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RESEARCH PAPER / ΕΡΕΥΝΗΤΙΚΗ ΕΡΓΑΣΙΑ

The Operational and Financial Performance of Public Hospitals During the Period 2014 - 2018, Based on Published Financial Statements

Η Λειτουργική και Οικονομική Κατάσταση των Δημόσιων Νοσοκομείων κατά την Πενταετία 2014 - 2018, Βάσει των Δημοσιευμένων Οικονομικών Καταστάσεων

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ABSTRACT

Introduction: Financial statements of public hospitals provide information to those who have a reasonable interest in their financial position and performance (e.g. the Parliament, the Regional Health Authorities, the Ministry of Health, the taxpayers, the suppliers, etc.). The information provided is useful to users for accountability purposes and decision making.

Purpose: The purpose of this study is to investigate the preparation of audited financial statements, the benchmarking of key operational and financial figures, the analysis of financial figures with cost indicators and the qualitative analysis of certified public accountants' (CPAs) audit reports.

Methodology: The audited Financial Statements as well as yearly hospital activity data from Business Intelligence (B.I.) Platform were collected and processed. The quantitative data characterizing operational and financial performance of public hospitals were compared, through time-series analysis.

Results: The analysis demonstrates key financial figures for the period from 2014 until 2018 namely receivables, cash and cash equivalents, short-term liabilities, operating income, operating expenses and net profit or loss. Moreover, bed occupancy rate, cost per inpatient and cost per inpatient day are calculated at both hospital and health region level.

Conclusions: The analysis provides useful information about operational and financial performance of public hospitals. Many hospitals lack timeliness, due to unpublished annual financial reports. Cash accumulation and decline in short-term liabilities were observed, while in total the operating income is higher than the operating expenditure of public hospitals. The financials are fairly presented with the exception of some specified areas. Suggestions are made for improvement and speculating on future directions.

ΠΕΡΙΛΗΨΗ

Εισαγωγή: Οι οικονομικές καταστάσεις των Δημόσιων Μονάδων Υγείας (Δ.Μ.Υ) έχουν ως σκοπό την παροχή πληροφοριών σε όλους όσοι έχουν εύλογο ενδιαφέρον για τη χρηματοοικονομική θέση και επίδοσή τους (π.χ. η Βουλή, οι Υγειονομικές Περιφέρειες, το Υπουργείο Υγείας, οι πολίτες, οι προμηθευτές κ.λπ.). Η δε πληροφόρηση που παρέχεται μέσω αυτών εξυπηρετεί σκοπούς λογοδοσίας και λήψης αποφάσεων.

Σκοπός: Βασική επιδίωξη της παρούσας εργασίας είναι η διερεύνηση της σύνταξης των οικονομικών καταστάσεων των δημόσιων νοσοκομείων, η συγκριτική αξιολόγηση των οικονομικών και λειτουργικών μεγεθών, η ανάλυση των οικονομικών μεγεθών μέσω δεικτών κόστους και η ποιοτική ανάλυση των εκθέσεων ελέγχου των ορκωτών ελεγκτών λογιστών.

Μεθοδολογία: Υλικό της μελέτης αποτέλεσαν οι δημοσιευμένες οικονομικές καταστάσεις των Δ.Μ.Υ. στη Διαύγεια καθώς και τα στοιχεία νοσηλευτικής δραστηριότητας, που αντλήθηκαν από τη βάση δεδομένων Business Intelligence (B.I.) του Υπουργείου Υγείας. Η σύγκριση των ποσοτικών δεδομένων, που χαρακτηρίζουν τη λειτουργική και οικονομική απόδοση των δημόσιων νοσοκομείων, πραγματοποιήθηκε μέσω της ανάλυσης χρονοσειρών (time-series analysis).

Αποτελέσματα: Η ανάλυση των δεδομένων καταδεικνύει τη διαχρονική εξέλιξη συγκεκριμένων βασικών οικονομικών μεγεθών των Νοσοκομείων για την πενταετία 2014-2018, όπως οι απαιτήσεις, τα χρηματικά διαθέσιμα, οι υποχρεώσεις, τα λειτουργικά έσοδα και το αντίστοιχο κόστος καθώς και το πλεόνασμα ή έλλειμμα που κατέγραψαν. Παράλληλα, αποτυπώνεται η πληρότητα τους, το κόστος ανά ασθενή και το ημερήσιο κόστος νοσηλείας σε επίπεδο νοσοκομειακής μονάδας και υγειονομικής περιφέρειας.

