

Analysis of Hospital Financial Management Risks and Countermeasures

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Abstract: At present, China's medical services are gradually becoming market-oriented, the skills of medical service personnel are continuously improved, the management model is further optimized, and the medical insurance system is gradually improved. In the long run, it is of great significance to promote the healthy development of China's medical system, but In the short term, the financial management of the hospital is still facing a lot of risk issues. By strengthening the analysis and control research of hospital financial management risks, it is conducive to avoiding related financial management risks, which has positive significance for improving hospital development and service level.

1. Introduction

Most hospitals in China, as institutions, have insufficient capacity to adapt to market changes, especially for the risks faced in financial management. They have not taken effective measures to reduce and resolve risks, which has led to confusion in financial management of some hospitals, which has seriously affected the normal development of the hospital. In the new era, it is necessary to strengthen the risk management of hospital financial management in accordance with the requirements of the market economy, strengthen risk early warning, and optimize internal management to better meet the requirements of social and economic development.

2. Hospital financial risk management related theory

2.1 Hospital Financial Concept

Hospital financial management is an important part of hospital management. Its scope includes: budget management, income management, expenditure management, property management, monetary fund management, and financial analysis and supervision. The hospital's financial management aims to comprehensively manage the economic activities of the hospital in the form of money in accordance with the guidelines for diligent business. Reasonable organization of income, efforts to save expenses, proper arrangement and use of funds; strict implementation of relevant national guidelines, policies, decrees, compliance with financial and commercial laws, protection of hospital property and materials; careful preparation and implementation of financial budget and final accounts; strengthening of economic accounting and Economic responsibility system, implement target management, conscientiously do a good job in financial supervision, inspection and economic activity analysis; conduct economic forecasting, participate in economic decision-making; do a good job in the management of medical charges; use social benefits as the highest criterion to continuously improve social and economic benefits To ensure the completion of medical, scientific research, teaching, prevention and other tasks.

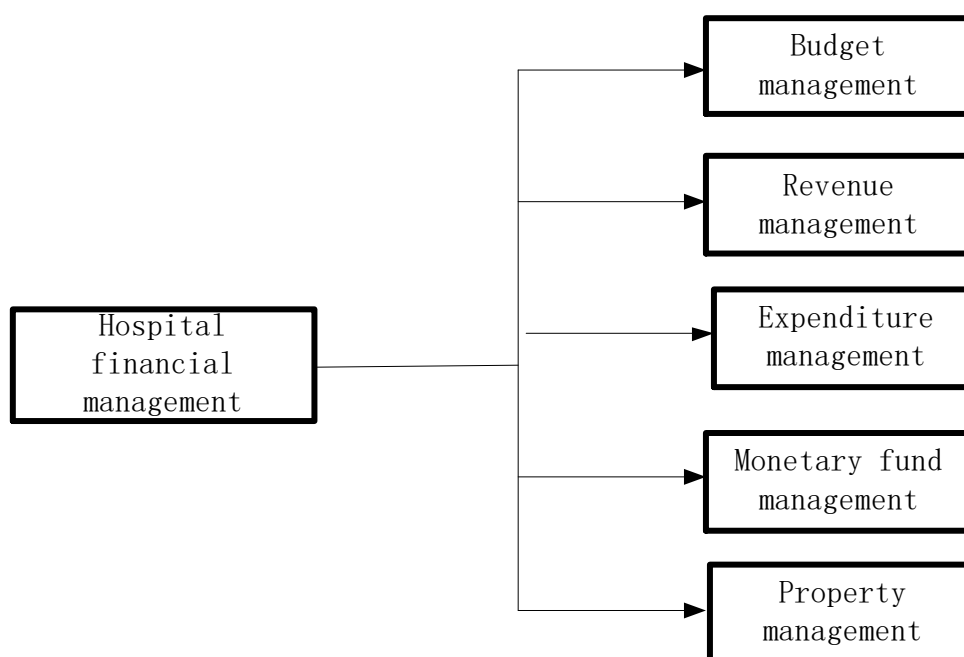


Fig.1.Hospital financial management

2.2 Risk Management Concept

Risk management includes measures, assessments and contingency strategies for risk. The ideal risk management is a series of prioritized processes, in which the things that can cause the biggest losses and the most likely events are prioritized, while the things with lower relative risks are postponed. First, risk management must identify risks. Second, risk management should focus on risk control. Finally, risk management should learn to avoid risks. Under the circumstance of the established goals, change the implementation path of the plan to fundamentally eliminate specific risk factors. Financial risk management is a branch of risk management. It is a special management function. It is a new management science developed on the basis of previous risk management experience and modern scientific and technological achievements. Financial risk management refers to the identification, measurement, analysis and evaluation of various risks existing in the financial management process. And take timely and effective methods to prevent and control, and deal with them in an economically reasonable and feasible way to ensure the safe and normal development of financial management activities, to ensure that their economic interests are protected from the loss management process, while the risk prevention of hospital financial management It is the specific application of risk management in the medical field.

