1 Introduction

Today, more than ever in the past, the variables within the health care environment are undergoing such rapid change that hospital administrators are finding it necessary to develop and implement competitive strategies in order to survive in the increasingly competitive hospital environment[1]. Since the 1990s, there is a general trend for stakeholder to put more pressure on hospitals for accountability, transparency and equity of access to health[2]. The most important control of the health care debate is national expenditure limit, which would impose an externally determined rate of growth on health insurance premiums[3]. Strategic management in hospitals is a complex task. Applying effective strategies can be serve as a tool for success in the health care industry[4].

Therefore, health care executives are having to implement several types of competitive strategies in order to survive, including human resources-marketing strategies, organizational innovation, service quality control, innovation in pay policies, competitive pricing, operating efficiency and lean thinking[1,5,6].

Take a look to other countries’ health insurance, every country has different health insurance according to the different culture and background. In European, many health care systems impose longer waiting times on patients rather than incur budgetary spending to build the required capacity to eliminate queues and other forms of rationing. In USA, dramatic changes took place in county hospitals during 1964 to 1985. The primary impact came from Medicaid and Medicare legislation in 1965. The secondary impact came as the result of the drug culture entering American cities. In Taiwan the National Health Insurance System was held since 1995, the people who live in Taiwan must join the insurance system. Through continuous modifying and correcting, we started to practice global budget in dental in 1998 summer. And start to practice global budget in Herbal Medicare in the next
year. At last, the global budget practice in whole health care in 2002 summer. During past decade there more than 300 regional hospitals were bankrupt. The medical center still growth and increasing the beds and financial performance. So we have an interest in the managerial policy of these medical centers.

2 Purpose

The studies try to identify the difference strategic management of medical center in Taiwan under the global budget of the National Insurance System. Owing to maintain the quality of medical practice, in European, there have Four principal models and national variants of external evaluation, e.g. medical specialty-driven visitation, traditional accreditation against explicit standards, European Quality Awards based on the model of the European Foundation of Quality Management(EFQM), and certification using ISO standards(ISO 9000 series). In the USA, the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) includes 10 information management standards in its accreditation process to assess the quality of an organization as a whole[7]. In Taiwan, the Taiwan Joint Commission on Hospital Accreditation includes 8 management standards in its accreditation process to evaluate the quality of an organization during medical practice every three years. The primary aim of this paper is to answer three questions. First, strategic management is useful for the medical center under global budget? Second, which one of the strategic management is very important for the medical center? Finally, analyses the impact of these on hospital performance.

3 Material and Methods

The survey was conducted on a sample of medical center in Taiwan, a questionnaire was designed according to the assess criteria of the Taiwan Joint Commission on Hospital Accreditation and sent to hospital CEOs, the data extracted were used to construct the variables needed to identify strategies and perform the subsequent analyses, the data source for the empirical part of the study was a survey aimed at Superintendent or vice Superintendent.

According to the Taiwan Joint Commission on Hospital Accreditation, the questionnaire gave forty-four indicators which were divided into seven domains and factors as hierarchy, such seven domains as “the willing scene of mission and goal”, “organization architecture”, “excellent service”, ”innovation studying”, ”personnel educate”, “community service” and “type of
operation”. From 86 questionnaires that were distributed, 63 valid replies were returned, that is reply rate of 73.25%, which is acceptable with this method of data collection. Of the 63 valid replies, the AHP (analytic hierarchy process) would be used to analyzing the data.

4 Results

The 63 valid replies was analysed by the method of AHP, and showed the most important domain is “excellent service” (table 1), the second is “the willing scene of mission and goal”, the third is “organization architecture”, the fourth is “personnel educate”, the fifth is “type of operation”, the sixth is “innovation studying” and the last domain is “community service”. In the willing scene of mission and goal, the first is the medical care of high quality that people first, high efficiency as the goal, the last is regard improve and strengthen the international medical treatment of studying as the goal. All of the seven domains also use the AHP to analyzed the difference and have an excellent results (CI less than 0.1).

<table>
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<th>Domains</th>
<th>Contents</th>
<th>Weight</th>
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<tbody>
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<td>the willing scene of mission and goal</td>
<td>0.2395</td>
<td>2nd</td>
</tr>
<tr>
<td>two</td>
<td>organization architecture</td>
<td>0.1305</td>
<td>3rd</td>
</tr>
<tr>
<td>three</td>
<td>excellent service</td>
<td>0.2396</td>
<td>1st</td>
</tr>
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<td>four</td>
<td>innovation studying</td>
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<td>6th</td>
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<td>personnel educate</td>
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5 Discussion

A hospital’s strategic decisions determine how the organization will align itself with the environment. The empirical analysis can state that those medical centers even under the global budget payment still have strategic behavior in all of its activities (clinical attention, human resource, technology, quality, marketing, information and financial management) to achieve their roles—education, research and services. The main results of this paper let us to identify strategic practices in a sample of hospitals, and to detect within the sample groups of hospitals applying similar
strategies. Results support the existence of strategic management in the factors that were extracted. The first factor is termed “the medical care of high quality that people first, high efficiency as the goal” and is means is that the hospital must give the patient excellent care even under the unfair treatment system. The hospitals derived an excellent strategies such as give employee well education and training to prevent medical errors and improper cost to maintain profit(average 6%). They also create a new purchase and supply chain management system for decreasing cost. Unfortunately, because the shortage of benefit, so they had no ability to invest into the era of new technology and drug innovative research. So, we suggest that the medical centers in Taiwan following things A). The hospitals should consider future and present needs while configuring its offer to the society B). Ask the supervisor to construct an union research center for those medical centers and gather specialist from the medical centers to build a strong research team in order to diminish waste. C).Traditionally, the hospitals have been organized on a line-basis, according to various health functions. Modern organizational structure are intended to satisfy more business-line concerns, relate to the hospital’s corporate strategy and more in tune to the new hospitals specialized structure and mandate. The study also gave the researchers some implications. The first is that health services researchers, hospital administrators, and physicians need to be concerned with a variety of methods for enhancing the role of physicians in hospital strategic decision making. The second implication is that hospitals compete in different ways for patients and that these different competitive approaches result in differential physician participation—in strategic production function decisions and in strategic marketing function decisions. The third implication is that the nature of strategic decisions must be carefully considered by researchers and hospital administrators, as well as by physicians, if they want understand the role physicians play in today’s health care organization.

Reference


