

Abstract

In developing countries such as Sri Lanka provision of health care services to the people is mainly a government responsibility. These services particularly operation of various types of hospitals, absorb a substantial part of the recurrent funds available to the health sector. Furthermore, the gap between the resources required and the resources available is ever increasing. Making things worse, the available funds are not managed in an efficient manner. In the absence of a mechanism to ascertain how efficiently (or inefficiently) the funds are been utilized, the management is groping in the dark. Hence, there is an urgent need for using hospital cost data (cost per OPD patient, cost per bed day IPD) and service statistics (number of OPD attendance, number of bed days etc) to highlight and recommend optimal use of existing funds more efficiently to maximize productivity. The objective of this study was to assess the efficiency of utilization of financial allocations and factors affecting utilization of funds in four selected hospitals in Sri Lanka. The ethical clearance from the Kelaniya Medical Faculty was obtained.

Cost of services rendered should be ascertained as accurately as possible. All costs incurred at a hospital should finally be directly charged or allocated to the outdoor patient department (OPD) and the indoor patients department (IPD). This will enable the cost per patients OPD and the cost per bed day IPD to be worked out. The accounting records and statements should be so designed as to make this exercise easy. The unit costs will serve as a measure of performance. All controls are affected by comparison and these measures of performance will help to compare performance of hospitals of the same type. Similarly these performance measures (Unit Cost) could be used to compare performance in a given unit against National/ International standard etc. Hence, it was decided important to do a comparative analysis of utilization of financial allocation in four selected hospitals in Sri Lanka with a view to developed Unit Costs.

Various studies have been undertaken both locally and abroad to workout ways and means of improving efficiency in utilization of funds in the health sector. The latest study undertaken in Sri Lanka was at TH Kurunegala and BH Kuliyaipitiya which was accomplished with JICA assistance (JICA, 2006). This study was continued in year 2007

also and the Principal Investigator has decided to take the findings of this study as the standard. Other two hospitals included in this study were TH Kalubowila and BH Panadura.

This study also looked into management competency particularly in regard to financial aspects. Data regarding management competency was collected on a self administered questionnaire and data regarding hospital operational costs were collected from hospital records. Data collected was tabulated and analyzed.

The results revealed that the JICA assisted innovations to accounting systems for development of measures of performance have been very beneficial. At TH Kurunegala cost per OPD patient was SRL Rs. 67.02 and cost per bed day IPD was SRL Rs. 2125.00. Corresponding figures for TH Kalubowila were SRL Rs. 97.16 and SRL Rs. 3477.40. As for BH Kuliypitiya cost per OPD patients was SRL Rs. 195.00 and cost per patients IPD was SRL Rs.1665.00. Corresponding figures for BH Panadura were SRL Rs. 299.73 and SRL Rs. 1999.76.

In this context, introduction of changes recommended in this study for training and motivation of staff, improvement of budgeting systems, allocation of required cadre for each hospital etc. is considered timely.