
Reality of Financial Risk Management in Palestinian Hospitals, Case of “al-makassed Islamic Charitable Society Hospital”

Ooroubah Mahmoud¹, Sama Faron², Firas Barakat³
Mohammed Bayyoud⁴, Nidal Darwish⁵, Nermeen Ahmad Sayyad⁶

¹Department of Banking & Finance, Faculty of Economics and Business Al-Quds University, Jerusalem, Palestine

²Head of Nursery department, Almaqased- Hospital

³Department of Accounting, Faculty of Economics and Business Al-Quds University, Jerusalem, Palestine

⁴Department of Banking & Finance, Faculty of Economics and Business Al-Quds University, Jerusalem, Palestine

⁵Department of Business Administration, Faculty of Economics and Business, Al-Quds University, Jerusalem, Palestine

⁶Department of Business Administration, Faculty of Economics and Business, Al-Quds University, Jerusalem, Palestine

doi: 10.51505/IJEBMR.2022.6201

URL: <http://dx.doi.org/10.51505/IJEBMR.2022.6201>

Abstract

This study aimed to assess the reality of financial risk management in Palestinian hospitals, case of Al-Makassed Islamic Charitable Hospital in Jerusalem. Cross-Sectional Descriptive Analytic designs were used in this study at the Al-Makassed Islamic Charitable Hospital in Jerusalem. All employees in the administrative and financial department equal 32 and 60 patients, equally divided for open and closed units at Al-Makassed Islamic Charitable Hospital. Total mean for employee's agreement toward finance equals 3.18

(Std. Dev. =1.04) who considered moderate agreement. Total mean for employees' agreement toward Profitability equals 2.56 (Std. Dev. =1.19) who considered moderate agreement. Total mean for employees' agreement toward Effects of Financial Risk equal 4.37 (Std. Dev. = 0.2) who considered High agreement. Total mean for patients' agreement toward the financial part of Economic factors when deciding to treat in Al-Makassed hospital equal 3.45 (Std. Dev. =1.26) who considered high agreement. Total mean for patients' agreement toward the Suitability of Prices in Al-Makassed hospital equals 3.40 (Std. Dev. =1.12) who considered high agreement. According to the results, there was a strong positive relationship between financial risk management and a hospital's ability to maintain the quality and safety of patients care. For hospital employees there is a moderate agreement with the financial dimension and profitability

dimension, however, there is a high agreement with the effects of financial risk, for patients' high agreement with the importance of economic factors when deciding to treat in a hospital, based on the suitability of prices.

Keywords - financial risk management - Palestinian hospitals, "Al-Makased Islamic Charitable Society hospital".

1.1 Introduction:

Al-Makassed Hospital, located in the occupied city of Jerusalem, is one of the most important health institutions. It contains (270) beds at present, becoming the main hospital to which patients are referred from Jerusalem, the West Bank, and the Gaza Strip. The hospital is also an educational center that provides training, specialization, and scientific research services to resident doctors and medical students in cooperation with the Al-Quds University.

Al-Makassed Hospital operates in an environment with many challenges, both at the level of the internal environment and external, it has become necessary for it to analyze the strengths and weaknesses in its internal environment, and the opportunities and challenges that surround it from the external environment.

Risk management is a management activity that becomes more important as companies become more global and more competitive. The risk management process consists of a series of steps that define context, analyze, assess, process, control, communicate, and continuously improve decision making. By implementing risk, organizations can reduce unexpected and costly emergencies and allocate resources more efficiently. It helps improve communication and improve organizational performance by providing a summary of the threats it may face (Pojasek, 2017).

Managing financial risk necessitates making organizational decisions about risks that are acceptable versus people who do not seem to be. The passive strategy of taking no action is the acceptance of all risks by default. Organizations manage financial risk by employing a style of strategies and products. it is important to know how these products and methods work to cut back risk within the context of the organization's risk tolerance and objectives. (K. Horcher, 2005)

When considering the financial health of hospital facilities, varying financial indicators measuring profitability, liquidity, and solvency represent significant markers of financial health; however, discerning financial health is complicated among hospitals and it is difficult to rank the numerous indicators by importance or predictive power. Additionally, individual indicators do not necessarily capture all aspects of hospital financial health, and their order of importance is unclear since varying studies cite different measures as being the most effective indication of impending fiscal problems. (Brecher C, Nesbitt S, 2018)

1.2 Problem statement:

As chief financial officer "Jamal AlDaqaq" said: (Al-Makaseed hospital is facing financial crisis and debts on the Palestinian National Authority and patients who are treated on their account are estimated at millions of shekels, moreover the percentage of patients receiving treatment at the expense of a referral from the Palestinian National Authority is 70% of whole hospital patients.

In other words, the hospital's work depends heavily on patients referred from the Palestinian National Authority).

The delay in the payment of financial dues to Al-Makassed hospital, which affects their performance, and leads to a shortage in cash flow to cover the staff salaries, drugs and supplies purchases, and other expenses.

Financial dues could be committed by governmental or private insurance companies, or by a patient at his expense.

One of the challenges facing the Ministry of Health's budget is the rise in the bill for medical transfers ("purchase of service"). In 2018, it allocated NIS 450 million from the public treasury. The budget of the Ministry of Health in Palestine in 2018 is (787,683,000 NIS); 11% of the general budget, and the actual expenditure achieved is in line with the allocated budget, In the allocated development budget that has increased over the years 2016-2018, good and statistically significant, however, health coverage is needed, according to the World Health Organization (WHO) standards, there is still a need for more budgets to be allocated to the Ministry of Health 2017-2022. (B.Falah, J.Meshal and W. Betawi, 2020)

Study Hypothesis

Inferential hypothesis for Al-Makassed Hospital employees

1. There are no significant differences at ($\alpha \leq 0.05$) between employees' agreement toward financial dimension at Al-Makassed hospital related to Socio-demographic variables (Gender, marital status, age, educational level, years of experience, and job position).
2. There are no significant differences at ($\alpha \leq 0.05$) between employees' agreement toward profitability dimension at Al-Makassed hospital related to Socio-demographic variables (Gender, marital status, age, educational level, years of experience, and job position).
3. There are no significant differences at ($\alpha \leq 0.05$) between employees' agreement toward effects of financial risk at Al-Makassed hospital related to Socio-demographic variables (Gender, marital status, age, educational level, years of experience, and job position).

Inferential hypothesis for Patients at AL-Makassed Hospital

1. There are no significant differences at ($\alpha \leq 0.05$) between patients' agreement toward the importance of factors when deciding to treat at Al-Makassed hospital related to Socio-

demographic variables (Gender, marital status, age, educational level, years of experience, and job position).

2. There are no significant differences at ($\alpha \leq 0.05$) between patients' agreement toward the suitability of prices at Al-Makassed hospital related to Socio-demographic variables

(Gender, marital status, age, educational level, years of experience, and job position)

Theoretical Framework

Risk Management

Risk management is a management activity that becomes more important as companies become more global and more competitive. The risk management process consists of a series of steps that define context, define, analyze, assess, process, control, communicate, and continuously improve decision making. By implementing risk, organizations can reduce unexpected and costly emergencies and allocate resources more efficiently. It helps improve communication and improve organizational performance by providing a summary of the threats it may face (Pojasek, 2017).

“Risk management is defined as a scientific process for the identification and evaluation of pure loss exposure faced by a corporation or a private, and for the implementation of the foremost appropriate techniques for treating such exposure.”(Radja, 1997, p.40).

Two main thoughts are often extracted from these definitions: uncertainty and process. We cannot expect the longer term with accuracy. Uncertainty rises when a person notices risk, it pushed one to manage to be prepared for the uncertainty of the possible outcome.

The core principles that drive decision-making for prioritizing and mitigating risk are likely set in most risk managers' brains, but like many other bits of information, a review of the fundamentals is both reinforcing and refreshing. Our day-to-day work keeps us so busy we might not have the chance to supply basic education to organizational leaders, members of our department, physicians, and staff about exactly what risk management is. Reinforcing these principles can help demonstrate how a strong risk management program supports the achievement of the organization's mission and vision.

