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Financial Autonomy Mechanism at Public Hospitals under the Ministry of Health in Vietnam

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Abstract

Revamping management mechanisms, especially financial management for public non-business units, is a major policy of our Party and State. Specifically, in the healthcare sector, the financial mechanism in general and the financial autonomy mechanism of public hospitals in particular are of special concern. This research investigates the current state of financial autonomy in public hospitals under the Ministry of Health. The study surveyed 220 samples from 25 public hospitals under the Ministry of Health. The survey samples were categorized by gender, education level, and field of work. The survey results indicate that the financial autonomy mechanism for public hospitals is one of the mechanisms that brings many advantages and significant

changes to public hospitals. This mechanism creates proactivity in exploiting the financial resources of public hospitals, attracting capital sources as a basis for increasing revenue for public hospitals while also forcing them to use their expenditures reasonably and effectively. Implementing this mechanism has brought about significant changes in the methods and organizational management work of public hospitals, improving the efficiency of operations as well as staff. Along with this is the diversification and enhancement of the quality of various types of medical services. The transparency of financial activities in public hospitals and workers' income in these institutions have also significantly increased recently.

Keywords: Financial Autonomy Mechanism, Public Hospital, Ministry of Health

1. Introduction

Innovating management mechanisms, especially financial management for public non-business units, is a major policy of our Party and State. Specifically, in the healthcare sector, the financial mechanism in general and the financial autonomy mechanism of public hospitals in particular are of special concern. The implementation of the mechanisms of autonomy and self-responsibility has gradually strengthened the organization, staffing, and reasonable arrangement of human resources in many hospitals. Hospitals have been able to enhance their autonomy, dynamism, and creativity in carrying out assigned tasks, as well as organizing the provision of healthcare services to meet people's needs. In financial management work, effective use and savings of budget sources and other revenues have been ensured. The level of operational funding assurance from these sources is increasing, while also creating a financial source to implement wage reform policies and increase income for staff members, contributing step by step to ensuring the livelihoods of healthcare workers. This has led to the development of a team of hospital staff who are not only professionally excellent but also dedicated to their profession.

Alongside the positive changes, the implementation of autonomy in public hospitals is also facing risks and existing issues that need timely solutions to create stable and sustainable development. This is aimed at achieving effective fairness in public health care, a goal set by the Party and the State. The financial autonomy mechanism in public hospitals has encountered obstacles in its implementation, not strongly promoting as much autonomy as the mechanism's goal. Autonomy also creates advantages but also leads to unwanted impacts such: abuse of medical services and test prescriptions, use of high-tech equipment, increased treatment costs, decreased quality of medical services due to overcrowding, a trend towards profit-driven commercialization, income disparity among medical staff... To make this mechanism positively exploit all its strengths, overcome existing problems, and bring practical benefits to the public hospital system, innovative changes are needed to leverage the development of activities within the public hospital system.

2. Theoretical Basis

According to the Vietnamese dictionary, "autonomy" is understood as self-governance, managing and deciding all tasks without being controlled. Autonomy also means freedom of action, but it also implies the ability to act to achieve results. Combined with the financial realm, financial autonomy is the right to decide on mobilizing financial resources, forms of mobilization, and allocation of financial resources, as well as the use of financial resources to achieve the set goals of the autonomous unit. Since the 1980s, the process of autonomy, including financial autonomy, has been implemented in many countries around the world in the trend of public sector management reform. The "autonomous mechanisms of public non-business units are regulations on autonomous rights, self-responsibility in performing tasks, organizing machinery, personnel, and finance of public service units.

When it comes to the process of autonomy and innovation in the management mechanisms of public hospitals in each country, they must find their own unique paths that align with their national characteristics. Financial autonomy in public hospitals is understood as a mechanism where these hospitals are given the authority to make decisions and take responsibility for allocating and using financial resources to achieve their set goals.

