



3rd GLOBAL CONFERENCE on BUSINESS, ECONOMICS, MANAGEMENT and TOURISM,
26-28 November 2015, Rome, Italy

Income-expense analysis in medical institutions-Application in Turkey

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Abstract

In medical sector a huge reform has started by health transformation program came into effect in 2003 in Turkey. The primary purpose is to provide to level up the service standard of the public hospitals with the same one of the private hospitals, even maintaining this service standard increasingly. The Public Hospitals Association was established for levelling up the service quality of the public hospitals and optimization of their financial capabilities in 2011. So, the necessary infrastructure is prepared for both serving the patients and making profit. Therefore, financial statements and various statistical information of 10 public hospitals in Zonguldak have been analysed. The implementation consists of data belong to 2009-2012 period. According to findings obtained the income of the public hospitals increased between 2009-2012 periods. However, the expenses have increased more.

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Peer-review under responsibility of the Organizing Committee of BEMTUR- 2015

Keywords: Financial management; Health businesses; Financial analysis; Cost management; Public hospital administration

1. Introduction

By implementation of “Health Transformation Program” in medical sector it took a new turn in 2003 in Turkey. The economical objective of this program is to provide the implementation of neo-liberal economical politics in medical sector, as well. By raising the standard of health service provided by the state, the Health Transformation

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Program offers an effective and productive service. This can only be carried out by placing more importance on financial management in public health institutions (Ercan et al., 2013, p.55-56). By optimization in cash management and debt follow-up the same result can be obtained in financial management of health institutions, as well (Bertoneche and Knight, 2001, p.90).

Today's technology is in a rapid and continuous change and development. Each passing day advancing technology is being used more for enhancing the quality of the health services. However the prices of newly discovered and produced medical devices are quite high and then this causes the health institutions making higher investment. The increasing costs are continuously rising against undetermined prices which causes damage of the businesses, even collapsing of them (Gourieroux and Jasiak, 2007, p.1-2). Because as the debt increases, so does the financial risk (Ercan and Ban, 2008, p.189). The financial structure is deteriorated in this way (Civan and Dayi, 2013, p.13).

Providing efficiency and productivity are aimed in administration of expenses of the public health institutions by Health Transformation Program (Dayi, 2013, p.1). For realizing this income and expense management must be considered important (Dayi and Akdemir, 2013, p.2-4).

2. Literature

In this section some brief information is given about medical sector in Turkey. Afterwards, the institutional service evaluation indications of Ministry of Health of Turkish Republic are explained in two parts. The first part is about income indications and the second one is about the indications of expenses (Ministry of Health of T.R., 2013, p.43).

2.1. Current Situation of Medical Sector

In this part a short evaluation shall be carried out by macro indications about the medical sector in our country. First of all, when we look at the population in Turkey, we see an increase in the amount of population like from 56,4 millions in 1990 to 76,7 millions in 2013. Therefore, in parallel with increase in the population, also an increase in health expenditures is being observed. By "Health Transformation Program" started to be implemented in 2003 a noticeable rising is being seen in service quality of our hospitals. In terms of either the number of doctors or medical devices and equipment the hospitals in any region of our country have been equipped with cutting-edge technology. According to data from 2013 together with general hospitals there are 17 type branch hospitals in our country. Total bed numbers are 202.031. Examining the quality bed numbers there were 18.924 quality beds in 2002; this number rose to 92.542 pieces in 2013. When quality bed numbers data for 2012 compared to other countries, Turkey's average quality bed number 26,4 one per ten thousand, the World average is 27 and the average of European Union countries is 50,8 (Statistics of Ministry of Health, 2013, p. 72-73). It can be seen that we have a low number in terms of quality bed either on the basis of European Union countries or in the world. As for the numbers of hospital patients about 5,5 million people were in-patient in 2002. When it came to 2013 this number reached about 12,5 million persons. So, the increase amount of in-patient is about 127% (Statistics of Ministry of Health, 2013, p.104).

In 2002 the application number of the patients to a hospital was about 125 millions, this number rises about 380 millions in 2013. The application number to second and third line hospitals was 2,0 per doctor, this number rose to 5,3 in 2013 (Statistics of Ministry of Health, 2013, p.101). After having examined the numbers of the medical staff we see the following numbers: total number of the doctors in 2002 was 91.949, total medical staff were 378.551 persons; in 2013, however, the number of total doctors was 133.775, total medical staff were 735.159 (Statistics of Ministry of Health, 2013, p.136-137). According to international benchmarking the number of doctors was 174 per one hundred thousand in 2013 in Turkey. This number was 325 in European Union countries (Statistics of Ministry of Health, 2013, p.139).

With respect to health expenditures our country's GDP was 233 billion \$ and the realized health expenses was 12.2 billion \$ in 2002. This amount corresponded to 5, 2% of the GDP. By 2013 the GDP 786, 5 billion \$, the total health expenses 40, 5 billion \$ which corresponds to 5, 1 % of the GDP. So, there is not any significant change in health expenditures within the last 10 years. Public health expenses on the other hand, for per person was 753\$ in 2013 in our country. This amount has been realized as 2.168\$ in European Union countries (Statistics of Ministry of Health, 2013, p.130). Therefore, the investments in health sector should be increased in Turkey. In that way the

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