Risk Management Process

The risk management process is a framework for the actions that need to be taken. Five basic steps are taken to manage risk; these steps are referred to as the risk management process. It begins with identifying risks, goes on to analyze risks, then the risk is prioritized, a solution is implemented, and finally, the risk is monitored. In manual systems, each step involves a lot of documentation and administration as identified by (Thomas,2020).

Risk management in healthcare

Risk management in healthcare encompasses the clinical and administrative systems, processes, and reports employed to detect, monitor, assess, mitigate, and forestall risks. By employing risk management, healthcare organizations proactively and systematically safeguard patient safety further because of the organization's assets, market share, accreditation, reimbursement levels, brand value, and community standing. (N. Catalyst, 2018).

As healthcare risk management sequencers progress into an enterprise risk model, these basic principles still apply. Integrating each of the five elements into the decision-making process to manage uncertainty within the organization while adding value and exploiting the opportunity to satisfy the mission and vision will still make sure the backbone of the chance management program remains intact (Ann D. Gaffey, 2015).

Risk management in healthcare is theoretically more important than in other industries. In most industries, a company develops and implements risk management strategies to forestall and mitigate financial losses, this applies to healthcare but regarding patient safety instead of financial safety. Risk management during this industry can mean the difference between life and death, which makes the stakes significantly higher.

Developing countries have achieved remarkable reductions in morbidity and mortality over the past thirty years. But continuing gains depend largely on the capacity of health systems to deliver basic varieties of services and knowledge to households that are often dispersed and poor. At the identical time, rising incomes, aging populations, and urbanization are increasing the demand for the traditional services of hospitals and physicians. (J. Guarracino, 2014).

healthcare moves far from a fee-for-service payment environment to at least one that encourages reimbursement for quality and value, chief financial officers face a damning reality. this sort of seismic shift naturally exposes any organization to increased risks. For hospitals and health systems, how will they be ready to offer high-quality care with fewer funds? How can they create investments for the long run with restrained capital? How can they maintain a diligent, hardworking staff as expenses rise?. (J. Guarracino, 2014).

Determination of Risk Management in Healthcare system:

Deployment of healthcare risk management has traditionally focused on the important role of patient safety and thus the reduction of medical errors that jeopardize an organization's ability to appreciate its mission and protect against financial liability. But with the expanding role of healthcare technologies, increased cyber security concerns, the fast pace of natural science, and also the industry's ever-changing regulatory, legal, political, and reimbursement climate, healthcare risk management has become more complex over time (Ann D. Gaffey, 2015).

Moreover, with the value-based care movement and today's risk-bearing models like bundled payments and CMS's get performance programs, financial risk is increasingly shifting from payers to providers and requires a broader view of risk management. Hospitals and other healthcare systems are expanding their risk management programs from the ones that are

primarily reactive and promote patient safety and forestall legal exposure, to increasingly proactive ones and appear to be in danger through the much broader lens of the entire healthcare ecosystem.

While members of the industry understood the importance of expanding risk management in healthcare beyond patient safety and medical liability, the transition has been slow. In keeping with the Healthcare Financial Management Association (HFMA), “Despite the growing importance of programs today, and also the raised awareness of their importance, many healthcare providers are slow to adopt a more sophisticated approach. .. this state for several providers falls between ‘basic’ and ‘evolving’ maturities for ERM programs.”

Development of Risk Management in Healthcare System

To expand the role of risk management across the organization, hospitals and other healthcare facilities are adopting a more holistic approach called Enterprise Risk Management. ERM includes traditional aspects of risk management including patient safety and medical liability and expands them with the “big picture” approach to risk across the organization as strategic risk, Operational Clinical & Patient Safety, Financial risk, Environmental- and Infrastructure-Based Hazards risk, Regulatory & legal risk, Technological risk, and Human Capital risk. (Dan MOSKOWITZ, 2020)

Importance of managing the prospect in the Health Care system

Risk management in health care can mean the difference between life and death, which makes the stakes significantly higher. While the underside line is extremely important, the health care industry's main priority is and can be saving and protecting lives. The key factor to successfully managing the danger in the Health Care system might be a centralized reporting system. In health care, risks can range from—but are not limited to—faulty equipment and other hazards, medical malpractice, and procedures. Managing these and other risks is pivotal within the health care industry to keep people safe and secure, and to maintain low costs. Once risk management strategies are put into place, hospitals, long-term care facilities, and other health care organizations can minimize the potential for loss. (Dan MOSKOWITZ, 2020)

A risk manager is sometimes someone who has experience in handling risk-related issues in multiple settings. This individual should be able to identify and evaluate risks, which should then reduce the potential for injury to patients, staff members, and visitors. This professional should also analyze the prospect management strategies that are already in place. If certain strategies are used for specific medical conditions and are believed to lead to dangerous side effects, those strategies must be altered. That being said, all employees should recognize anything which will present increased risk as not filling expired prescriptions to forestall abuse, following fast missing test results to increase consultations, Preventing falls and immobility, tracking missed appointments to manage risks, increasing communication with patients to cut back improper taking of medication. (Dan MOSKOWITZ, 2020)

The risk ladder is additionally called prioritization. First, a health care organization must establish what could happen, how likely something is to happen, and also the severity of that

problem. From there, it must be determined how that organization can mitigate those risks and limit their impact, and what the potential exposure of those risks would be if they were not contained. As you will notice, the priority is commonly the protection of everyone involved when it involves health care risk management —not finances. That is not to say that finances do not and will not matter. A facility and risk manager's main concern should be keeping people safe. After all, a scarcity of safety may end up in injury and even death which, in turn, may lead to lawsuits and indemnity. (Ann D. Gaffey, 2015)

Secondary Health Care in Palestine (Hospitals)

The Ministry of Health is taking account of most providers of secondary health care services (hospitals) in Palestine. Where it owns and operates 3,462 beds in 27 hospitals with all the governorates having 82 hospitals working in Palestine with 6,440 beds. 52 of the overall hospitals are in the geographical region including East Jerusalem with a complete bed capacity of 3,897 beds that is 60.5% of the entire beds in Palestine, while the remainder is in other geographical areas. In Palestine, Non-Governmental Organizations have 35 hospitals with a capacity of 2,141 beds and therefore the private sector has 17 hospitals with a capacity of 631 beds. UNRWA has one hospital in Qalqiliya with a capacity of 63 beds. Military medical services have two hospitals in a geographic area with a capacity of 143 beds. The hospital beds of the Ministry of Health cover the majority of specialties, including general surgical services and subspecialties, medicine, pediatrics, psychiatric and other specialties. Rehabilitation and physiotherapy services are offered by non-governmental organizations. MoH hospitals also provide services to patients through outpatient clinics, emergency departments, and hemodialysis units. There are 11 kidney dialysis units in hospitals of the Ministry of Health in a geographical region, additionally to at least one unit in An -Najah National University hospital in Nablus and five units in a geographic region, with complete 365 machines. In 2018, 277,102 complete hemodialysis sessions passed in Palestine. Diagnostic radiological and laboratory services are provided in MoH hospitals, with 1,418,216 complete Medical graphics conducted in MoH hospitals in Palestine in 2018. (B. Falah, J. Meshal, 2020).

Methodology

The Cross-Sectional Descriptive Analytic designs were used in this study to explore the reality of financial risk management in Palestinian hospitals (Al-Makassed Islamic Charitable Hospital in Jerusalem as a case) to achieve aim and objectives using a self-filling questionnaire.

Setting

The setting of the study was Al-Makassed Islamic Charitable Hospital in Jerusalem.

Population and Sample

The target population of the first part of the study consists of administration department employees and financial department employees in Al-Makassed Islamic Charitable Hospital. In the second part of the study, the target population consists of patients in Al-Makassed Islamic Charitable Hospital. The estimated number of administrative department employees and financial department employees is 32 and the estimated number of patients is 60.

Sample

Random sampling was adopted to distribute the questionnaire so that every employee in the administrative and financial departments will have the same opportunity to participate in this study which equals 32 employees.

For patients' convenience, sampling was adopted to distribute the questionnaire which included 60 samples.

Instrument

Two questionnaires were used in the study, the first one is for employees in the administrative and Financial department which included 31 items divided into four sections, section one for sociodemographic variables, section two for the financial dimension, section three for profitability dimension, and section four for the effects of Financial Risk. The second questionnaire is for patients' companions, which includes 20 items divided into three sections, section one for socio demographic variables, section two is for the suitability of price and section three is for the importance of factors when deciding to be treated in a hospital.

