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Financial autonomy mechanism at the National Lung Hospital

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Abstract

Implementing the financial autonomy mechanism has created opportunities for public hospitals to be proactive in financial and asset management, using the state budget thrifty and efficiently, and increasing income through production and business. However, with the requirement of financial autonomy at public hospitals in general and the National Lung Hospital in particular, many problems arise from management mechanisms and policy systems to create and effectively use financial resources. The author collected

data with 175 satisfactory questionnaires and used descriptive statistics to determine the factors affecting financial autonomy status at the National Lung Hospital. The results show that the policy mechanism, management capacity, staff qualifications, and facilities have different levels of relevance to the degree of financial autonomy, from which the author proposes some solutions to improve the financial autonomy mechanism in the near future.

Keywords: National Lung Hospital, Financial Autonomy

1. Introduction

Taking care of people's health is one of the huge and important jobs that brings common and long-term benefits to the whole of society. With the motto of building a sustainable and comprehensively developed socialism, attaching importance to the decisive factor, the human being, the health sector plays a very important role, the medical network has developed throughout the country, and the medical level has improved. This is achieved thanks to timely innovation in policies and financial mechanisms in the health sector, many policies have been issued such as health insurance policies, partial collection of hospital fees, policy socialization and financial autonomy for public health facilities, Specifically, Decree 10/2002/ND-CP, Decree 16/2015/ND-CP of the government on regulations on autonomy mechanism of public non-business units, Decree 85/2012/ND-CP of the Government on the operation and financial mechanism for public non-business medical units and the price of medical examination and treatment services of medical examination and treatment establishments public, and recently the Government's Decree 60/2021/ND-CP on regulating the autonomy mechanism of public non-business units. These policies have created a legal corridor to improve the autonomy of public non-business units. However, public hospitals in our country are still limited in competitiveness compared to private hospitals. Part of the reason is that public hospitals do not have a high degree of autonomy, leading to insufficient financial capacity for improving the quality of patient care.

The National Lung Hospital is a public, non-business unit operating in the medical field. During the operation and implementation of the financial autonomy mechanism, the Hospital always actively mobilizes legitimate revenue sources to invest in and upgrade equipment and infrastructure, creating favorable conditions for increasing revenue for the Hospital, step by step improve the quality of medical examination and treatment, increase income for officials and employees. Faced with the innovations in the implementation of Decree 85/2012/ND-CP and Decree 60/2021/ND-CP of the Government, the re-evaluation of the hospital's resources is necessary for improving the quality of medical services. In addition to the achieved results, the implementation of the autonomy mechanism at the hospital initially encountered many difficulties and limitations that needed to be overcome. Along with the development of the Hospital, the financial need increases while the state budget is increasingly limited, therefore, it requires the Hospital to have many solutions to improve financial autonomy and perform the assigned tasks well. Stemming from the theoretical requirements, aware of the importance and urgency of the problem, the authors chose the topic "Financial autonomy mechanism at the National Lung Hospital".

Therefore, this paper presents the results of analysis and assessment of the factors affecting the results and the reality of financial autonomy in the past time at the specific unit, the National Lung Hospital. From there, suggest and propose some suitable solutions to improve financial autonomy for the National Lung Hospital and can be a reference for other hospitals.

2. Theoretical Basis

Public health service unit

A public non-business medical unit is an organization established and managed by a competent state agency in accordance with law, with legal status, seal, and bank account, and organizes the accounting apparatus according to the provisions of the law on accounting to perform the task of providing public services or serving state management in specialized medical fields such as preventive health care; medical examination and treatment; nursing and rehabilitation; medical assessment, forensic medicine, forensic psychiatry; traditional medicine; testing pharmaceuticals, cosmetics, medical equipment; food safety and hygiene; population - family planning; reproductive Health; health education communication.

Characteristics of public health service units:

First, A public health service unit is established under the decision of a competent State agency. Therefore, public health service units must comply with the mechanisms and regulations of state agencies and superior management agencies. For the health service units managed by the central government, it is the ministries, ministerial-level agencies, and agencies attached to the Government; for the public non-business units managed by localities, it is the Departments of Health.

Second, the public health service unit is an organization operating on the principle of serving society, not for profit. Through public health care units, the State provides products for medical examination, treatment, epidemic prevention, etc. to fulfill the purpose of taking care of people's health. The State ensures that all people have equal and quality health care in accordance with the socio-economic capabilities of the country. Public health service units are allowed to collect fees, charges, or hospital fees in the medical field to meet part of their regular operating costs, reducing the burden on the State Budget.

Third, the products of public health service units are products of common benefit that are sustainable and organically attached to the process of creating material wealth and spiritual values.

Fourth, public health service activities are always associated with and governed by the State's socio-economic development programs.

Classification of public health service units

Classification by degree of financial autonomy: According to Decree No. 60/2021/ND-CP dated June 21, 2021 of the Government regulating the autonomy mechanism of public non-business units, the public health service units into 4 groups:

- Public health service units self-finance recurrent and investment expenses
- The public health service unit self-finances recurrent expenses
- Public health service units self-finance part of recurrent expenditures
- Public non-business units with recurrent expenditures guaranteed by the State budget Depending on the high or low level of financial autonomy, public health service units will be given autonomy in performing tasks, organization and personnel, and academic autonomy.