Συμπεράσματα: Η ανάλυση παρέχει χρήσιμες πληροφορίες για τη συγκριτική αξιολόγηση της λειτουργικής και οικονομικής κατάστασης των δημόσιων νοσοκομείων. Σε πολλά νοσοκομεία παρατηρείται έλλειμμα στη δημόσια πληροφόρηση, λόγω καθυστέρησης ή και μη δημοσίευσης των ετή-

Keywords: *Financial statements, receivables, short-term liabilities, profit or loss, cost per inpatient, auditor's opinion*

σιων οικονομικών καταστάσεων. Παρατηρήθηκε συσσώρευση ταμειακών διαθεσίμων και υποχώρηση των βραχυπρόθεσμων υποχρεώσεων, ενώ τα λειτουργικά έσοδα είναι υψηλότερα από τα λειτουργικά έξοδα των δημοσίων νοσοκομείων. Παράλληλα, για μία σειρά θεμάτων εκφράζεται γνώμη με επιφύλαξη από τους ορκωτούς λογιστές. Συμπεριλαμβάνονται βελτιωτικές προτάσεις για το μέλλον.

Λέξεις - Κλειδιά: *Ισολογισμός, Απαιτήσεις, Βραχυπρόθεσμες Υποχρεώσεις, Πλεόνασμα ή Έλλειμμα, Κόστος ανά ασθενή, Γνώμη ορκωτών*

1. INTRODUCTION

The introduction of accounting standardization in public hospitals with the adoption of accrual accounting method was established by the Sectoral Accounting Plan for the Public Health Units (Presidential Decree No. 146/2003). The adoption of the Presidential Decree No. 146/2003 allows the recognition and recording of assets and liabilities, the preparation of annual financial statements, the recording of expenses when occurred and income when earned and not when payment and collection are made respectively, the calculation of depreciation and provisions, the cost monitoring, etc. It also allows the convergence of the accounting information between public and private hospitals.

The annual financial statements comprise the Balance Sheet, the Income Statement, the Profit Distribution Statement and the Notes in which useful information is disclosed. In addition, financial statements are obligatorily audited by Certified Public Accountants (CPAs). Their purpose is to provide information to those who have a reasonable interest in public hospitals' financial position and performance (e.g. the Parliament, the Regional Health Authorities, the Ministry of Health, the taxpayers, the donors, the suppliers, etc.). The information provided is useful to users for accountability purposes and decision making (IPSASB, 2013). Taking into consideration that financial statements are prepared by accountants and are audited by Certified Public Accountants, they are the only reliable information that reflects real financial performance.

2. PURPOSE

The purpose of this study is to investigate the preparation and availability of financial statements of public hospitals to general public, the benchmarking of key operational and financial figures for the period 2014-2018, the analysis of financial figures with the use of cost indicators such as average hospital cost per inpatient and average hospital cost per inpatient day for the same period and the qualitative analysis of audit reports given by certified public accountants for 2017 and 2018.

3. METHODOLOGY

To fulfill the purpose of the study, Financial Statements for years 2017 and 2018 were collected and processed. The quantitative data characterizing operational and financial performance of public hospitals were compared, through time-series analysis, which provides us with a robust statistical framework for identifying trends, seasonal variations and correlation in this financial time series data using statistical methods, and ultimately generate trading signals.

There is a database with Financial Statements for years 2014, 2015 and 2016 from previous studies conducted by company's Department of Studies.

In order to ensure consistency and comparability of data, certain hospitals were excluded from financial analysis. In particular, hospitals that draw up their Financial Statements according to the International Financial Reporting Standards (IFRS) and hospitals without Financial Statements for period 2015 – 2018, the Papageorgiou General Hospital of Thessaloniki and the Onassis Cardiac Surgery Center were not included in financial analysis. In addition, the audit reports that accompany the annual Financial Statements were thoroughly examined.

The data was derived from the audited Financial Statements as published in the electronic networking program "Clarity" (in Greek: "Diavgeia"). The yearly hospital activity data was drawn upon the database of the Ministry of Health and more precisely the Business Intelligence (B.I.) Platform.

4. PRESENTATION OF THE AVAILABILITY OF FINANCIAL STATEMENTS

The following Table 1 summarises the number of hospitals that have published annual Financial Reports for period 2014-2019.

