A Study on the Diversification Strategies for Medical Centers and Regional Hospitals in Taiwan.

張曉琪、陳美玲

E-mail: 9403208@mail.dyu.edu.tw

ABSTRACT

Following the Bureau of Health Insurance's formally introducing the "Global Budget System" as of July 1, 2004, under which all hospitals are now responsible for earning their own keep. Yet amid fixed medical income, while the cost of medical care continues rising, coupled with the fierce competition among hospitals, it is becoming compelling for hospitals to position themselves according to their intrinsic criteria and put forth the best management possible by utilizing available resources. Diversification management is regarded as one of the modern management means that serves to protect a company with minimum rate of investment return, for it not only helps to spread the investment, reduce the risks, hence excelling resources integration, but also conducive to increasing profit margin and easing a hospital's over dependence financially on the mandatory health care system. The objective of the study lies in examining the current state of diversification management adopted by hospitals on a regional level and higher, together with analysis discern the key factors that influence hospitals on varied levels whether to undergo diversification management, as well as profile the motives and diversification product types by hospitals that have already undergone diversification management. In conjunction to which, taken into account the varied motives behind adopting diversification management strategy, the study also aims to examine the awareness perspective, and to analyze whether disparity exists in the operating results of hospitals of various levels that have undergone diversification management strategy. The study is able to validate the study findings as follows, 1. The ratio of hospitalizations on a regional level or higher that have undergone diversification is reported at 76.4%, and a majority of which take to a positive perspective reckoning that there is a necessary to adopt diversification management, and that a majority of them lean toward medical care related management. 2. While hospitals on varied levels reflected different needs for capital and staffing, and as funding for a medical center would indeed be higher than a regional hospital, problems that surface during the transformation process for adopting diversification management strategy are found to be more with regional hospitals than that by medical centers. 3. Of impacts deriving from the motivations and diversification types arisen from a hospital's desire to undergo diversification management, 80% strong of them indicate agreeable, and that a majority also agree that the impact that diversification management brings in the technical and strategic areas accounts for a higher percentage than non-relevant diversification management. Of the impact of finances and human resources, a majority of them agree that relevant diversification management carries a lower percentage than that of non-relevant diversification management. 4. Hospital diversification management presents more opportunities to work with other industries, and a greater probability for a hospital to fully utilize its available resources, conserve unnecessary expenditure, so that the limited funding can be put to better use in expanding the scope of medical care to benefit the society as a whole. Hospitals offering 300 to 599 beds are found to share similar characteristics in the financial risks that they shoulder and financial dependence on the national health insurance system. However, following a hospital's adopting the strategy, it is noticeable that its employees are more outward venturous and derive by innovative energy and thinking. 5. In terms of technical ramification under the operating performance indicators, very little disparity exists between medical centers and regional hospitals, whereas medical centers are found interior than regional hospitals when it comes to the performance indicators of strategization and financial considerations.
REFERENCES