Effects of Financial Risk

According to the results, correlation is significant at the 0.05 level which means that the statements of the first dimensions are internally consistent with its dimension as shown in table (1).

Table 3.5: Correlation between financial Dimension items and total degree for dimension

Statement	Person Correlation	P Value
D1	0.683	0.000
D2	0.699	0.000
D3	0.654	0.000
D4	0.592	0.000
D5	0.527	0.002

Data Collection

Subjects were accessed face to face in the previously mentioned hospital, a self-administered questionnaire was distributed in the administrative and financial department in addition to patient`s companions in open and closed and filled questionnaires were collected within four weeks. Data was collected in the mentioned hospital in the period April 10th, 2020 to May 10th, 2020.

Data Analysis

Data were analyzed using Statistical Package for Social Sciences version 23. Analysis of the retrieved data involved descriptive and inferential statistics. Frequencies and descriptive statistics of characteristics of the subjects and responses were calculated for each questionnaire item. Inferential statistics were conducted between sample characteristics and main study sections.

Descriptive statistics such as frequencies, means, percentages, and standard deviation were calculated for all items on the questionnaire. Furthermore, t-Test and ANOVA were used to determine relationships between variables.

Results:

First part: Employee Questionnaire

4.1 Socio-demographic Characteristics

Table (4.1): Socio-demographic For Al-Makassed Hospital employees

	Characteristics	Frequency	Percentage	
A1	Gender	Male	19	59.4%
		Female	13	40.6%
A2	Marital status	Single	5	15.6%
		Married	23	71.9%
		Divorced	4	12.5%
		Widowed	0	0%
A3	Age	19-25 Years	2	6.3%
		26-32 Years	8	25%
		33-39 Years	0	0%
		40 Years and above	22	68%
A4	Educational level	Diploma	3	9.4%
		Bachelors	17	53.1%
		Post graduate	12	37.5%
A5	Education	Business Administration	9	28.1%
		Accounting	11	34.3%
		Economics	2	6.3%
		Other	10	31.3%
A6	Years of experience	Less than 10 years	16	50%
		10-19 years	5	15.6%
		20-29 years	3	9.4%
		30 years and above	8	25%
A7	Job Position	Administrative manager	2	6.3%
		Financial manager	1	3.1%
		Accounting Manager	4	12.5%
		Financial staff	6	18.8%
		Accounting staff	11	34.4%
		Other	8	25%

The total number of samples was thirty-two employees, 59.4% of the total sample was male and 40.6% female. On the other hand, 71.9% of employees were married, 15.6% were single, and 12.5% were divorced. Around 68% of the sample are age forty years and above, 25% are between 26 -32 years, and 6.3% are between 19 – 25 years as shown in table (4.1).

53.1% of employees have bachelor degrees, 9.4% have diploma degrees and 37.5% have post-graduate certificates, this reflects that the hospital is educational and urges its employees to obtain master's degrees, and does not employ less than a bachelor's degree at present. Moreover, the total sample of employees had branch education in Business Administration 28.1%, Accounting 34.3%, and 31.1% for other courses; this means that all employees in the finance and accounting department are specialized. On the other hand, 50% of employees had less than ten years' experience, 25% between ten and twenty-nine years, and 25% had thirty years' experience and above because all employees are below 60 years.

4.2 Descriptive Statistics for Al-Makassed Hospital employees

4.2.1 Financial Dimension

Table (4.2) Makassed Hospital employees' agreement toward financial Dimension

#	Statement	Strongly Disagree	Disagree	Neutral	Agree	Agree Strongly	Mean	Std. Dev.
		1	2	3	4	5		
B1	The available financial resources are used to improve the hospital's performance.	15.6%	18.8%	18.8%	37.5%	9.4%	3.06	1.26
B2	The administration works to provide funding sources that lead to the hospital's development.	9.4%	21.9%	21.9%	37.5%	9.4%	3.15	1.16
B3	The hospital seeks to control unnecessary expenses that do not contribute effectively to improving the quality of medical services provided.	28.1%	25.0%	15.6%	28.1%	3.1%	2.53	1.26
B4	The hospital works continuously to improve its financial returns.	9.4%	25.0%	18.8%	43.8%	3.1%	3.06	1.1
B5	The hospital is working continuously to develop plans to activate the utilization of revenues.	6.3%	31.3%	28.1%	31.3%	3.1%	2.93	1.01
B6	The hospital works to increase its revenues by opening new departments or providing new services.	6.3%	3.1%	28.1%	50.0%	12.5%	3.59	0.97
B7	The hospital is committed to the principle of efficient procurement (purchase with quotations).	0.0%	15.6%	34.4%	46.9%	3.1%	3.37	0.79
B8	The hospital administration periodically reviews the approved budget to control and treat deviations.	3.1%	40.6%	37.5%	18.8%	0.0%	2.71	0.81
B9	Financial reports are prepared periodically to achieve effective financial performance.	6.3%	21.9%	28.1%	37.5%	6.3%	3.15	1.05
B10	There are specific financial indicators that can be relied upon to measure financial performance.	6.3%	34.4%	25.0%	28.1%	6.3%	2.93	1.07
B11	The hospital's financial condition is negatively affected by the economic crises that the Palestinian health sector is going through.	3.1%	3.1%	3.1%	25.0%	65.6%	4.46	0.94
Total							3.18	1.04

The total mean for employee's agreement toward financial part in Makassed hospital equal 3.18 (Std. Dev. =1.04) that considered moderate agreement.

The employees are strongly in agreement with the following statements:

The hospital works to increase its revenues by opening new departments or providing new services (mean= 3.59), So, there are new departments in hospitals like the neurosurgery intensive care unit that has led to an increase in the number of cases, and the hospital's financial condition is negatively affected by the economic crises that the Palestinian health sector is going through (mean= 3.37). The financial situation has recently been affected by the Coronavirus, the high cost of treating patients, and the inability to repay debts due to the bad economic situation. Moreover, the employees have a moderate agreement with the following statements (The available financial resources are used to improve the hospital's performance, as the administration works to provide funding sources to support the hospital's development. The hospital works continuously to improve its financial returns. The hospital is working continuously to develop plans to activate the utilization of revenues. The hospital administration periodically reviews the approved budget to control and treat deviations. Financial reports are prepared periodically to achieve effective financial performance and there are specific financial indicators that can be relied upon to measure financial performance. The lowest agreement was with the statement: The hospital seeks to control unnecessary expenses that do not contribute effectively to improving the quality of medical services provided, maybe because of unnecessary lab tests and investigation for long hospitalized patients, those who receive treatment on transfers from the Palestinian National Authority.

4.2.2 Profitability Dimension

Table (4.3) Makassed Hospital employees' agreement toward Profitability Dimension

#	Statement	Strongly Disagree	Disagree	Neutral	Agree	Agee Strongly	Mean	Std. Dev.
		1	2	3	4	5		
C1	Operating profit is in good standing.	37.5%	31.3%	15.6%	15.6%	0.0%	2.09	1.08
C2	Return on assets is acceptable.	21.9%	37.5%	18.8%	18.8%	3.1%	2.41	1.14
C3	Net assets are high.	15.6%	37.5%	31.3%	6.3%	9.4%	2.56	1.13
C4	The hospital asset utilization efficiency is high.	12.5%	34.4%	28.1%	18.8%	6.3%	2.7	1.13
C5	Capital spending is high.	6.3%	25.0%	18.8%	31.3%	18.8%	2.31	1.22
C6	The bill collection rate is high.	25.0%	37.5%	12.5%	21.9%	3.1%	2.4	1.18
C7	Few free patient treatment	12.5%	46.9%	12.5%	15.6%	12.5%	2.68	1.25
C8	The cost of health services is higher than the amount of profit.	9.4%	25.0%	15.6%	25.0%	25.0%	3.31	1.35
Total							2.56	1.19

The total mean for employee's agreement toward Profitability part in Al-Makassed hospital equal 2.56 (Std. Dev. =1.19) that considered moderate agreement. The employees have a high agreement with the following statement: The cost of health services is higher than the profit (mean 3.31) due to the high salaries of specialists and the number of days that patients stay is higher compared to government hospitals. On the other hand, the employees have moderate satisfaction with the following statements (Operating profit is in good standing, return on assets

is acceptable, Net assets are high, the hospital asset utilization efficiency is high, Capital spending is high, the bill collection rate is high and few free patient treatments).