Article 1, Section 3 of Decree 60/2021/ND-CP "The financial autonomy mechanism of public non-business units includes regulations on the right to self-governance, taking responsibility in implementing regulations on the list of public services, price, fees, and roadmap for calculating public service prices, classification of financial autonomy levels, self-governance in using financial resources, self-governance in joint venture activities and partnerships, management and use of public assets, and other related regulations.

Public hospitals in Vietnam now have the autonomy to make decisions and are responsible for managing their own revenues. They also have the freedom to decide on their expenditures, as per state regulations. To reduce dependency, stagnation in management, and ineffective use of state budget funds, reforms have been introduced to decentralize management and increase autonomy and responsibility for financial managers as well as hospital operations. This financial autonomy allows public hospitals to be proactive financially, encouraging them to generate revenue based on their unique characteristics and conditions. The revenue sources of public hospitals are closely linked with mechanisms such as budget allocation, healthcare service pricing, and health insurance payment mechanisms. Additionally, this autonomy allows public hospitals to be proactive in their expenditures with the aim of using funds wisely to cover operational costs and increase staff income based on task completion and compliance with regulations and state obligations. However, this financial autonomy mechanism has flaws if it is not associated with financial management responsibility. The mechanisms of autonomy and responsibility for the use of financial resources must go hand in hand with the implementation of activities as well as organizational work and staffing.

The financial resources of public hospitals are used for regular and irregular expenses that arise within the hospital. Regular expenses of public hospitals are those associated with the performance of the hospital's regular functions, structured into groups of expenditure items: personal

payments, professional activities, administrative management, regular purchases and repairs, and other regular expenses. Personal payments specifically include salaries, bonuses, wages, salary allowances and contributions to health insurance, union fees for employees as regulated by the state, collective welfare, health care, sanitation, contributions, and other personal payments. These are essentially compensation for labor wear and tear, ensuring the maintenance of the labor reproduction process for doctors, nurses, and medical staff in the hospital. Expenses for professional activities include costs for professional tasks in each department (medicine, blood, transfusion chemicals, cotton, bandages, consumables, etc.), expenses related to surveys, scientific research, etc., which is considered the most important group of expenses in hospitals. Administrative management expenses include: electricity bills, water bills, office supplies, conference expenses, work allowances, communication information, conferences, work allowances, transportation payments, propaganda costs, union entry and exit fees, transportation payments, and annual leave.

The irregular expenses are primarily for development investments, aimed at enhancing the hospital's infrastructure in line with its development plan for each phase. These are the hospital's cumulative expenses. This expenditure includes: basic construction investment; machinery and equipment purchases; major equipment repairs; the implementation of scientific research topics; national target programs; and other irregular expenses.

The financial management mechanism of public hospitals always aims to enhance the effectiveness of their financial operations, with a focus on social fairness in public health care. More specifically, it aims to improve the efficiency of attracting and utilizing public hospital financial resources. The attraction and use of these resources don't just stop at securing more resources, but also how they are used. What activities are they used for? Are the set goals achieved, and are they effective? Associated with these financial resources and their use in public hospitals are corresponding mechanisms that impact and regulate. Thus, the system of financial management mechanisms includes groups of mechanisms for establishing, attracting, managing, and using public hospital financial resources. These groups of mechanisms, in reality, always have bidirectional impacts. Alongside many positive points, there also exist limitations and constraints. It's necessary to research innovative points with these mechanisms to increase positive impacts and minimize the limitations they bring. Financial resources are an important condition and basis for ensuring the operation of public hospitals, with the goal of the establishment and mobilization mechanisms being appropriateness, nurturing, and avoiding loss of financial resources. While these resources are always limited and the demand for their use is infinite, there must be a mechanism for using them that is economical, reasonable, and purposeful. Between the mechanism for attracting and the mechanism for using resources, there must be a unified synchronization to achieve the common goal of enhancing the effectiveness of managing public hospital finances.

Classification based on financial autonomy level: According to Decree No. 60/2021/ND-CP dated June 21, 2021, the government has established a self-governance mechanism for public hospitals, dividing them into four groups:

Public hospitals cover their own recurrent and investment expenses.

Public hospitals cover their own recurrent expenses.