Mechanism of financial autonomy in public health service units

The financial autonomy mechanism for public non-business units is understood as a mechanism whereby public administrative units are empowered to decide and be responsible for their own revenues and expenditures, but not exceeding the frame rate prescribed by the State.

Financial autonomy in public health service units is limited. Public health service units are units established and managed by the State. Therefore, all activities in the public health service unit, including financial activities, are under the supervision of the State and superior management agencies, even though such activities have been empowered with autonomy and self-responsibility.

The State grants autonomy and self-responsibility to public health service units in organizing, arranging, using labor and financial resources to fulfill their assigned tasks and bring into play all their capabilities to provide high quality services to the society, increase revenue sources in order to gradually solve incomes for employees.

3. Research Method

Secondary information is collected through reports and data related to the implementation of the plan, the results of the implementation of financial autonomy of National Lung Hospital in 03 years from 2020 to 2022. Primary data was collected by the author through the survey of 175 out of 890 hospital staff in all three blocks of state officials, contracts and other professional contracts in April 2023. The sample size was determined according to Slovin's formula for calculating sample size, 95% confidence level, sampling and random distribution. The questionnaire was built based on a Likert scale consisting of 5 levels of assessment by interviewees about the financial autonomy of the National Lung Hospital. Based on the information and data collected, the author uses descriptive statistics and comparative methods to assess financial performance and analysis of factors affecting the performance of financial autonomy at the National Lung Hospital.

4. Results

4.1 Overview of the National Lung Hospital

The National Lung Hospital is the leading hospital specializing in Tuberculosis and Lung Disease in Vietnam. The National Lung Hospital, formerly known as the Anti-Tuberculosis Institute, was established under Decree No. 273/TTg dated June 24, 1957 by the Prime Minister. This is one of the earliest established Research Institutes of the Health Industry. The Institute is responsible for researching Tuberculosis, treating Tuberculosis patients at the Institute and providing outpatient treatment, organizing convalescence for Tuberculosis patients, detecting Tuberculosis patients in the community, educating about Tuberculosis awareness and methods, monitoring Tuberculosis patients who have been discharged from hospital and training Tuberculosis specialists. In 1985, the Institute changed its name to the Institute of Tuberculosis and Lung Disease, taking on a broader mission, which is the leading specialized Institute for Tuberculosis and Lung Disease. In 2011, the hospital was again renamed the National Lung Hospital, the highest specialized hospital in

the country for Tuberculosis and Lung Diseases. According to Decision No. 1816/QD-BYT dated May 23, 2014 of the Ministry of Health on promulgating the Regulation on Organization and Operation of National Lung Hospital, the hospital currently has 41 departments, rooms, and centers. The hospital has the function of emergency, medical examination, treatment, rehabilitation, and consulting, to develop strategies and policies for the development of the specialized system; mentoring; training, retraining, and continuing training; disease prevention; international cooperation; scientific and technological research; manage and administer national and international projects in the field of lung disease and tuberculosis.

Currently, the hospital continues to improve financial management in order to increase financial autonomy in line with the State's orientation program, meet the requirements of innovation and improve the quality of medical examination and treatment; funding the development of scientific research ideas; building and fostering human resources; building material facilities... to meet the requirements to be able to compete and integrate with the trend of society.

In 2003, the hospital initially implemented financial autonomy in the spirit of Decree 10/2002/ND-CP dated January 16, 2002. However, this decree only orients the Hospital to be proactive in financial terms, encourages revenue growth, saves expenditures and increases incomes for employees on the basis of successfully completing assigned tasks and fulfill its obligations to the State Budget, in fact still depend on the state budget funding for regular operations. However, it was not until 2007, when the hospital started to comply with Decree 43/2006/ND-CP dated 25/4/2006 of the Government, then the hospital really changed to non-business units self-finance part of regular operating expenses. Next, the Government issued Decree No. 16/2015/ND-CP dated February 14, 2015 stipulating the autonomy of public non-business units. The promulgation of the Decree has brought a number of positive results such as: Increasing the autonomy of public non-business units in the use of assets, financial resources, and human resources in public service provision, facilitate the use of networks of assets, financial resources and human resources to provide public services according to the market mechanism. However, besides the positive results, the reality of the past time shows that there are still some limitations, to overcome these limitations, the Government has issued Decree No. 60/2021/ND-CP dated 21 June 2021. In Decree No. 60/2021/ND-CP, stipulating the financial autonomy mechanism of public non-business units, continue to innovate and create conditions for hospitals to promote financial autonomy. Decree No. 60/2021/ND-CP has concretized the contents of financial autonomy in public non-business units.

At the National Lung Hospital, the revenue is formed from the state budget, non-business and other revenues, in which the state budget funding gradually decreases over the years. The hospital's non-business and other revenue sources include: collection of hospital fees, collection of health insurance, revenue from production, business and service activities, and other revenues. Non-business revenues are constantly increasing over the years.