Table 1: Presentation of the availability of financial statements

Number of Hospitals in the Greek NHS	2014	2015	2016	2017	2018	2019
With annual financial statements	106	104	104	103	99	79
without annual financial statements	0	2	2	3	7	27
Total	**106**	**106**	**106**	**106**	**106**	**106**

Source: Own calculations

A significant part of the country's hospitals (approximately one out of four) has not yet completed the process of preparing and uploading audited financial statements to Diavgeia for year 2019 because they are in the process of either preparing them or getting audited by certified public

accountants. There are also important issues for previous financial years. For 2014, all hospitals of the Greek National Health System prepared Financial Statements in accordance with either the Accounting Plan for the Public Health Units or the International Financial Reporting Standards (IFRS). For year 2015 and 2016, two hospitals have not prepared financial statements, for year 2017 three hospitals while for year 2018 the number amounts to seven (Table 1). It is highly emphasized that preparation and publication of audited financial statements until 31st July of each year is mandatory according to legislation.There is also a significant time lag in the preparation, auditing and publication of financial statements. As a result, the usefulness of financial statements for the timely provision of information to those who have a reasonable interest in the finances of public hospitals is annulled to some extent. Information needs to be presented on a sufficiently timely basis to help users to hold management accountable and inform decisions.

Table 2: Financial importance of hospitals without Financial Statements

	2015	2016	2017	2018	2019
Percentage of hospitals	1.89%	1.89%	2.83%	6.60%	25.47%
Share in hospital beds	3.35%	3.24%	3.31%	8.58%	27.10%
Share in inpatient days	4.42%	4.05%	3.66%	8.76%	25.24%
Share in total purchases - expenses *	6.23%	6.06%	6.31%	9.34%	27.12%

Source: Own calculations. Data was drawn upon financial figures regarding purchases - expenses as published in Business Intelligence (B.I.) Platform.

Regarding the size and financial importance of hospitals without annual Financial Statements in year 2019, it is observed that their share in total hospital beds amounts to 27.10%, in inpatient days to 25.24% while in total purchases and expenses corresponds to 27.12% (Table 2).

It is observed that in 2019, seven out of twenty-seven hospitals that have not prepared annual Financial Statements are classified as large based on the hospital bed size, five are categorized as medium and fifteen as small (Chart 1).

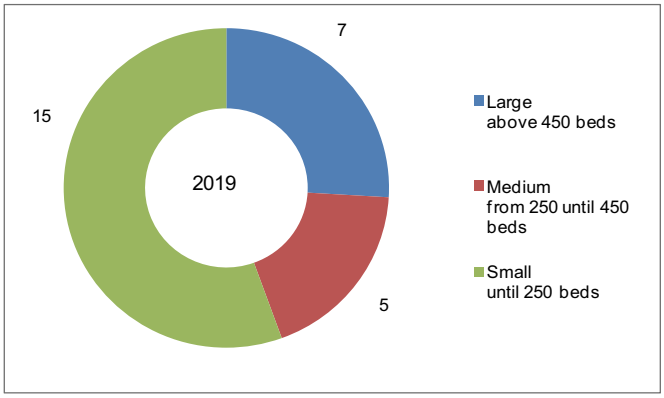

Chart 1: Distribution of hospitals without Financial Statements according to hospital bed size categories for year 2019.
Source: Own calculations

The 33% of hospitals without annual Financial Statements for year 2019 are located in the 1st Health Region of Attica (Chart 2). In other words, it is pointed out that hospitals monitored by the 1st Health Region, where the largest hospitals belong to, do not satisfactorily comply with the obligation for timely publication of financial reports. The 2nd Health Region of Piraeus and Aegean and the 6th Health Region of Peloponnese, Ionian Islands, Epirus and Western Greece follow with a percentage of 30% and 22% respectively. At the same time, all hospitals which are supervised by the 3rd and 7th Health Region have published their financial reports for year 2019.

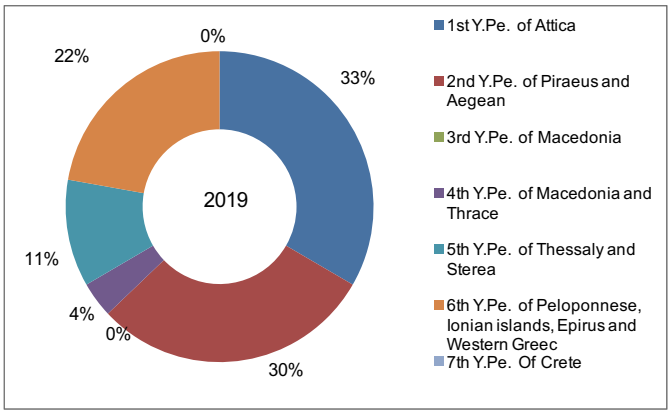

Chart 2: Distribution of hospitals without annual Financial Statements according to the Health Region (Y.Pe.) for year 2019.
Source: Own calculations

