

Efficient And Effective Controlling Process In Financial Management Processes In Business Healthcare

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Abstract – The controlling process in the medical sector is of essential importance in terms of control and performance measurement. Medical facilities are of essential importance for society and therefore it is necessary to monitor them on a daily, monthly and annual basis.

It is of enormous importance to activate the management in these processes and through active monitoring of the work of the health organization to find the inefficiencies it faces. By reducing these inefficiencies and deflecting them, the organization could achieve better results in every sector.

The most important mechanism in terms of controlling in health facilities is the quantitative way of measuring performance through several parameters set by the management. This is the only way to ensure reliable results and encourage all stakeholders in an organization to work towards creating positive results in the organization.

Organizations must implement a system of communication between levels of management in order to ensure transparency and availability of information.

Keywords – Efficacy, Effectiveness, Health Management.

I. INTRODUCTION

Control in the health sector is the daily monitoring of activities during their implementation in order to check whether they are carried out according to plan and on time. Control in the health sector enables monitoring of existing activities, fulfillment of major events, personnel, supplies, equipment and funds spent on a budget basis. For this purpose, it is necessary to obtain appropriate information from those who carry out these activities. Control in the health sector enables keeping the "right course" by identifying, that is, detecting deviations, so that activities can be returned to the right "track".

It should be kept in mind, which is especially important for managers, that control in the health sector is actually a quantitative measure, that is, a mechanism that identifies what is happening with activities without delving into the results of those activities. Control in the health sector and health care as system has two special functions: first, preparing measurements of health and environment indices, registering and submitting data, and second, arranging and interpreting these data with the intention of detecting changes in the health status of the population and their environment.

Control can be defined in a narrow sense of disease monitoring and in a broader sense (managerial).

1. Control in the narrower sense (monitoring of the disease) is actually the process of monitoring the development of the disease, in order to take certain measures/actions for its improvement in time.

2. Control in a broader managerial sense is a process that measures current performance and leads to a predetermined goal. The basis of control lies in the verification of existing actions in relation to some desired results determined in the planning process. In other words, control is "the process of confirming that the activities that are carried out correspond to the activities that have been planned.

Control means a process that allows checking:

- Are the resources obtained? And

- Are they effectively used to achieve the set goals. If we start from the fact that we compare realized activities in relation to planned ones, then control in the health sector can be carried out at the level of:

1. Complacency

2. Departmentst - units of the institution,

3. institutions/institutions,

4. Programs,

5. Project,

6. In addition to monitoring the implementation:

7. Policies and strategies, i.e. strategic plans,

8. Tactical plans, and

9. Operational plans. (William Zelman, Michael J Mcue, Alan R. Millikan, Noah D Glick (2020), Financial Management of Health Care Organizations: An Introduction to Fundamental Tools, Concepts and Applications 5th Edition, Jossey-Bass)

II. TYPES OF CONTROL AT HEALTHCARE INSTITUTIONS

As for control at the level of institutions/institutions or health programs and projects, it can be:

- Professional (internal and external),

- Material (financial and economic). These types of control, which focus on the execution of activities in relation to the planned, observing certain deviations from the planned activities and "looking for errors" without taking appropriate measures to eliminate them, are called classic controls.

With the increasing role of politics and strategy in the planning and implementation of health care and the increasing application of strategic planning, a new approach to monitoring in the health sector and control is accepted, the goal of which is not only monitoring activities and detecting deviations and errors in relation to planned activities, but also eliminating deviations and errors and getting activities back on track.

This new approach, which is implemented from the highest level of management and managers (top management), is in fact the management of control in the entire process, that is, management functions (from planning...to coordination).

The control in the health sector at the global level was carried out three times with the aim of evaluating the progress of the implementation of the strategy up to a certain point and proposing certain measures and actions for more effective implementation of the strategy.

Management control is simply a process used by managers to check whether resources are provided and used effectively and efficiently to achieve specific goals of the institution/institution.

Control management is, therefore, a systemic effort: - to (establish) execution standards with plan goals, - to define informative feedback, - to compare actual results with previously defined standards, - to determine the amount and significance of deviations, as well as - to take appropriate actions necessary to use all the available resources of the institution in an efficient and effective manner, in order to achieve the goals.

Four types of control can be used to control a health program/project: pre-action control, advance control, yes/no control and post-action control.

1. Control before the action, is the control that is carried out before the planned activities begin.

2. Advance control is designed to find deviations from a standard or goal and to allow corrections before activities are

completed.

3. Yes/no control is actually a process of inquiry in which specific aspects of a procedure or specific conditions must be approved or met before operations/activities can proceed.

4. Control after the action is the one that measures the results of the execution after the end of the action/activity

Comparison is the common technical basis for control in the health sector of the health program. Standards are established for the execution (work) of an institution or project. The actual performance (work) is then compared to the established standard, to show to what degree the institution or project is functioning in relation to the intention or prediction. Standards should be established, both for daily activities and for health program operations.

III. 2. STANDARDS FOR MANAGEMENT CONTROLS IN THE HEALTHCARE SECTOR

One common difficulty for actual efforts to establish and implement controls in the health sector and the health program system is the identification and selection of appropriate standards or performance criteria. Since there are still no universal principles or formulas for choosing the appropriate standards, some of the known definitions will be presented here:

-Standards are estimated indices that describe the health resources needed to meet the standards of demand. They are determined by arbitration,

-Standard is the desired possible achievement or value in relation to a given parameter,

-The standard can also be viewed as an authoritative measure. A quality or quantity, as a level to be reached or a condition to be met, for something to be considered satisfactory. It is useful to enumerate some principles that can be applied to identify, select and develop the necessary standards:

1. Standards should be understandable and measurable.

2. Standards should relate to critical project activities. 3. The standards should be accepted by all staff, because they will work better if they know and consider the standards necessary.

