ISSN: 0974 - 7435

# 3014 Bio Technology

An Indian Journal

FULL PAPER

BTAIJ, 10(20), 2014 [12538-12543]

### Study on the construction of conservation-oriented healthcare economy management pattern

Guozheng Wen<sup>1</sup>, Bo Wen<sup>2</sup>, Yan Xiao<sup>1</sup> <sup>1</sup>Inner Mongolia Medical University, Huhehaote, 010050, (CHINA) <sup>2</sup>Inner Mongolia Vocational College of Chemical Engineering, Huhehaote, 010070, (CHINA)

#### ABSTRACT

With the rapid economic development in China, the contradiction between the everincreasing population and resource shortage is even more obvious, which has escalated the environment situation, while the extensive economic growth pattern has not obtained a radical transformation. In China, waste in all sectors is quite common, especially in the healthcare industry where some hospitals lack the hygienic economy management awareness and the cost accounting consciousness. By paying more emphasis on money over material, income management over expenditure management, investment over management, expansion over profit and placing extra emphasis on expansion, more equipment, taking over the market, many hospitals are preoccupied with the infrastructure construction, massive bed increase, repetitive construction on certain area, which has created serious hygienic resources waste. Therefore it's the top priority for hospitals to focus on the management style and reasonable distribution of health resources. This article researches on the construction of healthcare economic management style.

#### KEYWORDS

Scientific development; Conservative-oriented; Healthcare economic management pattern.

© Trade Science Inc.



#### INTRODUCTION

Studying and constructing the healthcare economic management pattern can urge a change in the hospital health economic management to make the hospital to focus more on core competitive power promotion rather than expansion. Therefore the limited resources in the hospitals can be brought into full play and the problems like expensive medical bills and difficult access to quality medical care can be alleviated which is the foundation of sustainable development for hospitals. This article researches on the construction of healthcare economic management style

## THE MEANING OF CONSTRUCTING A CONSERVATIVE-ORIENTED HEALTHCARE ECONOMIC MANAGEMENT PATTERN

#### The only way to establish a harmonious doctor-patient relationship

As a deepening medical system reform is carried out by the government, the hospitals gradually begin to introduce the concept of benefit and competitive system, which will revitalize the hospital reform and promote the fast development of various duties in the hospital. But on the other hand, the hospital internal management system is not compatible with the development requirement of socialist market economy. In some hospitals, a higher importance is attached to promoting infrastructure, therefore the hospital environment is improved and the medical instrument and the equipment are enhanced, hence a higher medical expense. But due to the slacking of some individual medical workers' sense of responsibility, phenomena like arbitrary charge, "careless inspections" and "excessive medical services" prevail in some hospitals, which pressurize on patient's economic burden and mental suffrage, moreover there is also sloping in medical ethics, for instance, receiving bribery (money wrapped in red packages), taking kickbacks and so on. The healthcare reform does not keep up with the economic system reform and also falls behind reforms in other fields. There are many problems in healthcare service, such as the coexisting of severe healthcare resources wastes and shortage, the small coverage of medical safeguard and the medical service demand increases and inaccessibility to medical care and medical demand and also more acute conflict between medical service supplies exceeds demand and also the other way around. The object of medical service is patients. Along with higher living standards, patients' demand for medical service diversifies; not only on medical technology but also that they are paying more attention to the equivalence between medical costs and services they have received due to their enhanced right-protection and treatment-receiving awareness. If patients do not receive expected services, they would complain about service attitude and high expenses, hence a lower patient satisfactory rate and disharmonious doctor-patient relationship. Therefore, establishing a conservation-oriented healthcare economy management pattern under the scientific development perspective is the only way to forge a harmonious doctor-patient relationship. Picture 1 compares the patients' attitude towards hospital now and ten years ago, which shows that medical service attitude is not quite satisfactory.

