direction of financial management in public hospitals, to scientifically analyze the current situation and existing problems of financial management of public hospitals in China, to propose a targeted improvement. At present, the financial management of public hospitals in China is mainly reflected in the following aspects:

2.1 Budget Management

The reality that public hospitals do not pay enough attention to financial budget leads to the fact that comprehensive budget work cannot be carried out scientifically and effectively in public hospitals, so the role of comprehensive budget management in the financial management of public hospitals cannot be given full play. There are some specific manifestations as follows: First of all, financial staff in public hospitals do not pay enough attention to the role of budget management, or even grasp the basic method of comprehensive budget. Secondly, there are many problems in the selection

of budgeting methods in public hospitals, such as the lack of effectiveness, single compilation methods and incomplete budget items. And then, most budget work of public hospitals is formal and not fully implemented, which makes budget management and hospital development strategy cannot be closely linked. Next, most of the financial budget work of public hospitals still stays in the traditional budget system of public institutions, and the new budget management mechanism of expenditure control and supervision has not been established. Finally, the performance appraisal system of public hospitals is not perfect enough to accurately reflect the income and expenditure status, business project completion, cost control and the realization of social and economic benefits of public hospitals.

2.2 Cost management

Hospital cost management refers to a management activity in which the hospital takes reducing medical costs as the goal, uses the method of cost accounting to analyze the cost expenditure, and controls the controllable part according to the analysis results. Although the new health care reform has broken a certain level of "supporting medicine with drugs", there are still problems with medical costs that are difficult to quantify. For example, different doctors may also give different treatments to the same patients, resulting in different medical costs and specific project costs incurred by inpatients due to specific needs of the individual, etc. All of these would lead to differences in the final cost of treatment. In addition, the non-standard management of fixed assets is another important problem of cost management, because the total fixed assets account for a large proportion in the total assets, which is the basis of all the operation services of the hospital. Once there are problems in fixed assets management, such as the waste of idle equipment, unreasonable medical facilities scrapping procedures, etc. All of it would lead to the loss of state - owned fixed assets

2.3 Financial risk management

Public hospitals are faced with inevitable financial risks in the process of operation, so how to minimize risks and reduce losses has become one of the most urgent problems for public hospitals to solve. The financial risks faced by public hospitals are mainly reflected in the following aspects: First, the increasingly complex external environment, such as economy, law and culture, makes the financial management of public hospitals more difficult. We should not only consider the internal management needs of the hospital, but also adapt to the changes in the external environment, keep abreast of the latest market trends, and adjust the financial management deployment. Second, the management team of public hospitals lacks risk awareness and a sound financial risk prevention mechanism, making it difficult for the financial department to provide leaders with effective information and reports on financial risks in a timely manner. Third, public hospitals continue to use the traditional decision-making mode, which leads to the financial decision-making risks caused by decision-making mistakes. Fourth, the internal control system of public hospitals is not perfect and lacks power balance.

III. MEASURES TO IMPROVE THE FINANCIAL MANAGEMENT OF PUBLIC HOSPITALS IN CHINA

3.1 Strengthen the construction of administrative management system and improve the decision-making management mode

The realization of financial management goals of public hospitals is inseparable from the effective implementation of scientific administrative management system. The new health care reform has made it clear that we should actively promote the reform of the public hospital's inner workings, strengthen asset management, strict internal and external financial management, and establish a scientific decision-making system. Therefore, it is imperative to organize the leading team and financial staff of public hospitals to study legal norms and establish an effective administrative decision-making system.

3.2 Build a high-quality financial management talent team and deepen comprehensive budget management

The comprehensive quality of financial management staff in public hospitals has a direct impact on whether their financial management can develop into strategic, informatization, humanization and innovation. The hospital financial system issued by the government in 2010 provides detailed Regulations for the public hospital budget management system, which suggests that financial staff is no longer just a "accounting" type talents, and should be a wider range of knowledge, higher professional quality and moral standards better and interdisciplinary talents with innovative ability.

3.3 Perfect the cost management control system, standardize medical service, strengthen the management of state-owned assets

First of all, the measures to improve the cost management and control system mainly include improving the cost management and control system of public hospitals, effectively controlling drug costs, medical costs and other cost expenditure items, detailing each cost into each department, establishing a comprehensive bidding system to ensure the reasonable quality and

price of purchased goods, strengthening fund raising and usage management to improve the utilization efficiency of capital and reduce operating cost. Secondly, In order to regulate medical service behavior, the medical institutions and the health supervision department should strengthen supervision of hospital services, strictly regulate the behavior of doctors during the diagnosis and treatment, and avoid the occurrence of over-medication, repeated examination, etc. in violation of doctors' professional ethics. Finally, strengthening the management of fixed assets in public hospitals is an important requirement of the new health care reform. It should improve the utilization efficiency of fixed assets in public hospitals, ensure the maintenance and appreciation of state-owned assets, and thus avoid the purchase of unnecessary large medical equipment which is not suitable for the development of hospitals, thus avoiding the waste of funds.

3.4 Establish and improve the financial supervision and control mechanism of public hospitals

Whether the financial supervision system of public hospitals is sound or not, which has a direct impact on the normal operation of hospital finance and the orderly conduct of various financial activities. Therefore, to establish and perfect the system of financial supervision is the key content of financial management, For example, we should deepen the supervision and management of financial budget, deepen the supervision and management of financial operation, deepen the supervision and management of costs and expenses, and so on. The effect of financial control is directly related to the effectiveness of financial management. Therefore, the public hospitals should establish and improve their own financial control system on the basis of the existing national system, strengthen the responsibility system of the implementation of financial control system, achieve clear power and responsibility, clear division of labor, and link all departments together and restrict each other, which should be good for the public hospital's financial control system.

3.5 Establish a hospital financial risk alert system

The financial risk early warning system adopts the comprehensive risk early warning method, which is an important part of the hospital financial management. It is a tool to monitor financial risk by analyzing the financial activities of the unit and the potential financial risk forecasting activities of the financial environment. If we are able to alert the risk signal accurately and promptly and take appropriate measures, then the loss caused by the financial crisis can be mitigated. Therefore, the financial personnel should combine the actual situation, establish financial monitoring indicators, and implement monitoring. If the financial indicators are found to be beyond the warning line of financial risks, the reasons should be timely analyzed, countermeasures should be found and reported to the leadership team, so that the leadership team could make accurate judgments and decisions, and minimize the losses caused by the financial crisis.

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