4.2.3 Effects of Financial Risk

Table (4.4) AlMakassed Hospital employee's agreement toward Effects of Financial Risk

#	Statement	Strongly Disagree	Disagree	Neutral	Agree	Agee Strongly	Mean	Std. Dev.
		1	2	3	4	5		
D1	Financial risk negatively affects the continuation of health services provision.	6.3%	0.0%	3.1%	34.4%	56.3%	4.34	1.03
D2	Financial risk reduces the proportion of drug purchases.	0.0%	6.3%	0.0%	28.1%	65.6%	4.53	0.8
D3	Financial risk postpones employee salaries.	0.0%	3.1%	0.0%	18.8%	78.1%	4.71	0.63
D4	Financial risk reduces the quality of health care.	9.4%	15.6%	3.1%	31.3%	40.6%	3.78	1.38
D5	Financial risk reduces the purchase of medical equipment and supplies.	3.1%	0.0%	6.3%	25.0%	65.6%	4.5	0.78
Total							4.37	0.92

The total mean for employee's agreement toward the Effects of Financial Risk in Makassed hospital equals 4.37 (Std. Dev. =0.2) considered as a High agreement. The employees have a high agreement with all statements (Financial risk negatively affects the continuation of health services provision, financial risk reduces the proportion of drug purchases, financial risk postpones employee salaries, financial risk reduces the quality of health care, and the financial risk reduces the purchase of medical equipment and supplies, on several occasions, the hospital faced severe shortages of medical equipment and delayed staff salaries for three consecutive months which delayed the course of treatment and surgeries for critically ill patients.

4.3 Inferential hypothesis for Makassed Hospital employees

4.3.1 The Relationship between Makassed Hospital employees' agreement toward financial Dimension related to Socio-demographic variables.

No significant differences for all variables have a p-value more than $\alpha \leq 0.05$ as shown in table (4.5)

Table (4.5): Relationship between Al-Makassed Hospital employee's agreement toward financial Dimension related to Socio-demographic variables

#	Variable b		Mean	Std. Dev.	t/ f value	Df	P value																																																																																														
A1	Gender	Male	34.58	6.42	-0.5	30	0.61																																																																																														
		Female	35.62	4.35				A2	Marital status	Single	32.6	4.2	0.89	31	0.420	Married	35.8	6.1	Divorced	33.3	3.3	A3	Age	19-25 Years	37.0	9.9	0.65	31	0.52	26-32 Years	36.6	3.8	40 Years and above	34.2	5.9	A4	Educational level	Diploma	32.33	1.53	0.39	31	0.67	Bachelors	35.53	5.58	Postgraduate	34.92	6.39	A5	Education	Business Administration	35.56	6.91	1.25	31	0.30	Accounting	36.91	5.17	Economics	35.50	4.95	Other	32.30	4.57	A6	Years experience of	Less than 10 years	35.13	4.43	1.38	31	0.26	10-19 years	31.80	5.59	20-29 years	40.00	3.61	30 years and above	34.88	7.62	A7	Job Position	Administrative manager	43.0	2.8	2.20	31	0.08	Financial manager	39.0	---	Accounting Manager	37.5	6.1	Financial staff	36.5	6.0	Accounting staff
A2	Marital status	Single	32.6	4.2	0.89	31	0.420																																																																																														
		Married	35.8	6.1																																																																																																	
		Divorced	33.3	3.3																																																																																																	
A3	Age	19-25 Years	37.0	9.9	0.65	31	0.52																																																																																														
		26-32 Years	36.6	3.8																																																																																																	
		40 Years and above	34.2	5.9																																																																																																	
A4	Educational level	Diploma	32.33	1.53	0.39	31	0.67																																																																																														
		Bachelors	35.53	5.58																																																																																																	
		Postgraduate	34.92	6.39																																																																																																	
A5	Education	Business Administration	35.56	6.91	1.25	31	0.30																																																																																														
		Accounting	36.91	5.17																																																																																																	
		Economics	35.50	4.95																																																																																																	
		Other	32.30	4.57																																																																																																	
A6	Years experience of	Less than 10 years	35.13	4.43	1.38	31	0.26																																																																																														
		10-19 years	31.80	5.59																																																																																																	
		20-29 years	40.00	3.61																																																																																																	
		30 years and above	34.88	7.62																																																																																																	
A7	Job Position	Administrative manager	43.0	2.8	2.20	31	0.08																																																																																														
		Financial manager	39.0	---																																																																																																	
		Accounting Manager	37.5	6.1																																																																																																	
		Financial staff	36.5	6.0																																																																																																	
		Accounting staff	34.0	4.7																																																																																																	
		Other	31.5	4.9																																																																																																	

4.3.2 Relationship between Al- Makassed Hospital employee's agreement toward Profitability Dimension related to Socio-demographic variables.

The employee's agreement toward Profitability Dimension affected by Marital status since p-value equals 0.02 less than $\alpha \leq 0.05$, so high total mean was for divorced employees which equal

28.8 (Std. Dev. =6.3). However, other variables have a p-value more than $\alpha \leq 0.05$ which means there are no significant differences as shown in table (4.6)

Table (4.6): Relationship between AlMakassed Hospital employees' agreements toward Profitability Dimension related to Socio-demographic variables

#	Variable c		Mean	Std. Dev.	t/ f value	Df	P value
A1	Gender	Male	21.11	5.34	-.74	30	0.46
		Female	22.73	6.34			
A2	Marital status	Single	19.6	4.8	4.55	31	0.020
		Married	20.9	4.9			
		Divorced	28.8	6.3			
A3	Age	19-25 Years	26.5	0.7	0.81	31	0.45
		26-32 Years	22.0	4.6			
		40 Years and above	21.1	6.1			
A4	Educational level	Diploma	23.67	6.03	0.90	30	0.41
		Bachelors	22.56	6.04			
		Post graduate	19.91	5.05			
A5	Education	Business Administration	21.67	5.55	1.40	31	1.26
		Accounting	19.10	2.77			
		Economics	24.00	---			
		Other	24.10	7.37			
A6	Years experience of	Less than 10 years	21.14	4.66	2.27	31	0.103
		10-19 years	24.60	7.83			
		20-29 years	27.00	2.00			
		30 years and above	18.88	5.41			
A7	Job Position	Administrative manager	18.0	5.7	0.46	31	0.79
		Financial manager	25.0	.			
		Accounting Manager	20.3	5.7			
		Financial staff	20.2	2.6			
		Accounting staff	22.8	6.0			
		Other	22.9	7.6			

4.3.3 Relationship between AlMakassed Hospital employee's agreement toward Effects of Financial Risk related to Socio demographic variables

The employee's agreement toward the Effects of Financial Risk affected by Marital status since p-value equals 0.043 less than $\alpha \leq 0.05$, so a high total mean was for divorced employees which equal 28.8 (Std. Dev. =6.3). However, other variables have a p-value more than $\alpha \leq 0.05$ which means there are no significant differences as shown in table (4.7)

Table (4.7): Relationship between Makassed Hospital employee's agreements toward Effects of Financial Risk related to Socio-demographic variables