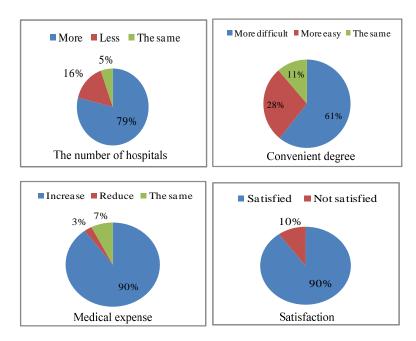


Figure 1: Patients' attitude towards hospital now and ten years ago

#### Prerequisite to enhance hospital competitiveness

Under a certain market condition, the only way to survive and thrive for hospitals is to run the business at a low cost. Hospitals can no longer one-sidedly assume a higher profit would be achieved through expansion, advancing equipment and enhancing techniques, therefore neglecting budget management which is the foundation of maximum profit. If the hospitals intend to adapt to the law of economic development, they have to carry out cost accounting which is the ultimate result of entering into market competition. In market economy, higher quality and efficiency is the only way to enhance hospital competitiveness. Patient satisfaction degree is the standard for measuring the healthcare service which requires high-quality

service and also low cost. Therefore one of the measuring criterions is reasonable budget control. To enhance economic performance, hospitals will have to rely on scientific budgeting to reduce resources waste and energy consumption rather than depending on "careless inspection" or "excessive medical services". Cutting cost is the aim of budget control and the most common method is saving money. So it is undisputed that one of the ways to enhance competitiveness is thrifty. By strictly controlling the budget and optimizing the service process, hospitals can out-compete their rivals. By offering services of higher quality and of lower cost, hospital can enhance its competitiveness.

## PRINCIPLES FOR ESTABLISHING A CONSERVATION-ORIENTED HEALTHCARE ECONOMY MANAGEMENT PATTERN

#### Efficiency and quality as top priorities

As a special economic entity, hospitals have both economic and social responsibilities. On the one hand, hospitals make a profit by offering medical services which enables it to keep operating; but on the other hand, hospitals have to fulfill their unique social responsibilities which is people's well-being. In other words, hospitals should assume the responsibilities like public benefit, paying back to society and rescuing the impoverished. To establish a conservation-oriented healthcare economy management pattern under scientific development perspective, hospitals need to reflect on their double responsibilities. Therefore hospitals need to discard the benefit-oriented development conception and adopt the scientific development perspective to enhance healthcare and service quality and lift both operational and service efficiency. In the hospital management, quality control should be implemented, economic indicator weakened while quality indicators strengthened. With quality control as the core of hospital management, the "three highs, one low" (high revenue, high cost, high expense, low surplus) extensive management mode will be fundamentally shifted.

#### Patients as the core

The essence of "patients as the core" is regarding the interest of patients as the core. In China, some hospitals lay down quotas to each department which intensifies departments' pursuit for income and thus overburdens patients. Neglecting patients' interests can prevent the management pattern centering on quality from being implemented and will have devastating impact on the hospital reputation. This principle requires the hospitals to put patients' interest and demand at first during management, deliver the quality control service, implement the medical regulation and nursing protocols, carry out work post responsibility and pay extra attention to medical safety and quality related regulations. When delivering medical services, hospitals should properly treat the relation between medical quality and income under the condition of guaranteeing the quality of the service. The enhancement of hospital profit and quality is a dialectical unity, in which the income increase is not necessarily realized through lowering the quality while a hospital with low profit must have low medical quality. In the long run, higher income comes from higher quality. Only when the medical service and quality are improved can a hospital attract more patients and ultimately they will bring more profit which allows a hospital to expand. Therefore quality management is the most important sector in management. Second, quality assessment should be the criteria for department performance evaluation and medical income should be regarded as a collateral standard. Only when the work meets the standard can it be accounted as workload and only when the medical income is up to the quality can they be called legitimate income. Only in this way will the hospital staff pay more attention to quality and patients' interest.