5. FINANCIAL ANALYSIS

The analysis is based upon the available financial reports namely the Balance Sheet and the Income Statement prepared according to the Sectoral Accounting Plan for the Public Health Units for every year from 2014 until 2018. The sample study comprised 89 financial reports. The analysis provides information about the trend of key financial figures, such as the figure of inventories on 31st of December of each year, receivables, cash and cash equivalents and short-term liabilities derived from the Balance Sheet, operating income, operating cost and ultimately the operating and netprofit or loss (surplus or deficit) from the Income Statement (Table 3).

Table 3: Trendin key financial figures in € million for the fixed sample of hospitals

	2014	2015	2016	2017	2018
Number of hospitals	89	89	89	89	89
Inventories	127	126	151	161	163
Receivables	3.934	4.932	3.048	4.196	5.405
Cash and cash equivalents	217	298	749	796	747
Short term liabilities	839	1.115	705	604	614
Operating income	3.666	3.409	3.915	3.789	3.969
Operating expenses	3.322	3.014	3.059	3.273	3.348
Operating Profit or loss	344	395	857	516	622
Profit or loss	453	386	255	492	719

Source: Own calculations based on annual Financial Statements 2014-2018

5.1. Analysis of key financial figures from the Balance Sheet for period 2014-2018

5.1.1. Inventories

Inventories include drugs, consumables, orthopedic implants, food, reagents, cleaning supplies, stationery and other consumables, which were stocked in hospital warehouses at the end of each year, based on the annual stocktaking carried out. There is an increasing trend in the amount of remaining inventories in the sample of hospitals from year

2015 which escalates in year 2016 and stabilizes in years 2017 and 2018 as presented in Chart 3.

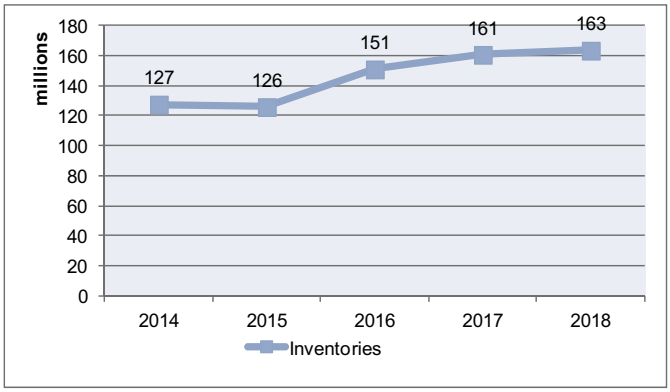

Chart 3: Trend analysis in inventories from 2014 until 2018.
Source: Own calculations

5.1.2. Receivables

The accounts receivable include debts owed to hospitals mainly by the National Organization for the Provision of Health Services (Greek acronym EOPYY) for services that have been delivered but not yet paid for. In particular, it is pointed out that in year 2016 receivables decrease drastically, in years 2017 and 2018 receivables increase and if data for year 2019 was available, receivables would decrease once again (Chart 4). There is a recurring pattern in trend analysis in accounts receivable. This is due to the fact that EOPYY does not fully repay its debts, although from year 2017 EOPYY initiated reimbursements towards public hospitals. This gap is filled by the state subsidies to hospitals and the periodic accounting write-offs. Specifically, in year 2016, receivables are drastically reduced due to the accounting write-off carried out under Law 4384/2016 for health services delivered in years 2012-2014. In year 2019, receivables are expected to decrease again due to the accounting write-off in application of Law 4600/2019 for health services delivered in years 2015-2017.

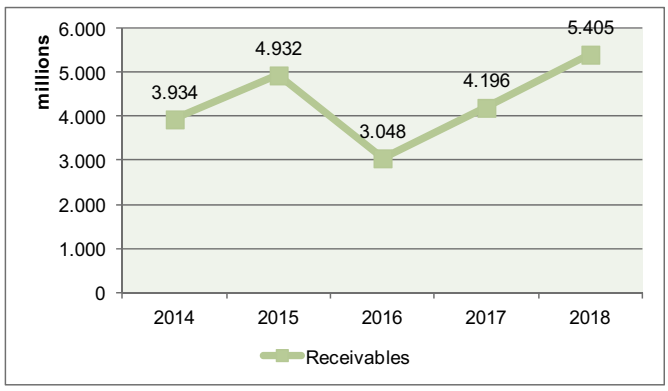

Chart 4: Trend analysis in receivables from 2014 until 2018.
Source: Own calculations

5.1.3. Cash and cash equivalents

The cash and cash equivalents include the amount of deposits in banks and cash as counted in 31st December of each year. There is an augmentation in cash liquidity for the sample hospitals from 2015 to 2016 which is maintained in years 2017 and 2018 as presented in Chart 5. The accumulation of liquidity may be due to cash reserved for a specific purpose namely the renovation of a new ward, the purchase of cutting edge equipment, payroll needs etc. and cannot be deployed for another use.