Public hospitals self-guarantee part of their regular expenses.

Public hospitals have regular expenditures covered by the state budget.

3. Research Methodology

We're using the statistical research method, gathering and analyzing existing documents like policy documents, laws, summary reports, evaluations of the healthcare sector, and financial statements of public hospitals.

To evaluate the financial autonomy mechanism in public hospitals, the authors carried out a survey to collect insights from groups directly or indirectly involved in this process. Specifically, they used survey questionnaires to explore and compile issues related to healthcare budget allocation in public hospitals, aiming to deepen their understanding of the research topics. The data gathered from these questionnaires was processed using SPSS.

The article utilized a survey with 220 samples, categorized by gender, education level, and field of work. Looking at the respondents' fields of work, the finance and planning staff of various hospitals made up the largest group with 111 samples. This was followed by hospital staff with 41 samples, hospital management leaders with 22 samples, finance department officials with 16 samples, and health department officials with 30 samples.

4. The Current Situation

4.1 Overview of Public Hospitals under the Ministry of Health

In Vietnam's public hospital system, those under the Ministry of Health are the top-tier treatment facilities. These large hospitals specialize in advanced and modern techniques, taking in patients from city and provincial hospitals. They're classified as level 1 and special grade, like Bach Mai, Cho Ray, and Hue Central Hospital, and they guide lower-level hospitals in healthcare practices and national health program implementation. These Ministry of Health-affiliated hospitals also work with medical universities and colleges to train medical staff. They're practical training sites for medical schools and collaborate with universities on medical research. Plus, they participate in international cooperation in various areas under the Ministry of Health's guidance. Recognized as leading hospitals nationwide, they specialize in advanced medical techniques and apply new medical advancements. Their mission is to develop and enhance Vietnam's medical standards to keep pace with other countries regionally and globally. As of 2022, there are 42 hospitals managed by the Ministry of Health. All these hospitals have developed their own autonomy plans approved by higher authorities according to Decree 43/2006/ND-CP. They've implemented this autonomy mechanism following Decree 60/ND-CP dated June 21, 2021, which regulates the financial autonomy mechanism of public service units. Starting in 2022, public service units will implement financial autonomy classification according to Decree 60/2021/ND-CP provisions. However, due to delays in issuing guidelines on certain aspects of the financial autonomy mechanism for public service units; handling assets and finances during restructuring or dissolution of public service units; as of

2022, public service units under the Ministry of Health haven't been able to develop a financial autonomy plan for 2022 or for the period from 2022 to 2025 as required.

Here's how public hospitals under the Ministry of Health are classified in terms of financial autonomy:

- Three hospitals are currently running pilot projects in line with Resolution 33/NQ-CP, exploring full financial autonomy both with and without state budget support. These include Bach Mai Hospital and K Hospital.
- Thirty hospitals fall into the second group, which consists of hospitals that regularly generate enough revenue to sustain themselves. This group includes the National Obstetrics Hospital, National ENT Hospital, HCMC Eye Hospital, National Eye Hospital, and Hanoi Eye Hospital.
- Eight hospitals are part of the third group. These hospitals regularly generate enough revenue to cover a portion of their expenses.
- One hospital falls into the fourth group. This hospital has low revenue and relies on the state budget to cover regular expenses and assigned tasks. This is the National Psychiatric Hospital.

So, our hospital system spans from large, high-revenue generating hospitals to smaller ones with very low revenue, spread out across the country. This system captures all aspects of public hospitals and is organized according to the classification of public health facilities under Decree 60/2021/ND-CP. It's a clear illustration of how financial management mechanisms and innovations impact these institutions.