4.2 Analysis of factors affecting financial autonomy

The author evaluated the analysis of factors affecting the

status of financial autonomy at the National Lung Hospital through the selection of criteria on the change in policy mechanism financial management capacity, staff qualifications, facilities conditions.

Table 1: Level of assessment of factors according to the number of survey votes

Level of assessment	Mechanisms and policies	Financial management capacity	Staff qualifications	Facilities conditions
Very inappropriate	34	24	17	17
Inappropriate	56	63	35	43
Normal	59	50	58	56
Appropriate	18	18	36	34
Very appropriate	8	20	29	25

Table 2: Rating of factors by response rate

Level of assessment	Mechanisms and policies	Financial management capacity	Staff qualifications	Facilities conditions
Very inappropriate	19.4%	13.7%	9.7%	9.7%
Inappropriate	32.0%	36.0%	20.0%	24.6%
Normal	33.7%	28.6%	33.1%	32.0%
Appropriate	10.3%	10.3%	20.6%	19.4%
Very appropriate	4.6%	11.4%	16.6%	14.3%

Table 3: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Mechanisms and policies	175	1	5	2.49	1.061
Financial management capacity	175	1	5	2.70	1.177
Staff qualifications	175	1	5	3.14	1.202
Facilities conditions	175	1	5	3.04	1.186
Valid N (listwise)	175				

It can be said that if the hospital's policy mechanism is better, it can attract more patients and external organizations to form associations with the hospital. When that number increases, the hospital's revenue also increases accordingly, thereby improving the quality of facilities and conditions for hospital operations. The data in Tables 1 and 2 show that most of the surveyed people believe that the policy mechanism is not really appropriate and does not affect the financial autonomy of the hospital much.

The leader's capacity and vision is also an important factor related to the implementation of autonomy at the hospital. The transition to autonomy changes the scope, capacity and management responsibilities of all levels of management. This process of change is essentially a transition from managing operations and monitoring the performance of tasks assigned by superiors to actively developing the unit to achieve the set goals. Management in terms of financial autonomy includes the scope of management of the necessary competencies for the manager and the responsibilities of the manager. At the National Lung Hospital, the financial management capacity is rated higher than the policy mechanism, however, the rate of very inappropriate and unsuitable is large at 13.7% and 36% respectively.

The capacity of staff at the National Lung Hospital is being assessed as being consistent with financial autonomy at the highest rate at 20.6% and 16.6%. Over the years, the hospital has constantly cared, invested and developed a team of staff, doctors...

Conditions of facilities greatly affect the financial - accounting work, administrative management and the hospital's medical examination and treatment activities. The survey results show that the hospital has been investing and renovating facilities to ensure and improve the quality of medical examination and treatment and working facilities for employees.

5. Conclusion

Since implementing financial autonomy, National Lung Hospital has actively used financial resources, labor, and facilities to perform assigned tasks, proactively allocating financial resources according to spending needs for each field in the spirit of thrift, practicality, and efficiency, while at the same time expanding service activities, increasing revenue, and improving the lives of hospital staff and employees.

Solutions to enhance financial autonomy

Financial autonomy plays a very important role in the process of implementing autonomy in public hospitals. This is a key issue to ensure that the process of autonomy and self-responsibility is fully implemented, objective, fair, and transparent. Through research, investigation, and analysis, the author offers some solutions based on the assessed factors that affect the financial autonomy mechanism at the National Lung Hospital.

Firstly, mechanisms and policies on financial autonomy need to be developed in a synchronous manner with legal and sub-law documents, creating the most favorable legal corridor to improve financial capacity and promote participation by organizations outside the hospital. Financial regulations and internal spending regulations need to be developed and supplemented to suit the work of financial autonomy.

Second, improve the capacity of financial staff and managers at the units. The working capacity of the accounting and finance staff will determine the quality and efficiency of accounting and financial management. It is necessary to organize training, fostering professional knowledge and raising awareness about financial autonomy throughout the hospital and especially those who manage information. If a financial autonomy mechanism is effective and practical in the hospital, the staff must see the benefits of the new mechanism to the hospital as well as its impact on each employee. This requires the leader to be knowledgeable about the new regulations, about the new regulations, to be able to answer all questions of officials and employees. This is an art of the leader that needs to be directed and perfected. Besides, for the financial management at the hospital to be highly effective, the issue of financial inspection and control in the unit is very necessary. Financial inspection and control must be carried out from inside and outside the unit. Along with the renovation of financial management, the Hospital needs to strengthen publicity and transparency in financial management.

Third, strengthen management, upgrade and invest in facilities and equipment of the unit in the direction of

modernity to improve the quality of medical examination and treatment. Thereby generating revenue, improving the level of financial initiative.

From the goals and development orientation of the National Lung Hospital, on the basis of the achieved results and shortcomings in the process of implementing the financial autonomy mechanism at the National Lung Hospital, the article has proposed some solutions to improve the implementation of the financial autonomy mechanism of the National Lung Hospital, creating conditions for the hospital to best exploit revenue sources and make the most effective use of expenditures. From there, creating a good foundation for the hospital to move to a new stage in the future, which is financial autonomy towards full autonomy.

6. References

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