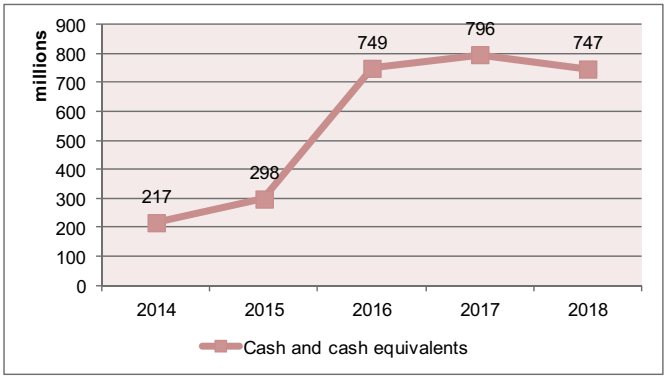

Chart 5: Trend analysis in cash and cash equivalents from 2014 until 2018.
Source: Own calculations

5.1.4. Short term liabilities

The short-term liabilities include financial obligations that are expected to be paid within one year to suppliers, social insurance, state and various creditors. Chart 6 illustrates a significant downward trend in liabilities from year 2015 to 2016. In 2016, essential funding was provided to hospitalsby the Ministry of Finance to repay overdue debts. Short term liabilities remain at the lowest level in years 2017 and 2018. In theory, suppliers could be reimbursed immediately from existing cash resources as cash balances are sufficient to pay off debts to suppliers.

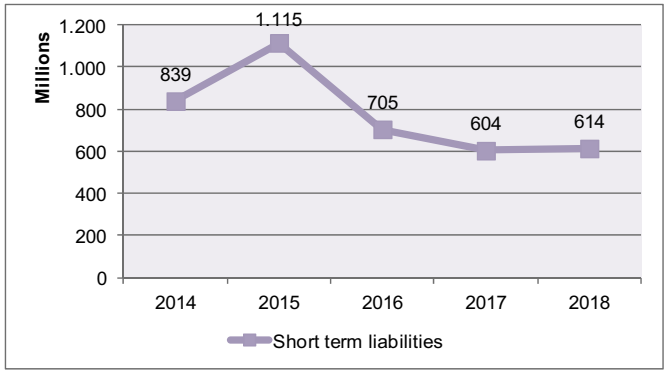

Chart 6: Trend analysis in short term liabilities from 2014 until 2018.
Source: Own calculations

5.2. Analysis of key financial figures from the Income Statement for the period 2014-2018

Hospitals operating income comes from billing of health services delivered to citizens, subsidies from state budget, rents, grants and interests. The salaries of health care personnel are paid by the state and the budget of the Ministry of Health. For this reason, the payroll subsidized by the state is included in both operating income and operating expenses. The operating cost is the full cost because it includes payroll cost, drug and consumables cost, overheads and depreciation. Rebates and claw backs imposed on pharmaceutical compa-

nies for both inpatient and outpatient drugs in order to control expenditure are accounted for discounts on drug costs and as a result, this figure is deducted from operating expenses. Rebates and clawbacks are accounted for years 2016, 2017 and 2018.

5.2.1. Operating and net Profit or loss (surplus or deficit)

In a nonprofit organization like a public hospital, the number represented on the bottom line of hospital's Income Statement is either a surplus (a positive figure) or a deficit (a negative figure). There is a decrease in both operating income and operating expenses from 2014 to 2015. However, from year 2015 to 2018, the situation is reversed as shown in Chart 7 as both operating income and operating expenses increase respectively. Overall, hospitals present an accounting surplus. The sample of hospitals record total surpluses of 719 million for year 2018, significantly improved comparing to previous years and is the best performance in terms of net surpluses for the period 2014-2018 as illustrated in Chart 8.