4. It is probably better to specify multiple standards of performance wherever possible. Paying too much attention to an individual measure leads to inaccuracy, inadequacy in relation to other important activities that are measured. We should remember the old saying: "What can be measured, can be implemented - implemented".

5. Standards can generally be expressed as: Norms that are based on previous experiences of carrying out tasks and providing services. That previous experience is gained and achieved through research or studies. In other words, the norm in health care expresses "scientifically" determined requirements in a given health sector.

The norm is, in fact, the average observed number, that is, the quantity of phenomena that can serve as a criterion.

Criteria are standards for comparing actions. They represent certain performance expectations associated with the satisfactory performance of an activity. Criteria are standards on the basis of which certain actions can be taken.

They can be technical and social. Technical criteria are normally determined by health programs, for example one technical criterion for the safe use of drinking water should correspond to certain technical standards of water purity. (William Zelman, Michael J Mcue, Alan R. Millikan, Noah D Glick (2020), Financial Management of Health Care Organizations: An Introduction to Fundamental Tools, Concepts and Applications 5th Edition, Jossey-Bass)

The social criterion for continuous water supply could be the existence of a community plan (scheme) for maintaining the supply. In addition to the standards, the manager of the health care program should determine the tolerance, that is, the limits beyond which the execution of the health care program cannot be allowed, when deviations from these limits appear; it alerts managers to do something about the legitimacy of standards or setting expectations of a health care program. Ideally developed and in good working order, a control in the health sector system must "raise the red flag" when things are not going satisfactorily, as well as "keep calm" when the health program is proceeding according to plan.

Control in the health sector is primarily a mechanism for monitoring, but also control of implemented measures and actions. So, for example, monitoring and control of the activities of a project should be "supplied" with the following information:

1. Determining the effectiveness of the program,
2. Establishment of performance standards at the activity level,
3. Providing the basis for quality control standards in some parts of the program,
4. Forming the basis for program responsibilities,
5. Alertness to the differences between the actual and predicted levels of program functioning,
6. Providing a basis for activity control and resource allocation,
7. Determination of strong and weak points of the program,
8. Challenging the adopted program by testing the rationality of the program,
9. Suggesting changes in the procedures of goals, programs and activities,
10. Determining inconsistencies between program goals and activities,
11. Ensuring the provision of services/services that meet existing standards, i
12. Determination of possible negative harmful effects of the program.

In short, the following could be said about the value of Control in the health sector and what is expected of it:

-Control in the health sector is a feedback mechanism that is needed to gather information for decision-making;

-Control in the health sector has two functions: first, to carry out routine measurement of health and other indicators and second, to organize and interpret data from the health sector to detect changes;

-Control in the health sector is the daily monitoring of activities during the period of their application, in order to ensure that they are carried out according to plan and on time;

-It consists of keeping the right course of activities and detecting deviations, so that activities can be returned to the right "track";

-Some deviations (deviations) from the planned application occur within the budget, stages, time, goals, etc. The purpose of Control in the health sector is to check that these deviations do not move beyond the permitted limits, and if they do, to take actions to correct them etc...

IV. CONCLUSION

Decision-making is an integral part of the daily life of both individuals and managers. Individuals make decisions such as choosing products when shopping, deciding whether and which insurance package to choose, whether to save in the bank or invest in shares, and the like. Managers in institutions decide on the range and price of products, how many workers to hire, how to allocate resources, whether and how much to invest in advertising, whether to make capital investments, and the like.

Many of these decisions have significant economic consequences, moreover, many are difficult to make due to uncertainty and lack of information. Therefore, management needs good and timely information, as well as support in making key decisions.

The end of the 20th and especially the 21st century is characterized by data-driven decision-making, and the first areas in which it was applied were finance and telecommunications. What makes business today especially complex is the excessive amount of unstructured or poorly structured data and information.

Data from the health sector needed for decision-making, including those that the institution independently collects from internal sources or those collected via the Internet and social networks, are growing exponentially and are therefore increasingly difficult to understand and use. This is one of the reasons why analytics has become very important in the modern business environment. The term analytics is used for a classic cognitive process that begins with the collection and analysis of data in order to establish facts, then includes the discovery of laws (patterns) that exist between the changing sizes of presented data from health sectors, and ends with the formation of a theory.

Considering the ever-increasing amounts of data (so-called big data) that are analyzed, as well as a large number of sophisticated scientific methods and powerful computer resources for their collection and processing, the term data science is often used in literature and practice as a synonym for analytics. health sectors (data science), while data from health sectors from the field of business is discussed within the framework of business analytics or business analytics in business healthcare.

Analytical methods have been used in some form in business for more than a hundred years. However, the modern evolution of analytics begins with the advent of computers in the forties of the last century.

The first computers made it possible to store and analyze data, which made it easier to collect, manage, analyze and create reports. This area is called business reporting or business intelligence (BI), and the term was first introduced in 1958 by IBM researcher Hans Peter Luhn (Luhn, 1958). A large part of modern business analytics in business healthcare is based on the analysis and solving of complex decision-making problems through the use of mathematical models. The area that deals with this aspect of analytics is called operations research (OR) or management science (MS).

Operational research was created to improve military operations before and during World War II. After the war, scientists recognized that mathematical models and methods as a tool developed for the military could be successfully applied to solve business problems. By shifting the focus to business applications, management science becomes the predominant term in the literature.

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