#### **Budget management and control**

Conservation-oriented healthcare economy management pattern does not simply require hospitals to save money. It calls for all hospital staff to set up a budget control conception and to apply it to daily work. By controlling and cutting budget, we can have a conservation-oriented hospital. Hospitals have to implement a comprehensive cost accounting and control the budget in a scientific way to reduce the medical expenses and to provide a high-quality, high-efficiency and low-consumption service. In the market economy, competition among hospitals is also fierce; therefore in order to broaden their own appeal and realize profit, they have to focus on first-rate techniques, high-quality services and removing unnecessary medicines

## METHODS AND PRACTICES OF CONSERVATION-ORIENTED HEALTHCARE ECONOMY MANAGEMENT PATTERN

#### **Shared clinical information**

Currently many hospitals have installed clinical information system in all departments and sectors, such as outpatient doctor workstations, medical examination, hospitalization care workstations, intensive care units, blood transfusion management, telemedicine, electronic medical record and queue system. An integrated running in which all sectors can interact and share data with one another can therefore be achieved. By developing the patient service system and fingerprint identification medical treatment system and introducing enquiry system and drug delivery system, hospitals can enable the patients to check their own medical conditions, register quickly, receive treatment quickly and check on the diagnoses, therefore achieving an all-rounded and proper information collection which is the foundation of economic data statistics.

#### Purchasing medical equipment by bidding on the Internet

Hospitals can purchase medical equipment by bidding on the Internet where they can monitor the purchasing via live video, thus realizing a synchronized, remote, multiple spot, and visible purchasing. They can attract more suppliers to

participate in the process and provide the hospitals with products with higher quality and lower cost by overcoming the shortcomings like long purchasing span and effectively avoiding black box operation.

#### Logistic bar code management

Hospitals can introduce the internationally-accepted logistic management conceptions and methods including automatic identification, automatic processing and automatic inquiry by adopting one- or two-dimensional bar code and electronic tag. By auto managing the medical equipment, drug consumables, fixed assets and inventories, hospitals can cut back the staff and management cost. One of the most noticeable advantages is the automatic alert on soon-to-expire drug consumables, controlling the abandonment loss and reducing the cost.

#### **Building intelligent control**

Hospitals can build a monitoring center for buildings where air conditioning, sewage treatment, refrigerating unit, central ventilation system and the like can be auto monitored. By fully control the energy consumptions like water, electricity and heating via computer autometering, hospitals can contain equipment idle running and carry out energy conservation transformations in powering and lighting. By installing pressurization system, hospitals can reduce attenuation and electricity bills.

#### One-card service

With higher informationization degree, hospitals can offer one-card service by making full use of in-department magcard and bank credit card. Hospitals should issue one-card for every sector and department and deposit a certain amount of money monthly depending on limit and budget which will be used in registration, paying, hospital food, drugs, bathing, electricity and hospitalization. Therefore tedious links in manual information transferring can be avoided, service quality improved and expenditures cut back.

## THE METHODS OF CONSTRUCTING A CONSERVATION-ORIENTED HEALTHCARE ECONOMY MANAGEMENT PATTERN

#### Enhancing public awareness to reinforce a sense of dedication and responsibility

Hospitals should promote the object and meaning of establishing a conservation-oriented healthcare economy management pattern under scientific development perspective in multiple channels. Education on thrifty and economical culture should be carried out among the staff to forge conservation awareness among them and a conservation habit of "waste is shameful and thrifty noble" in the hospital. Their conservation awareness should be reflected in their behavior and they should save even very small items like paper, water, electricity, films and gauze. Hospitals should reinforce their understanding and sense of responsibility by educating the staff to plan their work under a scientific development perspective, therefore realizing maximum resource conservation.

#### Informationization construction

The most effective way to realize healthcare economy management is informationization construction which requires equal emphasis on resource development and conservation. A high quality, convenient and efficient intensive economic development mode which is beneficial for a healthy and sustainably development can take shape by strengthen internal management, forcing information technology advances, improving regulations, revitalizing idle equipment, utilizing resources efficiently and reducing operational costs and wastes. Hospital information system is shown in Figure 2. Figure 3 is the informationalized hospital management process.