#	Variable d		Mean	Std. Dev.	t/ value ^f	Df	P value																																																																																														
A1	Gender	Male	22.58	2.57	1.64	30	0.11																																																																																														
		Female	20.85	3.39				A2	Marital status	Single	19.6	4.8	3.52	31	0.043	Married	20.9	4.9	Divorced	28.8	6.3	A3	Age	19-25 Years	22.0	2.8	0.002	31	0.99	26-32 Years	21.9	4.1	40 Years and above	21.9	2.7	A4	Educational level	Diploma	20.00	3.00	2.16	31	0.13	Bachelors	21.29	3.02	Postgraduate	23.17	2.69	A5	Education	Business Administration	21.33	2.60	0.64	31	0.59	Accounting	22.91	2.26	Economics	21.50	4.95	Other	21.30	3.83	A6	Years experience of	Less than 10 years	22.06	3.30	0.37	31	0.77	10-19 years	20.60	2.88	20-29 years	21.67	2.89	30 years and above	22.38	2.83	A7	Job Position	Administrative manager	21.0	5.7	0.75	31	0.85	Financial manager	25.0	.----	Accounting Manager	23.8	2.5	Financial staff	22.0	2.4	Accounting staff
A2	Marital status	Single	19.6	4.8	3.52	31	0.043																																																																																														
		Married	20.9	4.9																																																																																																	
		Divorced	28.8	6.3																																																																																																	
A3	Age	19-25 Years	22.0	2.8	0.002	31	0.99																																																																																														
		26-32 Years	21.9	4.1																																																																																																	
		40 Years and above	21.9	2.7																																																																																																	
A4	Educational level	Diploma	20.00	3.00	2.16	31	0.13																																																																																														
		Bachelors	21.29	3.02																																																																																																	
		Postgraduate	23.17	2.69																																																																																																	
A5	Education	Business Administration	21.33	2.60	0.64	31	0.59																																																																																														
		Accounting	22.91	2.26																																																																																																	
		Economics	21.50	4.95																																																																																																	
		Other	21.30	3.83																																																																																																	
A6	Years experience of	Less than 10 years	22.06	3.30	0.37	31	0.77																																																																																														
		10-19 years	20.60	2.88																																																																																																	
		20-29 years	21.67	2.89																																																																																																	
		30 years and above	22.38	2.83																																																																																																	
A7	Job Position	Administrative manager	21.0	5.7	0.75	31	0.85																																																																																														
		Financial manager	25.0	.----																																																																																																	
		Accounting Manager	23.8	2.5																																																																																																	
		Financial staff	22.0	2.4																																																																																																	
		Accounting staff	21.8	2.5																																																																																																	
		Other	20.8	3.8																																																																																																	

Second part: Patient Questionnaire

Socio-demographic Characteristics

Table (4.8): Socio-demographic for Makassed Hospital Patients

	Characteristics	Frequency	Percentage	
A1	Gender	Male	39	65%
		Female	21	35%
A2	Marital status	Single	13	21.7%
		Married	45	75%
		Divorced	1	1.7%
		Widowed	1	1.7%
A3	Age	19-25 Years	2	3.3%
		26-32 Years	14	23.3%
		33-39 Years	8	13.3%
		40 Years and above	36	60%
A4	Educational level	High school or lower	24	40%
		Diploma	7	11.7%
		Bachelors	19	31.7%
		Postgraduate	10	16.7%
A5	Occupation	Student	3	5%
		Unemployment	14	23.3%
		Public sector employee	11	18.3%
		Private sector employee	24	40%
		Free business	8	13.3%
A6	Do you have an income	Yes	45	75%
		No	15	25%
A7	what is the monthly income / NIS	Less 2500	9	15%
		2500-4000	14	23.3%
		4001-6000	15	25%
		More 6000	7	11.7%
A8	Type of financial coverage for hospitalization costs	Self-payment	8	13.3%
		Governmental health insurance	34	56.7%
		Private health insurance	18	30%

A9	If your financial coverage is on your account, what is the method of payment	Cash	16	26.7%
		Checks	4	6.7%
		Financial pledge	18	30%

The total number of samples was sixty patients, 65% of the total sample was male and 35% female. On the other hand, 75% of patients are married while 21.7% are single. Around 60% of the sample are age forty years and above, 23.3% are between 26 -32 years, 31.7% of patients had bachelor degrees, 40 % have or are about to finish high school and 16.7% have completed post-graduate certificates. Moreover, the total sample of patients who work as private sector employee's equals 40%, 75% of patients have a constant income and 50% receive between 2500 and 6000 NIS, and 56.7% of patients have Government health insurance.

4.4 Descriptive Statistics for Makassed Hospital Patients

4.5.1 Importance of Economic factors when deciding to treat in a hospital

Table (4.9) Makassed Hospital patient's agreement toward the importance of factors when deciding to treat in a hospital

#	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Dev.
		1	2	3	4	5		
B1	Your financial situation affects your treatment options	10.0%	15.0%	5.0%	36.7%	33.3%	3.68	1.34
B2	Transportation to get to the hospital is expensive	11.7%	16.7%	13.3%	38.3%	20.0%	3.38	1.3
B3	Spending on health services is high	8.3%	10.0%	23.3%	38.3%	20.0%	3.51	1.17
B4	Spending on medicines is high	5.0%	8.3%	30.0%	35.0%	21.7%	3.6	1.07
B5	Staying in the hospital requires high personal expenses	16.7%	25.0%	13.3%	31.7%	13.3%	3	1.34
B6	Sometimes you will resort to buying medicine from a pharmacy instead of going for treatment in a hospital due to the financial situation	10.0%	18.3%	10.0%	31.7%	30.0%	3.53	1.35
Total							3.45	1.26

The total mean for patient's agreement toward the financial part of factors when deciding to treat in Makassed hospital equals 3.45 (Std. Dev. =1.26) who considered high agreement. The patients have a high agreement with the following statements (Your financial situation affects your treatment options, Transportation to get to the hospital is expensive, Spending on health services is high; Therefore, very few patients are treated at their own expense, Spending on medicines is high and sometimes you will resort to buying medicine from a pharmacy instead of going for treatment in a hospital due to the financial situation). The lowest agreement is with the statement; Staying in the hospital requires high personal expenses because the hospital provides three meals for patients and their companions and a place for companions to sleep.

4.5.2 Suitability of Prices

Table (4.10) Makassed Hospital patient's agreement toward the Suitability of Prices

#	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Dev.
		1	2	3	4	5		
C1	It is necessary to have governmental or private health insurance	3.3%	1.7%	6.7%	20.0%	66.7%	4.46	0.94
C2	I see the prices of health services as good	6.7%	18.3%	20.0%	38.3%	16.7%	3.4	1.16
C3	I see the pricing policy of the hospital Relevance	6.7%	26.7%	16.7%	38.3%	11.7%	3.21	1.16
C4	It was the price level that drove me to come here	15.0%	16.7%	35.0%	23.3%	10.0%	2.96	1.19
C5	I see the prices for surgeries are high	13.3%	18.3%	33.3%	28.3%	6.7%	2.96	1.13
Total							3.40	1.12

The total mean for patient's agreement toward the Suitability of Prices in Makassed hospital equals 3.40 (Std. Dev. =1.12) who considered high agreement. The patients have a high agreement with the following statements (It is necessary to have the government or private health insurance, 56.7% of the patients have government insurance and they saw the prices of health services as good; because the insurance pay a maximum of 10% of the actual cost). Moreover, the patients have a moderate agreement with the following statement (I see the pricing policy of the hospital as Relevance, it was the price level that drove me to come here as the prices for surgeries are high)

4.6 Inferential hypothesis for Makassed Hospital patients

4.6.1 Relationship between Makassed Hospital patients' agreement toward the importance of Economic factors when deciding to treat in Victoria hospital related to Socio-demographic variables.