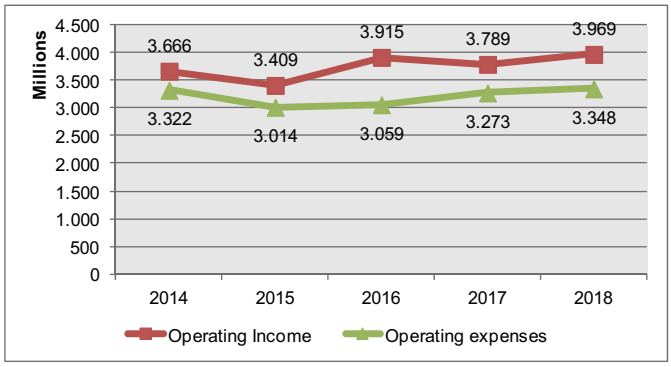

Chart 7: Trend analysis in operating income and expenses from 2014 until 2018. Source: Own calculations

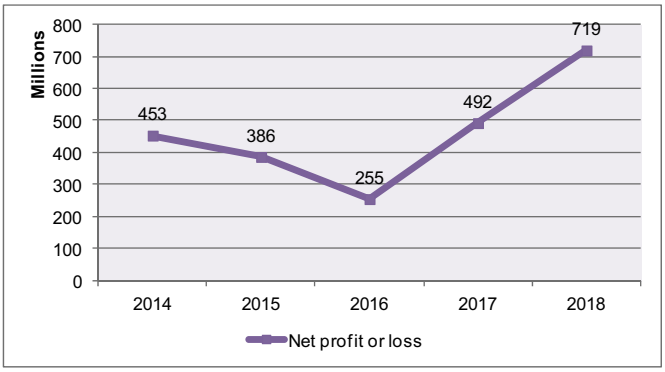

Chart 8: Trend analysis in net profit or loss from 2014 until 2018. Source: Own calculations

6. HOSPITAL COST INDICES FOR PERIOD 2014 -2018

Utilizing the yearly hospital activity data and the operating costs, it is feasible to measure performance with indicators, such as hospital bed occupancy rate, average cost per inpatient and average cost per inpatient day.

6.1. Average Cost per inpatient

The full cost includes cost incurred from the operation of Health Centres only for 2014 because from 2015 and on, Health Centres were separated from public hospitals and were integrated into Health Regions. This fact can justify the significant decrease in average cost per inpatient and inpatient day from 2014 to 2015, taking into account that the denominator of the fraction did not vary markedly. Full cost also includes cost incurred from the operation of Emergencies and Outpatient Clinics. As a consequence, average cost per inpatient and inpatient day also contain the cost of outpatients attending public hospitals.

The cost per inpatient presents a steady course from 2015 to 2018, as both the operating costs of the sample hospitals and the number of inpatients increased in years 2015 to 2018. In 2018, the average cost per inpatient corresponds to approximately € 1,608 (Chart 9).

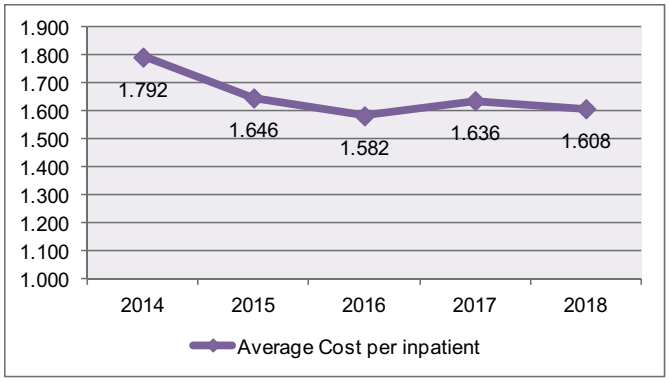

Chart 9: Trend analysis in average cost per inpatient from 2014 until 2018. Source: Own calculations

6.2. Average cost per inpatient day

The cost per inpatient hospital day shows a slight upward trend during years 2015 to 2018. In year 2018, the cost per inpatient day corresponds to approximately € 475 (Chart 10).

