

## Evaluation of Hospital Performance

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### Abstract

Performance evaluation is carried on periodically in all business organizations. The services sector also evaluates the performance of their employees from time to time. This is done to sustain and enhance their quality of services. The hospital sector is no free from performance evaluation. Evaluation of hospitals is done for both men and machines which is different from evaluation of business organizations. The operational efficiency of human resources is a regular feature of all organizations but the evaluation of machines is specially done in hospitals in order to translate its assets into patient revenue. The paper lays down the various parameters adopted to evaluate a hospital to ensure its holistic development.

**Key words:** Performance, evaluation, hospital.

### Introduction

Evaluation is necessary in all walks of life especially to health service activities. It is important to find out whether a particular institution or programme is servicing its purpose. Equally important is to determine whether a particular procedure is effective, efficient and really achieving the desired objective. Used effectively, performance evaluation can result in wide-ranging benefits for both patients and clinicians, by ensuring the best use of limited resources and continuously improving the quality of care.

Performance evaluation has emerged as a fundamental principle in western medical system over the recent years. Only when adequate system of evaluation is introduced into all health care institutions will it be possible to develop more rational health services structure. A valid system of evaluation is, therefore, realized to be essential before formulating planning decisions, particularly when health services need more and more resources in any given situation.

Efficiency and efficacy of the provision of health care can be assessed in three areas—**financial, operational and human resources**. Measurement of **financial efficiency** include cash flow management measures that describe how well the organization manages its financial assets, debt structure measures, and asset utilization measures that indicate how well the organization translates its assets into patient revenue.

**Operational efficiency** consists of two components- clinical and administrative. Process measure of clinical efficiency include service use (short term) and service use per case (Long term). Outcomes include cost per unit of intermediate (short term) and final outcome (long term). Examples include cost per X-ray, surgical procedure, admission and patient day. Administrative efficiency includes length of stay and waiting time.

**Human resource efficiency** measurement include aggregate payroll. Outcomes include traditional productivity in the short term and employee mix in the long term. Indicators include admission, patient day and net patient revenue per full-time equivalent in the short term and ratio of salary to the total expense in the long term.

Process indicators of **financial effectiveness** include budgetary conformance and productivity management. Outcomes indicators consist of growth in assets and equity and profitability. **Operational measures of effectiveness** include patient process indicators, the timeliness of task completion and hospital based morbidity and mortality. Outcome indicators include morbidity, mortality and patient satisfaction. Process indicators of clinical effectiveness include medical staff composition and staff quality. Outcome measures include medical staff performance and medical staff attitudes. Effectiveness **of human resource** activities includes process measures of employee attitude (Job satisfaction,

organization commitment and loyalty). Outcomes include absenteeism and turnover. The most critical measure of effectiveness is patient outcome.

The outcome of hospital operation, that is, service can be evaluated in terms of:

1. The amount of work done: is it optimal, minimal or maximal?
2. The quality of work performed: how good is the service?
3. The cost of care to the patient and the cost of hospital operations, and
4. The extent to which the patient is satisfied or the impact of medical care system of the population served by the system.

### **Purpose of Evaluation**

The objectives of evaluation of hospital performance are:

1. To **plan the future course of action**- For this purpose it is necessary to obtain baseline information through evaluation of the achievement so that future course of action is planned on a known baseline, with a view to improve the quantum and quality of care.
2. Regulatory in nature, ensuring the **full and effective utilization** of staff and facilities available.
3. To assess **effectiveness** of health programme put into practice.

### **Prerequisites of Evaluation**

1. The framework of the hospital information system should be so organized that there is a rapid and regular feedback of information. The information based on the hospital which is called "Hospital Operational Statistics" can be grouped under three major heads:
  - a) **Resources** of the hospital, for example, bed, diagnostic and therapeutic facilities, staff available.
  - b) **Utilization** of the hospital, including statistics of patient movement, statistics of days of care, and statistics of other professional services such as operations, deliveries, fetal deaths etc.
  - c) **Administrative and financial** data.
2. The procedure of collection and tabulation of hospital statistical data should be standardized in all hospitals.
3. The primary source of medical statistical data in the hospital is the medical records. Therefore, accurate and complete record-keeping and good patient registration system is essential.
4. A trained medical record librarian with good background of medical science is essential to carry out quantitative medical case record analysis.
5. A hospital planning and research cell should be established at the state level to tabulate, analyze and interpret the statistical data and recommend methods of improvement. This cell should also be responsible for follow-up, results achieved after implementation of management procedures.