The patient agreement toward factors when deciding to treat in hospital affected by monthly income since p-value equals 0.031 less than $\alpha \leq 0.05$, so a high total mean was for patients whose monthly income is more than 6000 NIS which equals 25.29 (Std. Dev. =3.35). and patient's agreement was affected with Method of payment since p-value equals 0.041 less than $\alpha \leq 0.05$, so a high total mean was for patients who use financial pledge which equals 22.33 (Std. Dev. =4.42). However, other variables have a p-value more than $\alpha \leq 0.05$ meaning there are no significant differences as shown in table (4.11)

Table (4.11): Relationship between Al-Makassed Hospital patient's agreement toward the importance of Economic factors when deciding to treat in Al-Makassed Hospital related to Socio-demographic variables

#	Variable	Mean	Std. Dev.	T / f value	df	P value	
A1	Gender	Male	21.46	5.29	1.44	58	0.155
		Female	19.33	5.74			
A2	Marital status	Single	21.15	7.74	0.78	59	0.57
		Married	20.35	5.72			
		Divorced	28	-			
		Widowed	24	-			
A3	Age	19-25 Years	13	2.82	1.64	59	0.19
		26-32 Years	22	4.45			
		33-39 Years	21	2.79			
		40 Years and above	20	6.14			
A4	Educational level	High school or lower	20.41	6.09	0.468	59	0.706
		Diploma	20.57	3.77			
		Bachelors	20.15	5.30			
		Postgraduate	20.60	5.73			
A5	Occupation	Student	16.00	7.00	1.37	59	0.256
		Unemployment	20.14	5.14			
		Public sector employee	19.64	4.65			
		Private sector employee	21.13	6.08			
		Free business	23.75	4.06			
A6	Do you have an income	Yes	20.70	5.29	-0.03	58	0.97
		No	20.75	6.03			
A7	monthly income / NIS	Less 2500	21.67	4.58	3.25	59	0.031
		2500-4000	21.14	4.29			
		4001-6000	18.40	6.02			
		More 6000	25.29	3.35			
A8	Type of financial coverage for hospitalization costs	Self-payment	23.0	2.6	1.23	59	0.30
		Governmental health insurance	19.9	5.9			
		Private health insurance	21.3	5.6			
A9	Method of payment	Cash	17.81	5.56	3.51	59	0.041
		Checks	22.25	6.85			
		Financial pledge	22.33	4.42			

4.6 Relationship between Makassed Hospital patient's agreement toward the Suitability of Prices related to Socio demographic variables

The patient agreement toward the Suitability of Prices does not affect any variables since the p-value for all variables more than $\alpha \leq 0.05$ meant there are no significant differences as shown in table (4.12)

Table (4.12): Relationship between Al-Makassed Hospital patient's agreements toward the Suitability of Prices related to Socio-demographic variables

#	Variable		Mean	Std. Dev.	T value	df	P value																																																																																																																										
A1	Gender	Male	16.92	3.23	-0.315	58	0.75																																																																																																																										
		Female	17.19	2.92				A2	Marital status	Single	17.30	3.17	0.208	59	0.891	Married	16.95	3.18	Divorced	15	-	Widowed	18	-	A3	Age	19-25 Years	16	7.07	0.313	59	0.816	26-32 Years	16.42	5.53	33-39 Years	17.12	3.04	40 Years and above	17.27	3.23	A4	Educational level	High school or lower	16.91	3.2	0.154	59	0.927	Diploma	17.71	2.69	Bachelors	17.05	3.08	Postgraduate	16.70	3.40	A5	Occupation	Student	16.00	7.00	1.05	59	0.38	Unemployment	20.14	5.14	Public sector employee	19.64	4.65	Private sector employee	21.13	6.08	Free business	23.75	4.06	A6	Do you have an income	Yes	16.97	2.90	-0.14	58	0.88	No	17.10	3.58	A7	monthly income / NIS	Less 2500	16.56	3.17	0.98	59	0.408	2500-4000	17.86	2.48	4001-6000	16.00	3.27	More 6000	17.43	3.60	A8	Type of financial coverage for hospitalization costs	Self-payment	17.3	2.7	0.05	59	0.94	Governmental health insurance	17.1	3.5	Private health insurance	16.8	2.7	A9	Method of payment	Cash	16.69	3.82	0.067	59	0.93	Checks
A2	Marital status	Single	17.30	3.17	0.208	59	0.891																																																																																																																										
		Married	16.95	3.18																																																																																																																													
		Divorced	15	-																																																																																																																													
		Widowed	18	-																																																																																																																													
A3	Age	19-25 Years	16	7.07	0.313	59	0.816																																																																																																																										
		26-32 Years	16.42	5.53																																																																																																																													
		33-39 Years	17.12	3.04																																																																																																																													
		40 Years and above	17.27	3.23																																																																																																																													
A4	Educational level	High school or lower	16.91	3.2	0.154	59	0.927																																																																																																																										
		Diploma	17.71	2.69																																																																																																																													
		Bachelors	17.05	3.08																																																																																																																													
		Postgraduate	16.70	3.40																																																																																																																													
A5	Occupation	Student	16.00	7.00	1.05	59	0.38																																																																																																																										
		Unemployment	20.14	5.14																																																																																																																													
		Public sector employee	19.64	4.65																																																																																																																													
		Private sector employee	21.13	6.08																																																																																																																													
		Free business	23.75	4.06																																																																																																																													
A6	Do you have an income	Yes	16.97	2.90	-0.14	58	0.88																																																																																																																										
		No	17.10	3.58				A7	monthly income / NIS	Less 2500	16.56	3.17	0.98	59	0.408	2500-4000	17.86	2.48	4001-6000	16.00	3.27	More 6000	17.43	3.60	A8	Type of financial coverage for hospitalization costs	Self-payment	17.3	2.7	0.05	59	0.94	Governmental health insurance	17.1	3.5	Private health insurance	16.8	2.7	A9	Method of payment	Cash	16.69	3.82	0.067	59	0.93	Checks	16.75	3.86	Financial pledge	17.11	3.05																																																																													
A7	monthly income / NIS	Less 2500	16.56	3.17	0.98	59	0.408																																																																																																																										
		2500-4000	17.86	2.48																																																																																																																													
		4001-6000	16.00	3.27																																																																																																																													
		More 6000	17.43	3.60																																																																																																																													
A8	Type of financial coverage for hospitalization costs	Self-payment	17.3	2.7	0.05	59	0.94																																																																																																																										
		Governmental health insurance	17.1	3.5																																																																																																																													
		Private health insurance	16.8	2.7																																																																																																																													
A9	Method of payment	Cash	16.69	3.82	0.067	59	0.93																																																																																																																										
		Checks	16.75	3.86																																																																																																																													
		Financial pledge	17.11	3.05																																																																																																																													

4.2 Descriptive Statistics for Al-Makassed Hospital employees

4.2.1 Financial Dimension

Table (4.13) Al Makassed Hospital employees' agreement toward financial Dimension

#	Statement	Mean	Std. Dev.	Coefficient Of Variation (C.V)
B1	The available financial resources are used to improve the hospital's performance.	3.06	1.26	41.2%
B2	The administration works to provide funding sources that lead to the hospital's development.	3.15	1.16	36.8%
B3	The hospital seeks to control unnecessary expenses that do not contribute effectively to improving the quality of medical services provided.	2.53	1.26	49.8%
B4	The hospital works continuously to improve its financial returns.	3.06	1.1	35.9%
B5	The hospital is working continuously to develop plans to activate the utilization of revenues.	2.93	1.01	34.5%
B6	The hospital works to increase its revenues by opening new departments or providing new services.	3.59	0.97	27.0%
B7	The hospital is committed to the principle of efficient procurement (purchase with quotations).	3.37	0.79	23.4%
B8	The hospital administration periodically reviews the approved budget to control and treat deviations.	2.71	0.81	29.9%
B9	Financial reports are prepared periodically to achieve effective financial performance.	3.15	1.05	33.3%
B10	There are specific financial indicators that can be relied upon to measure financial performance.	2.93	1.07	36.5%
B11	The hospital's financial condition is negatively affected by the economic crises that the Palestinian health sector is going through.	4.46	0.94	21.1%
Total		3.18	1.04	32.7%

4.2.2 Profitability Dimension

Table (4.14) Makassed Hospital employees' agreement toward Profitability Dimension

#	Statement	Mean	Std. Dev.	Coefficient Of Variation (C.V)
C1	Operating profit is in good standing.	2.09	1.08	51.7%
C2	Return on assets is acceptable.	2.41	1.14	47.3%
C3	Net assets are high.	2.56	1.13	44.1%
C4	The hospital asset utilization efficiency is high.	2.7	1.13	41.9%
C5	Capital spending is high.	2.31	1.22	52.8%
C6	The bill collection rate is high.	2.4	1.18	49.2%
C7	Few free patient treatment	2.68	1.25	46.6%
C8	The cost of health services is higher than the amount of profit.	3.31	1.35	40.8%
Total		2.56	1.19	46.5%

4.2.3 Effects of Financial Risk

Table (4.15) Makassed Hospital employee's agreement toward Effects of Financial Risk

