Concord Hospital Financial Performance Analysis

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Introduction

Rapid global advancements in media and technology have made it simpler for companies of all sizes to reach consumers and deliver goods and services. But a company's marketing and advertising success is one of many elements contributing to its bottom line. Kourtis et al. (2021) think that a company's primary goal should be to maximize profits for its shareholders, which requires careful management of its finances. Concord Hospital, Inc. and its Subsidiaries must have a financial strategy to maximize their chances of success in the marketplace. Concord Hospital, Inc. and Subsidiaries is an American healthcare company that has been in business since 1891 and is headquartered in Concord, New Hampshire. There is the option for either in- or outpatient treatment at this medical center. The group's primary objective is to supply reasonably priced medical services of the highest quality. Concord Hospital's bottom line reflects the institution's caring, patient-centric approach to healthcare. In 2020, the company expected to earn 524,309,000 in sales, demonstrating enticing financial success. There was a total of $515,980,000 in spending this year. So, we will analyze Concord Hospital's budgetary tactics for this task.

Concord Hospital Financial Performance Analysis

The company has released its financial results for the fiscal year 2019/2020 following financial reporting regulations. According to the financial report, the company made 524,309,000 USD in sales during the 2019/2020 fiscal year, down 0.73 percent from the previous year. There would have been a drop in earnings because fewer patients were seen. The revenue from patient services fell by $30,76,000, and the income from disproportionate shares fell by $1,013,000 in the 2019-2020 fiscal year. There was a decrease of $530,000 in restricted net assets for operations but an increase of $26,725,000 in other revenue that healthcare receives compared to the previous fiscal year.

Operating costs will rise by 0.73 percent between the current fiscal year and the following year. Expenditure overruns pose a risk to the company's performance if they force the company to cut corners on the project's scope or quality to keep costs down to the original estimate. If the timeline needs to be pushed back because insufficient money is available to finish the project on time, then the project is at risk of incurring expenditure risk. Employee benefits, supplies, other expenses, purchased services, professional fees, and Medicaid enhancement tax increased by 9.4%, 3.4%, 5.9%, 0.5%, and 0.57%, respectively, contributing to the overall increase in operating expenses. While some

costs increased, others were reduced by a sizeable percentage, indicating that it is feasible for a healthcare facility to implement strategies that reduce costs and boost income. To give two examples, interest costs drop by 82.2%, while wage costs drop by 1.9%. By increasing nonoperating income by $13,883,000 in the fiscal year 2020, the healthcare system could make up for the ($7,228,000) net loss in nonoperating income in the fiscal year 2019. In the 2019–2020 financial statements used for this case, projected 2020 revenue and operating income of $14,634,000 exceeded expenses by $9,391,000. These are historical figures and should not be described as the hospital's most recent financial position. However, the company needs to reduce expenses and other earnings-related risks.

Techniques for reducing expenses

Given the recent boom in the number of hospitals and clinics across the United States, Concord Hospital should consider implementing techniques that provide them an edge over their rivals. The hospital could utilize tactics that minimize costs. Revenue from patient services, for example, fell in the fiscal year 2019-2020 financial statements, which may indicate that the hospital increased prices to pay expenses and drove away patients. Nonetheless, the company can consider cost-cutting measures to offer healthcare services at reasonable prices to retain clients. Cost-cutting efforts must, however, not compromise service quality.

Concord Medical Center should consider standardized practices and contracts to bundle and to save money. For healthcare facilities, standardization can be a great way to save money. Hospitals can reduce their operating expenses by outsourcing non-core services like pharmacies and laboratories, allowing more money to be spent on things like updating equipment and hiring new medical professionals (Sunderaraman et al., 2022). When hospitals have too many protocols, money is wasted, service quality drops, and patients become unhappy. Standardization with a single partner can help cut costs and boost patient satisfaction. Look for a collaborator who can complement your operations and your culture. When there is only one partner, good governance simplifies management. To reduce employee turnover and fatigue, Concord Hospital may also take into account its staff. The hospital may assist its staff by providing a pleasant workplace, eliminating obstacles to efficiency, and supplying all necessary resources. In addition to saving money on recruitment costs, keeping your present healthcare staff engaged and committed to your organization's caring mission may do wonders for morale (Graban, 2018). Employees at Concord Hospital may benefit from the hospital's efforts to provide them with chances for professional growth, support their continued employment, and show appreciation.

Concord Hospital Reimbursement Strategy for

Hospital Revenue

In the business World, no company is subject to revenue stagnation; thus, every firm can establish techniques that would aid in improving and increasing revenue. One of the techniques that a company can employ is cost reduction to increase revenue. However, reimbursement techniques exist, such as improved price transparency and patient billing. The healthcare facility could improve its productivity by adapting its revenue cycle processes to the needs of the new patient. Providers who want to get paid fast from their patients should do things like provide cost estimates before the point of treatment, accept several payment methods, and automate medical billing (Zou et al., 2020). Right now, electronic medical billing is the most popular option among patients. Increased speed in revenue collection is made possible by automated patent and bill collection.

The company may also consider receiving payments before and after an event. The back-end revenue strategy includes the final patient financial responsibility, medical billing, denials, and claims administration (Atefi et al., 2020). As part of the revenue cycle that begins with the patient, the front-end personnel collect information from patients, registers new patients, and verifies insurance coverage and eligibility. Employees at the front and back ends of the revenue cycle coordinate their efforts to maximize healthcare revenue (Atefi et al., 2020). The business's profit cycle will be enhanced by dividing front- and back-end responsibilities. A successful financial cycle will result in increased compensation.

Concord Hospital needs to use data to compare themselves to other hospitals in terms of how successful their earnings cycle is. Because data shows the company's financial health, and because, with a productive team, the integrity of the data and its application leads to proper reimbursement, healthcare companies must adopt a data-driven earnings cycle.

Using the financial performance to develop the brand

An organization's reputation, particularly it's standing within its core customer demographic, is built through marketing and public relations campaigns. A company's financial success, however, is something it can use to its advantage. Concord Hospital's utilization of financial data represents a major advance toward attracting new franchise owners and investors and growing. Financial statements showing profit growth will ultimately boost the company's profile with potential investors and franchisees. As the company grows and more clinics are opened thanks to new franchisees and investors, its reputation and popularity will inevitably rise.

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