### **Parameters of Evaluation**

#### **1. Evaluation of Quantum of work done**

This can be measured easily, from the routine hospital statistics compiled in various departments, such as laboratory, radio diagnosis, operation theatre, outpatient, blood bank, physiotherapy and similar other departments. For this purpose, a good medical record and patient registration system must be in existence in all hospitals. If there is some basic uniformity in the data so compiled and if the procedure for compilation is satisfactory, the output of the same sized hospitals in a region or state can be compared.

#### **2. Evaluation of Quality of care**

The evaluation of quality of medical care is not an easy task. It should not be very difficult to work out norms provided a system of reporting of such data is introduced and compiled at the district and state level regularly. In the absence of the above norms, an indirect method of evaluation of quality of care may be adopted which consists of structure of care or various factors that influence the quality of care, such as Staff and Physical facilities.

**a) Staff:** The staff are evaluated based on their medical, Nursing and paramedical fields of work. The medical evaluation is done by comparing the number authorized against the estimated number of personnel required and also based on the professional care exercised by the physicians. The nursing evaluation is done by measuring the time fully utilized for nursing care and the level of training and skill of the nursing staff. The paramedical evaluation is done by analyzing the distribution of personnel to different departments and the type of in-service training imparted to paramedics.

**b) Physical facilities:** The physical facilities are also evaluated based on the effective availability and utilization of different equipments in the hospital. The equipment is checked whether it is available as per authorization and effectively put to use. If not put to use, the reasons must be brought forth and rectified. The out-patient department must also be reviewed periodically in relation to the working hours, method of screening, health education and special clinics available for maternal and child health, elderly, etc.

### **3. Evaluation of professional work**

A proper system must be developed for evaluating the professional work done in the hospital in the absence of suitable system; the following method may be adopted for the evaluation of professional care:

**a) X-Ray review:** Weekly review of each film by clinical unit staff must be done to ascertain whether it was necessary or whether it could have been avoided if a complete examination was carried out and from the point of view whether subsequent film be taken or should have been taken before discharge.

**b) Tissue Review:** All biopsies done during the week are reviewed again by the medical staff either to plan or modify the therapy and also to justify whether surgery in a particular case was necessary.

**c) Death Review:** All fatal cases during the week are reviewed by the medical staff to ascertain whether the diagnostic procedure followed was correct and whether the therapy was justified in the case.

**d) Medical case-sheet review:** Random samples of medical records of patients discharged during the previous week are reviewed carefully. The retrospective review provides the following valuable information about the patient in the hospital:

- i. Was the patient unnecessarily retained?
- ii. Could the diagnosis have been established earlier?
- iii. Could less costly drugs have been used?
- iv. Could laboratory and X-ray investigations be avoided?
- v. What arrangement was made for follow-up after discharge?

### **4. Cost of care evaluation**

Introduction of simple system of cost accounting in hospitals is considered necessary to relate the services provided (output) to the cost of resources (input), and to create cost consciousness in the staff working in the hospital. Cost analysis studies should include

(a) Fixed costs, which include direct labour, supervision, administration, depreciation of buildings, furniture, and machinery and overhead cost.

(b) Variable costs which include items as 'direct' materials, maintenance, electricity and water.

The important areas which should be covered by cost analysis study are out-patient, in-op\patient, and operation theatre and laboratory and radiology departments.

### **5. Customer satisfaction Evaluation**

Customer satisfaction evaluation is closely linked with the public relations of the hospital. The quality of service provided to the patients by hospital employees is the foundation of good hospital community relations. If the service is good, the institution enjoys good community relation and if the service is bad, the hospital has bad image in its service area. The quality of service may be measured by what a patient thinks about the service he/she

receives. Therefore, patient opinion pool should be used as a reliable measure of quality of service.

### **Conclusion**

Performance evaluation is as much important to a hospital as it is to a business enterprise. Evaluation should be done on a regular basis and at regular intervals which would improve the consciousness of the employees. Evaluation done at hospital would lead to improvement in performance of each and every employee in the hospital which would ultimately lead to the effective delivery of services to its patients. The technique adopted for evaluation must be suitable to the hospital environment and should project the exact performance of the hospital. The employees must be mindful of the fact that they are the carriers of the good or bad image of the hospital they work for.

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