#	Statement	Mean	Std. Dev.	Coefficient Of Variation (C.V)
D1	Financial risk negatively affects the continuation of health services provision.	4.34	1.03	23.7%
D2	Financial risk reduces the proportion of drug purchases.	4.53	0.8	17.7%
D3	Financial risk postpones employee salaries.	4.71	0.63	13.4%
D4	Financial risk reduces the quality of health care.	3.78	1.38	36.5%
D5	Financial risk reduces the purchase of medical equipment and supplies.	4.5	0.78	17.3%
Total		4.37	0.92	21.1%

4.5 Descriptive Statistics for Makassed Hospital Patients

4.5.1 Importance of Economic factors when deciding to treat in a hospital

Table (4.16) Makassed Hospital patient's agreement toward the importance of factors when deciding to treat in a hospital

#	Statement	Mean	Std. Dev.	Coefficient Of Variation (C.V)
B1	Your financial situation affects your treatment options	3.68	1.34	36.4%
B2	Transportation to get to the hospital is expensive	3.38	1.3	38.5%
B3	Spending on health services is high	3.51	1.17	33.3%
B4	Spending on medicines is high	3.6	1.07	29.7%
B5	Staying in the hospital requires high personal expenses	3	1.34	44.7%
B6	Sometimes you will resort to buying medicine from a pharmacy instead of going for treatment in a hospital due to the financial situation	3.53	1.35	38.2%
Total		3.45	1.26	36.5%

4.5.2 Suitability of Prices

Table (4.17) Makassed Hospital patient's agreement toward The Suitability of Prices

#	Statement	Mean	Std. Dev.	Coefficient Of Variation (C.V)
C1	It is necessary to have governmental or private health insurance	4.46	0.94	21.1%
C2	I see the prices of health services as good	3.4	1.16	34.1%
C3	I see the pricing policy of the hospital Relevance	3.21	1.16	36.1%
C4	It was the price level that drove me to come here	2.96	1.19	40.2%
C5	I see the prices for surgeries are high	2.96	1.13	38.2%
Total		3.40	1.12	32.9%

Discussion

Al-Makassed Islamic Charitable Society hospital employees' section

This section discussed the results of three dimensions: financial dimension, profitability dimension, and effects of financial disk dimension.

Financial Dimension

The total mean for employee's agreement toward the financial part in Al-Makassed hospital equals 3.18 (Std. Dev. =1.04) who considered moderate agreement, this result is consistent with the result of a Study by D. AkinleyeI, L. McNuttI, V. Lazariu, C. McLaughlin (2019) reported that strong financial performance is associated with the improved patient-reported experience of care, the strongest component distinguishing quality and safety, which means financially stable

hospitals are better able to maintain highly reliable systems and provide ongoing resources for quality improvement. Moreover, results of a study conducted by *B.HR, L.SR, U.IS, B.TA*, (1993) about the effect of hospital financial characteristics on quality of care emphasized the importance of financial considerations to avoid negligent medical injury which increased in those hospitals with the lowest inpatient operating costs per hospital discharge.

Profitability Dimension

The total mean for employee's agreement toward Profitability part in Al-Makassed hospital equal 2.56 (Std. Dev. =1.19) who considered moderate agreement. The study conducted by (S. Singh, J. Wheeler, 2012) showed successful management of the patient revenue cycle which plays an important role in not-for-profit hospitals' efforts to boost profitability, to enhance quality and safety care of patients. Other studies consistent with research results conducted by G. Dong (2015), suggested that when a hospital made more profit, it could finance investment using debt, pay higher wages presumably to attract more skilled nurses, its quality of care would generally improve but the lack of financial strength will result in a lower standard of health care services.

Effects of Financial Risk

The total mean for employee's agreement toward Effects of Financial Risk in Al-Makassed hospital equals 4.37 (Std. Dev. = 0.2) who considered High agreement. Results of a study conducted by [Xianjing Qin](#) and [Hongye Luo](#) (2017) showed that the decrease of catastrophic health payments headcounts and the share of OOP in total payment provides evidence to the effectiveness of financial risk pooling intervention by NCMS, and this approach indeed helps reduce the financial barriers to health care services. Moreover, other studies conducted by P. Saksena, J. Hsu, D. Evans (2014) showed that financial risk protection is thus just a component of even broader social protection that is needed to ensure that there are no adverse consequences associated with using needed health services.

Al-Makassed Islamic Charitable Society hospital patient' section

This section discussed the importance of Economic factors when patients decide to treat in a hospital and the suitability of prices.

Importance of Economic factors when deciding to treat in a hospital

The total mean for patient's agreement toward the financial part of Economic factors when deciding to treat in Al-Makassed hospital equals 3.45 (Std. Dev. =1.26) who considered high agreement. The study conducted by P. Saksena, J. Hsu, D. Evans (2014) showed how households cope with health shocks and the resulting financial consequences which result showed linkages between social protection and financial risk protection and the possibility to get health services.

Suitability of Prices

The total mean for patient's agreement toward the Suitability of Prices in Al-Makassed hospital equal 3.40 (Std. Dev. =1.12) who considered high agreement. The results of a study conducted by B. Yang, N. Prescott, and E. Bae (2001) confirmed that inferior income groups and

unemployed families are affected greatest by the crisis, as measured by the amount of health spending. A distributional impact of the economic crisis on the health sector is also found whereas the use of medical services by upper-income groups is only slightly affected; the lower-income groups are spending relatively smaller amounts of money for medical services. For all households, the rate of expenditure decrease is relatively higher for drug expenditures than for medical expenditures.

Comparison between employee's results and patient results:

- 1) The financial situation has recently been affected by the Coronavirus, the high cost of treating patients, and the inability to repay debts due to the bad economic situation, so patients have a high agreement with (Your financial situation affects your treatment options, Transportation to get to the hospital is expensive, and Spending on health services is high).
- 2) The employees have a high agreement with (The cost of health services is higher than the amount of profit because of the high salaries of specialists and the number of days that patient stays is higher compared to government hospitals which leads to high cost; while the patient has a high agreement with (I see the prices of health services as good); because they pay a maximum of 10% of the actual cost.
- 3) The employees have a high agreement with all statements (Financial risk negatively affects the continuation of health services provision, financial risk reduces the proportion of drug purchases, financial risk postpones employee salaries, financial risk reduces the quality of health care and the financial risk reduces the purchase of medical equipment and supplies, on several occasions, the hospital faced severe shortages of medical equipment and delayed staff salaries for three consecutive months which delayed the course of treatment and surgeries for critically ill patients while 56.7% of patients have Government health insurance. Therefore, very few patients are treated at their own expense.

Conclusion

This study aimed to assess the reality of financial risk management in Palestinian hospitals (Al-Makassed hospital as a case). According to previous results, there was a strong positive relationship between financial risk management and the hospital's ability to maintain the quality and safety of patient care. For hospital employees there is a moderate agreement with financial dimension and profitability dimension, however, they have a high agreement with the effects of financial risk. For patient's high agreement with the importance of Economic factors when deciding to treat in a hospital and the suitability of prices. The researcher reached several conclusions which are as follows:

1. There is an absence of financial risk management implementation in Makassed Hospital; as all the plans developed by the hospital are devoid of applying any of the financial risk management stages.

2. The hospital's plans focus on development in the medical services aspect, with very little focus on developing the financial and administrative aspects.

3. The hospital administration has set a goal to enable Palestinian citizens to obtain a high-quality and fast medical service regardless of the seriousness of their condition and ability to pay. It also provides treatment for patients referred from the Ministry of Health at low prices (less than cost). Although this goal is humanitarian and supports the steadfastness of the Palestinian citizen on his land, this goal exceeds the hospital's ability.

4. Despite the hospital's superiority and excellence in medical terms; However, it suffers from a chronic financial crisis (millions of shekels), which it has not been able to get out of for several years. The hospital has sometimes reached the point of being unable to pay the employees' salaries. As a result, workers went on strike several times. To overcome this crisis, the hospital had to borrow from banks. This financial crisis is mainly caused by the provision of treatment at a cost or lower price to the transfers of the Ministry of Health (70% of patients), and the irregular transfers of the funds owed by the Ministry of Health.

Limitations

- 1- Corvid 19 virus affect the distribution of questionnaires in hospital and a selective study sample can lead to low response.
- 2- Limited time to distribute and collect questionnaires.
- 3- Lack of local articles about financial risk management in Palestinian hospitals.