4.2 The Current State of Financial Autonomy at Public Hospitals under the Ministry of Health

Since the implementation of financial autonomy in hospitals, the total revenue of public hospitals under the Ministry of Health has increased rapidly. Many hospitals have managed their income sources wisely and saved on expenses, ensuring increased income for workers and setting up various hospital funds. Hospitals have been divided into groups with different levels of autonomy. The group with high revenue focuses on large, specialized hospitals like maternity hospitals, Cho Ray Hospital, Endocrine Hospital, etc. The group with low revenue mainly focuses on unique hospitals such as mental health treatment centers, leprosy and forensic medicine. With financial autonomy, hospitals are quite proactive in managing financial revenues and expenses, especially in providing services to meet people's needs. They have autonomy in using financial results to set up funds such as career development funds, welfare funds, reward funds, income stabilization reserve funds and pay additional income for workers. Public hospitals have established internal spending regulations and regularly manage expenses according to these regulations. This aligns with reality and trends to further promote the implementation of self-governance. The financial autonomy mechanism has been adjusted and specifically regulated according to the characteristics of the health sector. The mechanism specifically regulates financial sources for investment, regular spending, and the use of financial resources for each group of health units to further promote the implementation of financial autonomy. With this financial autonomy mechanism, public hospitals are specifically classified according to each hospital's financial capacity from those with low revenue to those with high

revenue, along with a separate financial autonomy mechanism for each type of hospital group.

Hospitals have the autonomy to manage their revenues and set prices for their medical services, following the principle of correct and full collection as regulated by the competent state agency. However, the revenues from these services have not yet fully covered the costs, making it challenging for hospitals to maintain their autonomy. This situation has led to unfair practices and exploitation of revenue collection, affecting the goal of fairness in public health care.

The financial autonomy mechanism encourages efficient use and savings of financial resources to increase income for staff and establish funds. However, the reality of the

COVID-19 pandemic has led to a decrease in the number of patients visiting and receiving treatment at hospitals. Meanwhile, the cost of medical examination and treatment services has not fully covered expenses according to the roadmap (only direct costs and salaries are considered), leading to a reduction in revenue for many units. In addition, hospitals have had to implement social distancing measures, reducing patient numbers and limiting acceptance of non-emergency cases. Hospitals have also had to increase spending on COVID-19 prevention measures such as purchasing protective clothing, disinfectants, sterilization products, test kits, and diagnostic reagents.

Table 1: Results of financial autonomy in implementing revenue and expenditure differences and setting up funds

Year	Difference between regular revenue and expenditure	Amount allocated to various Funds			
		Extracted from the Career Development Fund	Deduction to the Income Supplement Fund (including the amount spent on additional income)	Deduction to the Bonus Fund and Welfare Fund	Deduction to other funds, medical examination and treatment support fund (if any)
2018	7,353,908	2,744,098	3,144,416	1,059,415	405,979
2019	4,920,050	1,932,872	1,966,769	865,288	155,121
2020	7,176,373	2,629,382	3,087,251	1,190,988	268,752
2021	9,586,193	3,883,798	3,456,099	1,785,832	460,554
2022	8,682,647	3,645,110	3,413,399	1,424,445	233,883

Source: Data from the Financial Planning Department - Ministry of Health

Due to the impact of the pandemic, revenue in 2020 and 2021 decreased, leading to a reduction in the income-expenditure gap for various units. The income-expenditure gap in 2022 is only 0.77 times that of 2019 (in 2021, it was 0.51 times compared to 2019). This has affected the additional income of departments as well as the allocation of special funds, particularly the fund for developing professional activities for reinvestment. The additional income expenditure in 2022 is 0.9 times that of 2019 (in 2021, it was 0.56 times that of 2019). Despite the hardships faced by healthcare workers in 2020 and 2021, their additional income decreased. In 2022, following the government's directive to encourage healthcare workers not to quit or switch to private healthcare, despite efforts to increase additional income for staff, units under the Ministry of Health still lack financial resources. Therefore, in 2022, these units could only spend nearly as much on additional income as they did in 2019. However, if we consider the average additional income, it was VND 69 million per year in 2019; VND 39 million per year in 2021; and VND 59 million per year in 2022. Compared to 2019, the average additional income in 2022 will be VND10 million per year lower for each healthcare worker.