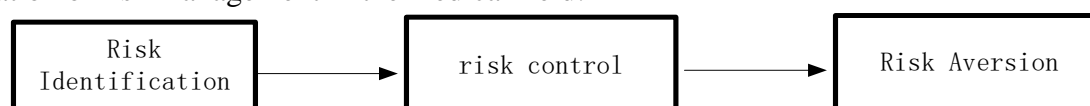


Fig.2. Risk management path

3. Risk identification analysis of hospital financial management

3.1 Risks caused by external causes

In the context of the continuous deepening of the medical system reform, especially the changes in the economy and society, it has added certain difficulties to the financial management of the hospital, leading to risk exposure in the financial management process. In particular, some hospitals cannot adjust management strategies and methods in a timely manner in the process of financial management, and cannot advance with the times, eventually leading to the emergence of risks. With the marketization of medical services, the competitive pressure faced by hospitals is increasing, especially the rapid development of private and foreign medical institutions. China's hospitals are

still in a low-level stage in the transformation of medical services, showing that the service awareness is not strong enough. The enthusiasm of the service personnel is insufficient. It is necessary to further improve the medical service concept and system, strengthen the cost control and accounting work within the hospital, reduce the cost during the operation of the hospital, and improve the economic benefits of the hospital. In the context of the reform of zero-profit drug prices and the gradual increase in the price of medical services, hospitals will face the pain of reform, which will also increase the risk of hospital financial management to a certain extent.

3.2 Risks caused by internal factors

Compared with external financial factors, the risks caused by internal factors can be improved and controlled, which is of practical significance for reducing the risk of hospital financial management. At present, in the process of hospital transformation, there are still many problems in the financial management methods and concepts, leading to the emergence and accumulation of risks. Some hospitals are relatively passive in the process of financial management. They have not adjusted management strategies in a timely manner according to market changes, resulting in management methods being lagging behind the times. In particular, there is no modern financial management system that is compatible with the times. The confusion of financial management ultimately increased the risk of financial management. In some hospitals, the management of internal departments is chaotic, and the budget and investment are arbitrarily increased. There is a lack of scientific and rigorous analysis. For example, the lack of analysis of the cost-effectiveness of fixed assets leads to the low utilization rate of some expensive medical equipment, or the slow recovery of income. To some extent, increasing the cost of hospitals will also increase the risk of hospital financial management. Some hospital financial personnel have insufficient understanding of the risks in the financial management process and do not have sufficient risk management and control awareness. The financial risk early warning mechanism still has imperfections in the process of hospital financial management. In the process of financial management, there is no awareness of market transition, and the risk management and analysis of the financial management process in the hospital are in the process of financial management. No effective risk warning mechanism has been established.