Recommendations

Recommendations for researchers

To duplicate the study in all other hospitals in Palestine.

Recommendations for policymakers and hospitals' administrators

- a. To attract patients to treat on private insurance companies to increase cash flows because the percentage of patients treated with private insurance is only 30%.
- b. Continuously consulting an external financial expert to discuss the worsening financial crisis in Al-Makassed Hospital to find solutions.
- c. For the authority to allocate a higher budget to the health sector to pay off debts because of its many consequences.
- d. Invent policies on a national level about financial risk management in hospitals that are consistent with laws and regulations.
- e. Applying corporate governance rules which are: Transparency, Fixing the responsibilities, and accountability for employees in the hospital according to their responsibilities.
- f. To achieve transparency and clearance there should be a very developed reporting system, as risk management is the right information at the right time.
- g. Establishing departments for financial risk management with highly qualified people.

- h. Invent clear policies about financial risk status.
- i. To include financial risk status and policies in educational programs for hospitals employees.
- j. Continuous and deliberate attempt to discover weaknesses and control them.
- k. Investing well in opportunities, in a deliberate and organized manner, because of their importance to the continuity of the hospital in achieving its goals.
- l. Emphasis on the existence of alternative plans to the main strategic plan in case of its failure and the presence of individuals capable of implementing it.
- m. Develop strategies and procedures to periodically review and evaluate the institutional performance of the hospital.

References

- A.Jaber, The Impact of Risk Management Practices on the Organizational Performance: Field Study at Jordanian Insurance Companies,2020
- A. Manenti, C. Goyet, C. Reinicke, J. Macdonald and J.Donald, Report of a field assessment of health conditions in the occupied Palestinian territory February 2016
- A.Hammerman, MSc.Pharm, P.Feder-Bubis, D.Greenberg, Financial Risk-Sharing in Updating the National List of Health Services in Israel: Stakeholders' Perceived Interests,2012
- Acemoglu, Daron, Amy Finkelstein, and Matthew J. Notowidigdo. "Income and Health Spending: Evidence from Oil Price Shocks.",2013
- Akinleye DD, McNutt L-A, Lazariu V, McLaughlin CC (2019) Correlation between hospital finances and quality and safety of patient care. PLoS ONE 14(8): e0219124
- Ariffin, N. M., & Kassim, S. H. (2011, December). Risk management practices and financial performance of Islamic banks: Malaysian evidence. In 8th International Conference on Islamic Economics and Finance. 19-2.
- Anderson, R. (2014, February 21). UK debt and deficit: All you need to know. Retrieved from BBC Business: <http://www.bbc.com/news/business-25944653>
- B.Falah, J.Meshal, and W.Betawi Palestinian Health Sector Assessment: Macro-Analytical Study,2020 <http://www.mas.ps/files/server/2020/healthsectorstudyEnglish.pdf>
- B.Friedman and D.Farley, Strategic Responses by Hospitals to Increased Financial Risk in the 1980s, 1987
- B.Singh and M.Ghatala, Risk Management in Hospitals, International Journal of Innovation, Management and Technology, Vol. 3, No. 4, August 2012
- B.Yang, N.Prescott, and E.Bae, The impact of the economic crisis on health-care consumption in Korea, 2001

- Brecher C, Nesbitt S. Factors associated with variation in financial condition among voluntary hospitals. *Health Serv Res.* 1985; 20(3):267–300. Epub 1985/08/01. PMID: 4019212; PubMed Central PMCID: PMCPMC1068881.
- Burstin HR, Lipsitz SR, Udvarhelyi IS, Brennan TA, The effect of hospital financial characteristics on quality of care, 1993.*
- Carlson JJ, Sullivan SD, Garrison LP, et al. Linking payment to health outcomes: a taxonomy and examination of performance-based reimbursement schemes between healthcare payers and manufacturers. *Health Policy* 2010;
- Ch. Thomas, five steps of the risk management process, 2020
- Charles Brecher and Susan Nesbitt, Factors Associated with Variation
- Crouhy, M.; Galai, D. and Mark, R. (2000a). *Risk Management*. McGraw-Hill.
- Dan Moskowitz, The Importance of Health Care Risk Management, 2020
- D. Akinleye, L.McNuttI,V.Lazariu1, C. McLaughlin Correlation between hospital finances and quality and safety of patient care, 2019
- Economics Department. (2018). Sustainability gap calculation of the Ministry of Finance-description of methods. Helsinki: Ministry of Finance Publication.
- G.Bazzoli, J.Clement, R. Lindrooth, Hospital Financial Condition and Operational Decisions Related to the Quality of Hospital Care, 2012*
- G. Dong, Performing well in financial management and quality of care: evidence from hospital process measures for the treatment of cardiovascular disease, 2015.
- Gupta, J. (2007). *Public Economics In India Theory And Practice*. New Delhi: Atlantic Publishers & Dist.
- Health annual report Palestine, Ministry of Health, PHIC, Health Status, Palestine, 2018, July 2019 Health Coverage: Evidence and Measurement Challenges. *PLoS Med* 11(9): e1001701. doi:10.1371/journal.pmed.1001701
- Hospitals and Health Systems Face Unprecedented Financial Pressures Due to COVID-19, American Hospital Association, May 2020
- Hull, J. (2007). *Risk Management and Financial Institutions*. New Jersey, Pearson Education.
- Kim TH, McCue MJ, Association of market, operational, and financial factors with nonprofit hospitals' capital investment, 2001
- Keep, M. (2018). *The Budget Deficit: a short guide: Briefing Paper number 06167*. London, UK: House of Commons Library.
- M.Afaneh, Fact Sheet About Budget and Health Department for the years 2016-2017-2018, 2018
- Maltritz, D., & Wüste, S. (2015). Determinants of budget deficits in Europe: The role and relations of fiscal rules, fiscal councils, creative accounting, and the Euro. *Science Direct, Economic Modelling* 48 (2015) 222–236.

- M. Pakdaman, The effect of macroeconomic indicators on health-care expenditure in Iran, 2019
- Managing corruption risks in the health sector,2018
- Margaret Woods, and Kevin Dowd, Financial Risk Management for Management Accountants,2008
- Muthaffar Mansour, Developing risk management model for the Palestinian insurance sector,2015.
- N.Catalyst, What Is Risk Management in Healthcare? 2018
- N.lamichhane, Financing government budget deficit: the case study of Finland,2018
- Oanh Kieu Nguyen, Ethan A Halm, Anil N Makam, Relationship between hospital financial performance and publicly reported outcomes, Journal of Hospital Medicine; 11:481-488. © 2016 Society of Hospital Medicine
- Owolabi, A. O., Oloyede, F. A., Iriyemi, A. B., & Akinola, A. T. (2017). The Impact of Risk Management on the Profitability of Insurance Companies in Nigeria. International Journal of Marketing and Technology.
- Pojasek, R. B., Organizational Risk Management and Sustainability: A practical step-by-step guide. CRC Press. 3-297. <http://www.taylorandfrancis.com>,2017
- Rabinovich M, Wood F, Shemer J. Impact of new medical technologies on health expenditures in Israel 2000–07. Int J Technol Assess Health Care 2007
- Review of Economics and Statistics 95, no. 4 (October 2013): 1079-1095. © 2013 by the
- S. Singh, J.Wheeler, Hospital Financial Management: What Is the Link Between Revenue Cycle Management, Profitability, and Not-for-Profit Hospitals' Ability to Grow Equity,2012
- S.Upadhyay, M.Sen, and D.Smith, the cash conversion cycle and profitability: A study of hospitals in the state of Washington,2015
- P.Saksena, J.Hsu, D.Evans (2014) Financial Risk Protection and Universal
- S.Wanjohi, J. Wanjohi, J.Ndambiri. The Effect of Financial Risk Management on the Financial.
- Stulz, R. (2009). Six ways companies mismanage risk. *Harvard Business Review*, 86-94.
- [Xianjing Qin](#), [Hongye Luo](#), [Jun Feng](#), [Yanning Li](#), [Bo Wei](#), [Qiming Feng](#), Equity in health financing of Guangxi after China's universal health coverage: evidence-based on health expenditure comparison in rural Guangxi Zhuang autonomous region from 2009 to 2013, 2017.