Even though hospitals have implemented numerous screening solutions, organized tasks, and cut down on unnecessary expenses to prioritize funds for salaries, allowances, and contributions for staff members, ensuring some essential regular expenses of the unit, due to reduced revenue, many units lack the funds to maintain regular operations. Especially in those units that are self-financing for regular expenses, many don't have resources for additional income, which significantly affects the morale of staff and workers.

4.3 Evaluating the Financial Autonomy Mechanisms of Public Hospitals

The results achieved are:

According to the survey results, the biggest advantages of

implementing financial autonomy mechanisms in public hospitals, as evaluated by staff, include: increased income for workers (65.9%); greater flexibility in managing financial resources and infrastructure (63.6%); improved transparency in management (55%); increased revenue for hospitals (45%); enhanced efficiency of operations and staff (44.1%); and diversification of healthcare services provided (43.2%).

Table 2: The advantages of implementing self-governance and accountability in public hospitals

STT	Convenient	Rate (%)
1	Increase income for workers	65.9
2	Enhance the efficiency of the machinery and staff operations	44.1
3	Attracting capital for infrastructure investment	39.5
4	Enhancing transparency in management	55
5	Improving the quality of healthcare services	42.7
6	Diversify the types of healthcare services provided	43.2
7	Be proactive in managing financial resources	63.6
8	Increase revenue for the hospital	45

Taking the initiative to exploit financial resources helps increase revenue for public hospitals. The financial autonomy mechanism empowers hospitals to enhance the quantity and quality of healthcare services, positioning, and branding, thereby creating many positive changes in the activities of public hospitals. It also enables public hospitals to be more proactive in exploiting and using financial resources, human resources, and physical facilities to fulfill their functions and responsibilities. Leveraging their advantages in professional competence and geographical location, some public hospitals place great emphasis on expanding their activities to significantly develop their revenue streams.

Saving and effectively using the hospital's financial resources while ensuring and increasing income for workers is crucial. Many hospitals have found and implemented internal management solutions that suit their characteristics,

such as establishing standards, cost norms, and consumption norms for raw materials, etc., to save expenses and use financial resources effectively.

Promote democracy, transparency, and openness in financial operations. The financial autonomy mechanism is also the basis for implementing internal spending control, fostering the democratic spirit, and encouraging the creativity of workers. The internal spending regulations of many hospitals have been built on a democratic, open spirit. Constructing internal spending regulations that align with the unit's activities and comply with state regulations, while ensuring unity between the hospital director and all hospital staff through union representatives, guarantees transparency and openness in the use of financial resources.

There's been a clear innovation in the methods and organization of public hospital management. The implementation of autonomy has sparked a fresh approach to management, redefining the role of the state in administration and public service provision. Government regulatory bodies are stepping back from deep intervention in the internal operations of hospitals, shifting towards granting autonomy in personnel, labor, and financial management to public hospitals. The delegation of management between government regulatory bodies and public hospitals has been significantly enhanced. In terms of

organizational management at public hospitals, the implementation of autonomy has given hospital directors greater decision-making power over hospital operations, which goes hand-in-hand with increased responsibility.

The total workforce of hospitals has been increasing over the years, primarily contract-based employees. Specifically, when comparing the actual number of permanent staff and the assigned quota, most hospitals do not recruit enough permanent staff as per the set quota. However, the total number of employees, including contract staff outside the payroll quota, has been increasing and exceeding the set quota.

The obstacles and shortcomings of the mechanism:

According to the survey results assessing the challenges of financial autonomy for public hospitals, the typical difficulties selected in the survey include: "overlapping, confusing, and untimely guidance documents" (65.5%); "inconsistent health insurance policies (coverage, payment methods, etc.) (44.1%); "slow innovation in medical service pricing policies (not accurately or fully accounting for costs) (39.1%), incorrect understanding and perception of self-governance mechanisms (29.5%), lack of a system for evaluating hospital performance (28.6%), and absence of an appropriate monitoring and inspection mechanism (27.7%).