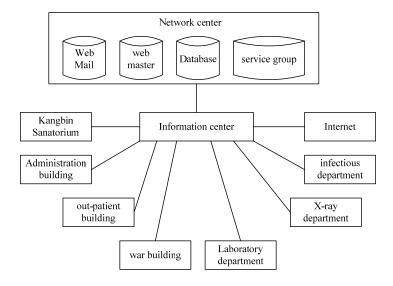


Figure 2: Hospital information system

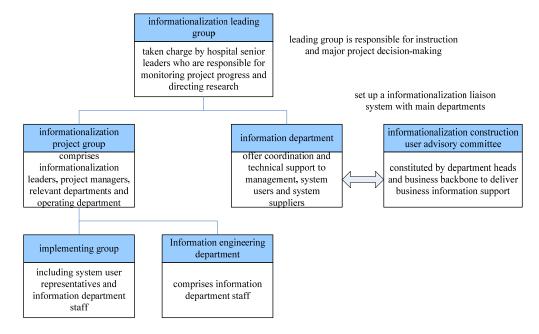


Figure 3: Informationalized hospital management process

#### Build a healthcare economy management integrated platform

An integrated platform is a place where all economical, medical and financial information can be integrated, connected and shared. Based on the current platform, hospitals should build a bridge between healthcare and accounting, carry out independent research on software that are compatible with practical hospital situations and develop auxiliary systems such as department-level cost accounting, inventory management, cooperation project management and bar code to form easy connection to the system and pinpoint the information and optimize the process to reduce consumption.

#### Strengthen scientific management and realize budget accounting

Conservation-oriented healthcare economy management pattern is an organic combination of two aspects which are increasing efficiency and income and reducing cost and expenditure. It reduces operational cost and improves economic and social profit by innovating mechanism, exploiting internal resources and scientific management. It will reinforce cost management and budget accounting. It will improve energy-saving management system by formulating feasible energy-saving measures. It will establish a thrifty-encouraging atmosphere by strengthen supervision and holding department heads as accountable in building a resource-saving department.

#### Personnel development and overall efficiency

In order to further develop personnel and utilize talents in a reasonable way, hospitals should effectively and efficiently explore employment mechanism by carrying out "three stabilities" which are job stability, employee stability and structure stability and mobilize the initiative to improve work efficiency. Hospitals on one hand should absorb talents with higher education, higher qualification and higher techniques; on the other hand, they should also pay attention to reducing cost and find their own way to thrive by training and exploring staff within the hospital. Only when service object and human resources are compatible, can the resources be maximized. High quality service is embodied in the conservation-oriented healthcare economy management pattern and the quality of the medical staff is the foundation of a high quality service. Therefore hospitals will need to improve the staff's technical skills and enhance their safety awareness to improve the service quality. Hospitals should enhance treatment efficiency by improving regulations and operation processes. They should deliver the best service in the least amount of time by promoting communication among departments and cut unnecessary links. They have to be sensitive to problems in the service process and improve themselves to achieve higher overall efficiency.

#### **Digitalized hospitals**

The higher level of informationalized hospital is digitalized hospital which is a basic element to the modern hospital. It is a long-term and dynamic process with one of the goals being management informationalization. Based on the developing demand, hospitals should improve healthcare economic management by adopting precise management of medicines, funds, equipment and staff after scientific organizing and planning.

#### **CONCLUSION**

Establishing a conservation-oriented healthcare economy management pattern a systematic project which requires time, energy and confidence. This article first discuss about the meaning of conservation-oriented healthcare economy

management pattern and then the principles of the pattern which include efficiency and quality as top priorities, patients as the core and budget management and control. After that, it deals with the methods and practices of conservation-oriented healthcare economy management pattern which comprise Shared clinical information, purchasing medical equipment by bidding on the Internet, logistic bar code management, building intelligent control and one-card service. At last, it expounds the measures of establishing a conservation-oriented healthcare economy management pattern which is made up with enhancing public awareness to reinforce a sense of dedication and responsibility, informationization construction, build a healthcare economy management integrated platform, strengthen scientific management and realize budget accounting, personnel development and overall efficiency, digitalized hospitals. I firmly believe that constructing a conservation-oriented healthcare economy management pattern under the scientific development perspective, the medical and health services in China can reach a higher level.

#### REFERENCES

- [1] Tang Aiyun, Wang Ying; Research on Establishment of Conservation-oriented Healthcare Economy Management Pattern. China Practical Medical, 7, (2013).
- [2] Li Yan; Study on Establishing a conservation-oriented healthcare economy management pattern. New Material New Decoration. 2, (2014).
- [3] Liu Guo'en; Economic Growth and Medical Reform in China-About the Essence of "China Dream", Health Economics Research. 1, (2014).