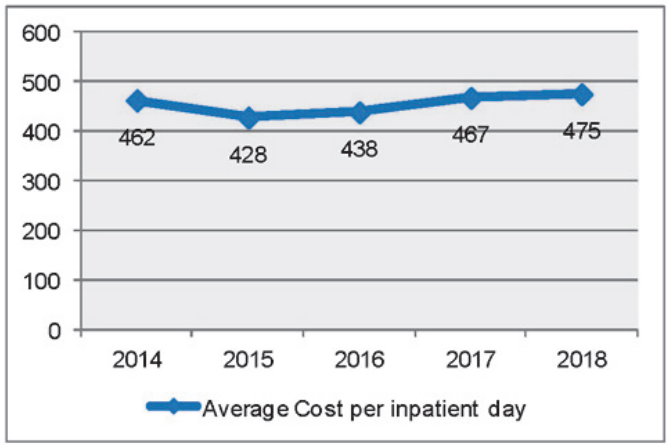

Chart 10: Trend analysis in average cost per inpatient day from 2014 until 2018. Source: Own calculations

The bed occupancy rate does not show a significant change in years 2017 and 2018, as presented in Tables 4 and 5. On the one hand, hospitals under the authority of the 2nd Health Region of Piraeus and Aegean show the highest average cost per inpatient for both 2017 and 2018, due to geographical dis-

continuity, seasonality and significant dispersion of population. On the other hand, hospitals which belong to 2nd Health Region show low cost per inpatient day because two specialized psychiatric hospitals are included. The highest cost per inpatient day is found in hospitals supervised by the 4th Health Region of Macedonia and Thrace.

an unqualified opinion. In 2018, public accountants believe that all changes, accounting policies and their application and effects have accurately been disclosed in two financial statements.

- Two hospitals received an adverse opinion which indicates that their financial statements in 2017 and 2018 violate

Table 4: Hospital activity data and cost indicators per Health Region (Y.Pe.) for year 2018

Health Region (Y.Pe.)	Number of beds (a)	Inpatients (b)	Inpatient days (c)	Operating cost (d)	Bed occupancy rate (c)/((a)*365)	Cost per inpatient (d)/(b)	Cost per inpatient day (d)/(c)
1st	5.976	477.061	1.603.972	832.760.045	73,53%	1.746	519
2nd	5.214	280.860	1.413.892	535.974.798	74,29%	1.908	379
3rd	3.272	226.322	825.190	311.625.549	69,10%	1.377	378
4th	4.067	343.014	902.208	515.467.033	60,78%	1.503	571
5th	2.674	240.241	620.628	324.342.625	63,59%	1.350	523
6th	4.418	328.048	1.117.622	544.095.118	69,31%	1.659	487
7th	2.237	186.796	566.996	283.284.086	69,44%	1.517	500
Sum	**27.858**	**2.082.342**	**7.050.508**	**3.347.549.254**	**69,34%**	**1.608**	**475**

Source: Own calculations

Table 5: Hospital activity data and cost indicators per Health Region (Y.Pe.) for year 2017

Health Region (Y.Pe.)	Number of beds (a)	Inpatients (b)	Inpatient days (c)	Operating cost (d)	Bed occupancy rate (c)/((a)*365)	Cost per inpatient (d)/(b)	Cost per inpatient day (d)/(c)
1st	5.980	461.628	1.597.760	808.836.319	73,20%	1.752	506
2nd	5.238	268.682	1.406.780	524.401.331	73,58%	1.952	373
3rd	3.287	211.292	816.703	301.192.742	68,07%	1.425	369
4th	4.036	332.518	907.492	540.604.889	61,60%	1.626	596
5th	2.673	222.472	601.594	313.275.033	61,66%	1.408	521
6th	4.361	325.396	1.108.914	512.933.190	69,67%	1.576	463
7th	2.207	178.011	562.628	271.268.993	69,84%	1.524	482
Sum	**27.782**	**1.999.999**	**7.001.871**	**3.272.512.499**	**69,05%**	**1.636**	**467**

Source: Own calculations

7. QUALITATIVE ANALYSIS OF CERTIFIED PUBLIC ACCOUNTANTS' AUDIT REPORTS

The independent public accountants' opinion enhances the reliability of annual financial reports by providing a high level of assurance. The qualitative analysis carried out in public accountant's statements (Chart 11) highlighted that:

- The vast majority of financial statements are accompanied with a qualified opinion as they are fairly and appropriately presented with the exception of a specified area. That means that financial records deviate in some instances from the Sectoral Accounting Plan for the Public Health Units without being pervasive.
- In 2017, only four financial statements are judged to be free of material misstatements and are accompanied with

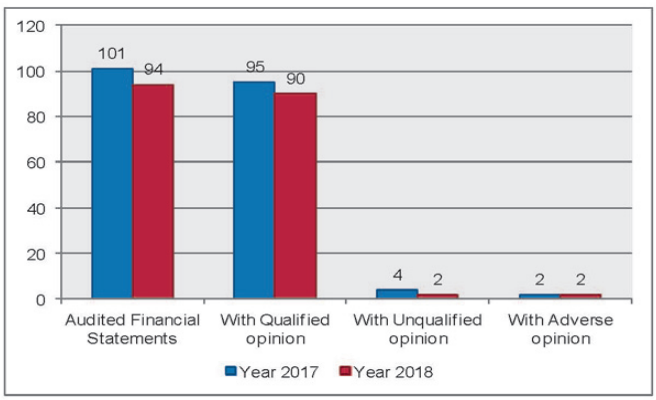

Chart 11: Qualitative analysis of certified public accountants' audit reports. Source: Own calculations based on certified public accountants' audit reports

many or key audit rules of the International Standards on Auditing as adjusted to the Greek Audit Standards and contain material misstatements.