Table 3: Challenges faced by hospitals in implementing financial autonomy

Serial Number	Difficulties	(%)
1	The guidance documents are overlapping, entangled, and not timely or clear.	65.5
2	There's still a misunderstanding about the self-governance mechanism and taking responsibility in public hospitals.	29.5
3	The policy on medical service pricing is slow to innovate (not accurately or fully accounting for all costs).	39.1
4	The health insurance policy isn't quite in sync yet (coverage, payment methods, etc.)	44.1
5	There's no system yet for evaluating the performance of hospitals (both in terms of expertise and finances)	28.6
6	The distinction between the responsibilities assigned by the state and the hospital's service activities is not yet clear.	22.7
7	There isn't a suitable mechanism for inspection, supervision, and assessment yet.	27.7
8	There isn't a system of criteria to evaluate the quality of healthcare services as well as the hospital's operations.	24.5
9	We need to harmonize the goal of ensuring social fairness.	21.4
10	The level of autonomy and responsibility is not clear yet.	23.2
11	Control the increase in income for workers.	12.7
12	Reduce the amount of funding from the state budget.	22.3
13	Other opinions:	0.5

The legal documents on financial autonomy mechanisms are still flawed, causing difficulties for hospitals in their implementation. Other financial management policies are slow to innovate and are not synchronized with the financial autonomy mechanism, causing many obstacles, and the effectiveness of the mechanism has not met expectations.

The socialization policy and its implementation in public hospitals still have many shortcomings. In the socialization policy, there are no clear regulations on ownership, and the effectiveness of some policies related to socialization is not high. The preferential policies on taxes, credit, infrastructure, and human resources for health facilities implementing socialization have not been fully utilized due to the narrow beneficiaries and low level of preference.

There's a lack of a unified, comprehensive, and accurate understanding of the financial autonomy mechanism. This is in accordance with Decree 43/2005/ND-CP, followed by Decree 16/2015/ND-CP, and now Decree 60/2021/ND-CP. This lack of understanding is prevalent among many staff members in some hospitals and even among numerous hospital leaders.

The financial autonomy mechanism is unevenly implemented among public hospitals, coupled with a

workforce that doesn't meet the requirements of the system. Public hospitals under the Ministry are the last line of defense, bearing the highest professional responsibility and leading in the construction and pricing of medical services. However, despite implementing financial autonomy and developing in a market economy, these public hospitals under the Ministry of Health have yet to conduct market research on medical services and have not paid attention to competing in the medical service market with non-public hospitals. This leads to a lack of self-adjustment development and a "bleeding" of highly specialized human resources.

The mechanisms for evaluation, inspection, and supervision have not kept pace with the financial activities of the hospital, leading to many unwanted impacts when implementing autonomy. We have yet to establish a monitoring and inspection mechanism along with a unified system of criteria to assess the quality of operations and the quality of medical services provided. At the same time, the penalties are not clear and strong enough to limit the shortcomings that occur when implementing autonomy.

According to the survey, unwanted impacts may occur when implementing financial autonomy mechanisms in public

hospitals, including "abuse of various services to increase revenue" (50.9%), followed by "service quality decreases due to overcrowding of patients" (35.9%), and increased prescription of tests and use of high-tech equipment. Self-governance is an issue that needs to be implemented; however, it requires good management from the hospitals to minimize limitations.

Table 4: Unwanted impacts may occur when implementing financial autonomy mechanisms in public hospitals (Percentage %)

Serial Number	Unwanted impacts	Percentage (%)
1	Abusing various services to increase revenue	50.9
2	Increase in prescribed tests and use of high-tech equipment	33.6
3	Rise in treatment costs	24.1
4	Prolonged treatment duration	16.4
5	The quality of service declines due to an overload of patients.	35.9
6	Business trends are driven by profit.	26.4
7	Contradicts the goal of fairness and social efficiency.	25.9
8	There's an income disparity among the staff in the hospital.	30.5
9	Other opinions	0.9

Solution:

The real survey results indicate that the three main goals to concentrate on when developing financial autonomy mechanisms are ensuring the hospital's social function (51.8%), raising the standard of healthcare services (50.5%), and improving living conditions for hospital staff (5.15%). These three objectives rate best among the six that were examined. Our goals should not just focus on improving the quality of patient care, but also on the well-being of hospital staff. Using the current financial autonomy mechanisms necessitates flexibility and adaptability to each hospital's unique circumstances, according to an examination of the prospects, challenges, strengths, and weaknesses of public hospitals under the Ministry of Health.