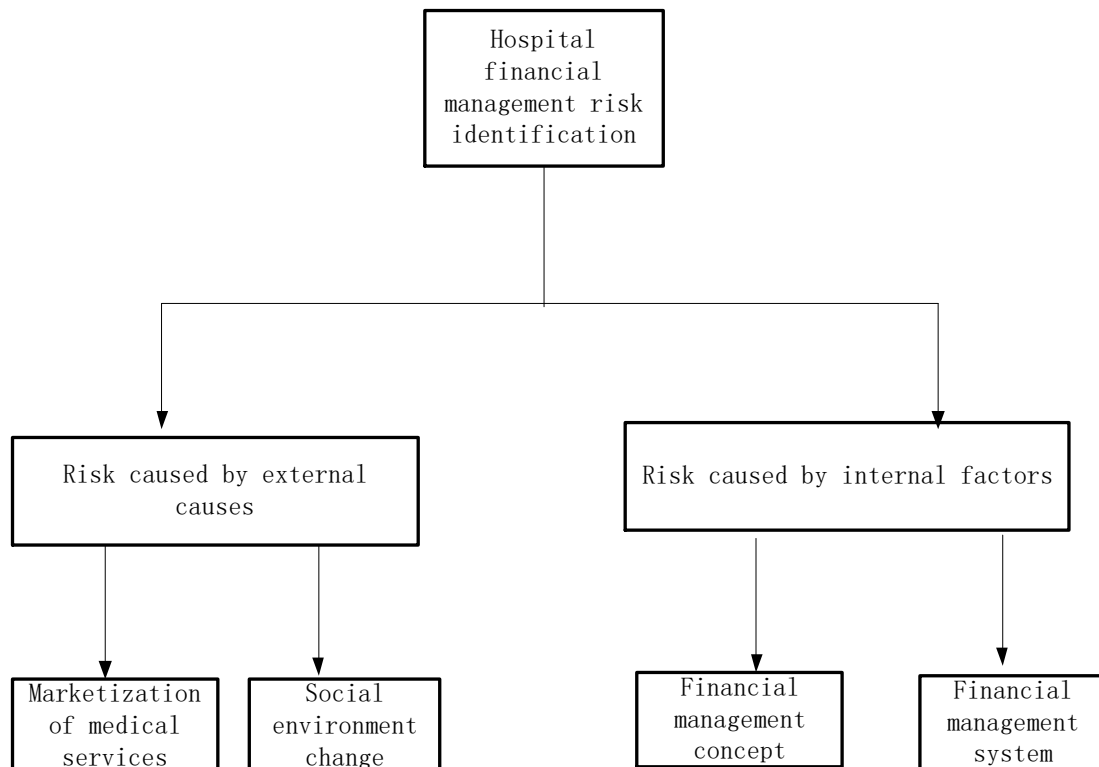


Fig.3. Hospital financial management risk identification

4. Hospital financial risk control and evasion measures

4.1 Further enhance the awareness of financial risk management

Under the background of the market-oriented reform of the medical system, hospital administrators should raise their awareness of financial management risks, incorporate risk management into the hospital development strategy, and form a good financial risk management atmosphere internally, thereby achieving cost savings and economic benefits. purpose. It is necessary to further improve the risk analysis and control capabilities in hospital financial management, strengthen risk management publicity work, and combine risk management with the interests of employees. For example, when hospital revenues increase and expenditures decrease, cash rewards can be used. Encourage employees. For the financial management of hospitals, we should further recognize the importance of risk analysis risk control, establish corresponding financial risk warning and control mechanisms in the process of daily management of hospitals, and correctly handle the risks of hospital development and financial management. Control work. Correctly handle the relationship between hospital financial management risks and hospital benefits, investment, etc., and achieve an organic combination of development and risk control to prevent the emergence of uncontrolled exposure.

4.2 Establish a financial risk pre-alarm mechanism

For the financial management of hospitals, it is necessary to establish a financial risk early warning mechanism that is compatible with the development of the market economy, identify and analyze risks in advance, so as to achieve effective management of risks. For the financial management department of the hospital, it is necessary to establish a risk early warning management method that meets the actual situation of the hospital, strengthen the analysis of financial indicators, and monitor the cash flow and debt of the hospital. For potential hotspots that may arise, it is necessary to pre-judge in advance and make appropriate plans to achieve effective prevention of risks. Establishing a risk early warning mechanism is to achieve effective isolation of risks and establish a strong firewall in the financial management of hospitals. The key of this is to improve the process of financial risk early warning, especially the analysis of key indicators should be scientific, and ultimately play the financial The real role of risk warning.

4.3 Improve the ability of hospitals to resist risks

Under the conditions of market economy, the ability of hospitals to resist risks should be further improved. This is an effective measure to prevent the risk management of hospital financial management. By continuously improving the state of the hospital's assets, increasing the hospital's income and reducing the cost of the hospital, it is of great significance to improve the hospital's financial management capabilities and reduce the risks. For the hospital, the objective environment is difficult to change. Only by constantly adapting to the market environment and adapting to the relevant requirements of the national system reform can we better manage the risk management of financial management. For the hospital financial management department, efforts should be made to improve the financial management level, improve the relevant standards and systems for hospital financial management, and achieve clear accounts of financial management.

5. Conclusion

In the context of the continuous deepening and strengthening of China's medical system reform, hospitals should strengthen financial management, reduce risks in the financial management process, achieve healthy and stable development of hospitals, and ultimately improve the level of medical services and capabilities of hospitals, and better serve the majority. The people serve. Further satisfy the people's longing for a better life. In the process of preventing and controlling financial management risks, hospitals should further adapt to the changing requirements of the market, do risk management work according to market mechanisms, strengthen risk identification and analysis capabilities, establish effective financial risk control and avoidance mechanisms, etc., and reduce

hospital finances risks in the management process.

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