



## KEY FACTORS IN THE MANAGEMENT OF HORIZONTALLY INTEGRATED STRUCTURE OF MEDICAL SERVICES COMPANIES

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### SUMMARY:

Marketing management in the sphere of health services is an activity, which has to do with evaluation of the potential (economic, demographic, morbidity etc.) in a given geographical region and with outlining the framework of a competitive and profitable business.

For the provision of effective management, a thorough economic analysis of the healthcare activities is necessary. With view to optimization of the results, economic evaluation at different levels needs to be made, including systematic consideration of the factors, which influence the decision for directing the resources to a given alternative use at the expense of other use.

The management of a healthcare enterprise is successful, only if the management of its individual units is successful and if they work in line with one another for the achievement of the common targets of the organization.

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Integration is a major component in case of change of a healthcare services provision system. Various integration activities lead to reduction of the administrative costs, of the cost of medical services, they increase the service quality.

The management of a healthcare enterprise is only successful, if the management of its individual units is successful and if they work in line with one another for the achievement of the common targets of the organization. [1] That is why the development of the work processes and of the performance evaluation system should include all units, defining clearly their obligations and responsibilities for the achievement of the planned results.

The business element in health services in combination with market (i.e. competitive) economy and state regulated activity, offers active work for identification, attracting and keeping clients – in this case patients. In this respect marketing management in the sphere of healthcare services is an activity, which needs to evaluate the potential (economic, demographic, morbidity etc.) in a given geographical region and to outline the framework of a competitive and profitable business. For this purpose some steps are needed, aimed at:

- defining products and services, which to be offered to the specific market;

- defining the ways in which products will reach the consumers;
- establishing the internal organization, necessary for the effective provision of the products;
- active communication (including advertising) for canvassing patients;
- measuring patients' satisfaction and developing measures for its maintaining/increase.

The activity of each individual or institutional actor in the healthcare sector could be presented and analysed in economic terms by means of specific methods and indexes.

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Clinical management is action oriented and depending on the scope and range of the decisions and of the resulting actions it can be strategic, managerial and operational. [2]

Traditionally in managerial cycle, three moments are differentiated: formulation of management plan, its implementation and control of decisions.

Every member of the managerial staff needs adequate information for decision taking on each level and in each cycle moment, and for each separate case information characteristics will differ.

Information is a tool of vital importance for a good management – for gaining knowledge, experience, analysis ability. It requires facts collection in a specific order, which could be used for potential future decisions. Information system can be defined as integrated human being/machine system for provision of supporting information during the performance of operational functions, management and decision taking in a given organization.

Information systems provide operational, financial, legislative and other information and data, which support the management and control of the organization's activities.[3]

In order for the information to be used sensibly, its purposes need to be differentiated, as well as its users. The purposes should relate to decisions, leading to specific actions, and users should be capable of taking the respective decisions.

Professionals in medicine have the right to expect the information system to provide them with a good basis for their activity and to let them direct towards corrective targets and measures, whenever necessary. Information system functions are directed to improving the effectiveness and efficacy of their work. Thus one important role is fulfilled: the quality of the medical service process, as well as its result for the patients.

The more widely spread use of information technologies in the healthcare establishments increases the possibility for faster access to medical information, but also places a number of challenges, concerning its protection. The patient information, contained in the hospital information systems, is sensitive and strictly confidential so its protection is of paramount importance. Non-authorized access and dissemination of information, connected to the life and health of patients, may have ethical, social and legal consequences. That is why healthcare establishments need to create the necessary preconditions for improvement of the way of working with information systems and with the information, contained in them, so that continuity and high quality of the provided medical services can be guaranteed. [4]

Management control should be based on reports, which allow for the treated patients, the functioning, the quality and the use of resources for a given period to be analysed, and comparisons to be made with other periods with regard to the targets set. The detailed knowledge about one's own activity is of great importance. Every management plan needs to be based on a preliminary analysis of quantity and quality activity indicators for a previous period of time.

Provision of competitive profit margins is vital for every horizontally integrated structure of medical services companies, since in this way own financial resources are provided, necessary for:

- maintaining healthy balance between own and

debt work capital;

- protection of the interests of the investors by means of the expected return level of their investments.

Compliance with this principle presupposes periodical evaluation of the performance of all structural units and planning of changes, when the economic results are unacceptable.

The horizontally integrated structure of medical services companies should have clearly identified structural units, formed in accordance with a functional principle depending on the activity done. [5]

The principle of flexibility and work in relatively small teams presumes increase of their autonomy and a process of decentralization of decision taking. On the other hand, decentralization creates the need for control of the work (the decisions taken and the respective results) of the middle level managers. In the horizontally integrated structure of medical services companies control is based on the concept of responsibility centres. [6]

Responsibility centres are structural divisions of the enterprise, whose managers are responsible for achieving specified results. As what type a given center will be formed depends on the degree in which the managers and the personnel implement control over the expenses, revenues, the profit and the investments. In case the managers and the personnel of a given structural unit cannot have direct and considerable influence on the expenses and revenues, this unit cannot be formed as a responsibility center.

The well established model for management of horizontally integrated structure of medical services companies may represent a stable business model, which on the one hand provides access for patients to high quality healthcare services, and on the other hand protects the interests of the investors with regard to return on investments and profit generation.

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