Open accounting in self-financing hospital management

From Wolfgang Lederer

Dear Sir,

It was with great interest that I read the manuscript by Rao et al. (2009) on the performance of Afghanistan’s Community Health Fund operating at the primary care level. I fully agree with their thoughtful conclusions that it is important to combine sustainable local financing mechanisms and external financing sources in order to reduce dependence on donor funds. Financial management of a community co-determined hospital is particularly difficult in the rural area. Rural hospitals are more likely to have low income, low costs and limited health care resources (Weaver et al. 1994). Transportation costs, logistics, safe water supply, and electricity from a national grid are some of the factors that influence the balance between payable services and expenditures. Availability of specialists and highly-trained health care personnel willing to work in the rural area is scarce and further reduces the scope of health services provided to the community (Kyaddondo and Whyte 2003). There is need of a transparent financial management system.

When I worked as Medical Superintendent in a small self-financing community hospital in Rushere, Uganda, open accounting was introduced that allowed every staff member to calculate the cost of treatment, hospital stay or even his salary or the salary of his colleagues using the official compensation key for accounting. At the end of the month all staff gathered in the meeting room around a table. Each employee calculated his or her wages, the amount was cross-checked by other colleagues, paid out by the cashier and the payment receipt was signed by the employee. This system was completely new and unfamiliar but enjoyed more and more popularity, especially with recipients of lower wages. Unfortunately, changes in hospital administration and incorrect planning caused the implementation of this self-reliant hospital management system to be short-lived. The question is raised whether open accounting can serve as a mode of transparent financial management in a community-based health care system.

Conflict of interest: The author declares there are no conflicts of interest in regard to the material discussed in this letter.

References


doi:10.1093/heapol/czp035