In order to maximize income and make prudent spending decisions, the financial autonomy mechanism assumes financial responsibility and focuses on the quality of healthcare services.

The goal of innovating public hospitals' financial autonomy mechanism is to increase transparency and improve the efficiency of public hospital operations.

In order to strengthen the leadership of the hospital's accountability and decision-making authority, the financial autonomy mechanism was developed. This ensures the continued functioning and growth of public hospitals.

Public hospital financial autonomy mechanisms must uphold market principles, foster greater competition, and strengthen the public hospital brand.

Public hospitals must create and refine their internal spending systems, standards, and policies in compliance with the financial autonomy mechanism, all the while trying to raise employee wages.

Permit a few select public hospitals to test hospital finance management as part of a business model.

Public hospitals will be putting in place a more independent system with greater decentralization and self-governance, although they are still limited by a number of issues. These include anything from administrative expenses and wage policies as input factors to policies governing the pricing of

healthcare services as output factors. According to survey results, the majority of staff members surveyed support the Ministry of Health's and the Party's policies regarding the reform of the public hospital management model, with a focus on "Further promoting autonomy, taking responsibility" (66.4%). This is a novel approach meant to increase hospitals' future self-sufficiency and independence. The establishment and execution of the public service unit autonomy mechanism would foster an environment that will enable hospitals to optimize their capacity to deliver the best possible healthcare services to the public. This helps to raise cash in order to progressively solve the hospital staff's income problems; it also helps to take advantage of chances to mobilize community contributions to advance career activities and gradually eliminate state budget subsidies for units tasked with implementing autonomous mechanisms.

Determining hospital groupings is based on Decree 60/2021/ND-CP categorization. Group 1 and 2 hospitals, which comprise central and provincial hospitals, have significant revenue and are larger establishments with superior medical staff and equipment than Group 3 and 4 hospitals, which have smaller revenue. When applying hospital financial management in accordance with the business model, these Group 1 and 2 hospitals have more advantageous circumstances than Group 3 and 4 hospitals. This may be piloted first in a few Group 1 and 2 hospitals, which would guarantee prudence to prevent hazards and lessen some of the specific effects on patients. Group 3 and Group 4 hospitals primarily focus on implementing social security programs, given their superior conditions and ease of updating new management techniques.

5. To Conclude

It has been established that the financial autonomy mechanism is the best course of action for public institutions generally, and public hospitals specifically. This system contributes to more operational autonomy, stricter cost control, and higher medical staff pay. However, innovative operational and financial procedures for public hospitals are required to ensure social security objectives, enhance the quality of medical services offered, and improve hospital operations. And this innovation needs to be integrated into the coordinated modification of relevant policies and factors.

6. References

1. The government's Decree 60/2021/ND-CP, issued on June 21, 2021, outlines the financial autonomy mechanism for public non-business units.
2. The government's Decree 16/2015/ND-CP, issued on February 14, 2015, sets out the autonomy mechanism for public non-business units.
3. The government's Decree 43/2006/NĐ-CP, dated April 25, 2006, details the responsibilities for task implementation, organization, staffing and finance for state-owned enterprises. It also provides guidelines on revenue autonomy, revenue levels and the use of revenue sources by these enterprises.
4. Government Resolution 116/NQ-CP dated September 5, 2022 outlines the financial autonomy classification plan for public non-business units in 2022.
5. Government Resolution 33/NQ-CP dated May 19, 2019 discusses a pilot program for autonomy at four hospitals under the Ministry of Health.

6. Decree 85/2012/ND-CP on the operational mechanism, financial mechanism for public health institutions and the cost of medical examination and treatment services at public health facilities.