The vast majority of audited financial statements are issued with a qualified opinion. In the additional paragraph in opinion letters, the certified public accountants explain the reasons why they believe certain exclusions to a clean opinion exist. For example, they state that in several cases they did not attend the annual stock taking because the audit assignment was received at a later time and as a result, they express doubts about the figure of inventories. Moreover, they CPAs draw attention to the further reinforcement of internal control system regarding the more efficient logistics management and stocktaking procedures. In other cases, the receivables of public hospitals do not match with the liabilities of the National Organization for the Provision of Health Services (EOPYY) because CPAs did not receive a statement to verify the accounting records. They also note that it is probable that public hospitals will need to proceed to future payments for law suits launched by suppliers, individuals and employees. Moreover, CPAs mark that many hospitals do not implement the Full Cost Accounting method although it is mandatory according to the Sectoral Accounting Plan for the Public Health Units.

8. CONCLUSIONS

Many hospitals, including large hospitals, cannot meet the deadlines determined by the legislation for preparing and publishing their annual financial reports and consequently they lack timeliness. Moreover, the decline in short term liabilities and the improvement in liquidity due to cash accumulation and the variability in accounts receivable constitute the main trends in financial statements for the period under examination.

In total, operating income is higher than operating expenditure of public hospitals. The sample of hospitals is profitable as it presents an accounting surplus for every year from 2014 until 2018. Qualified opinion is the most frequent auditor's opinion on a hospital financial statement. The financials are fairly presented with the exception of the above mentioned (part 7) specified areas.

9. SUGGESTIONS

The findings from this study contribute in several ways to our understanding of operational and financial performance of public hospitals and provide a basis for sensible suggestions:

- Public hospitals should meet the deadlines for preparing and publishing their annual financial reports. Information should be available for users before it loses its capacity to be useful for accountability and decision-making purposes. Nevertheless, the availability of financial statements is a Key Perfomance Indicator (KPI) among others in the contracts signed by the hospital managers.
- Recently, a new section was developed in the website of Ministry of Health in which hospital financial statements for years 2017-2019 per Health Region will be uploaded. As a result, information about the financial performance of public hospitals would be easily available, gathered and accessible to general public for increased transparency and control purposes.
- The analysis of financial indicators per hospital department would be particularly interesting but there is not any data available because hospitals do not implement departmental budgets. The introduction of departmental clinical budgets can lead to more efficient cost monitoring and resource allocation both at hospital and department level.The clinical and nursing staff should be involved in the budget setting process as they are closer to the point of action (i.e. the patient). The implementation of departmental budgets should be the next priority of the Ministry of Health.
- According to the recent Ministerial Decision No 70504 of 2019, the external accountants are responsible for the bookkeeping of a reliable accounting system, as they must deliver signed trial balances on a monthly basis. The financial tables of the Business Intelligence (B.I.) Platform will then be compiled with the data provided by the monthly signed trial balances. The objective is to enhance integrity and reliability of hospital financial data which will arise from the accounting system, based on the accrual accounting method.
- A Diagnosis Related Grouping system is a patient classification system that collects patients' discharge data, classifies them in a manageable number of Groups (DRGs), which are clinically meaningful and economically homogeneous. The Greek DRG institute (Greek acronym KETEKNY) will propose to the Ministries of Health, Finance, Labor and Social Affairs a selection of hospitals that will implement the DRG system from 1st January, 2021. Hospitals with a high level of cost monitoring can provide KETEKNY with reliable and accurate cost data so that scientific cost analysis is performed and cost weights for each DRG are calculated.
- The performance of public hospitals should be evaluated by the examination of not only financial position, financial performance and cash flows but also hospital productivity and clinical output. Qualitative outcome indicators for hospital performance which will measure clinical effectiveness, patient safety, medical errors, hospital-acquired infections, patient satisfaction and quality of care should be established. The recent establishment of the National Organization for Quality Assurance in Health (ODIPY) is towards this direction.

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