



Exploration of the Innovative Application of Cost Accounting in Hospital Financial Management

Dan Liu

Eye Hospital of Wenzhou Medical University, Wenzhou 325200, Zhejiang, China
DOI: 10.32629/memf.v5i5.2898

Abstract: Hospital is an important social service organization, its financial management has important influence on social stability and development." This paper makes an in-depth study on the current situation and existing problems of cost accounting in hospital financial management. This paper attempts to explore its innovative application in hospital financial management, in order to optimize the cost accounting system of medical institutions in China, improve the efficiency of financial management, and promote the healthy development of medical institutions to provide some reference suggestions. This will also have a profound impact on social stability and development.

Keywords: cost accounting; hospital financial management; innovative application

1. Introduction

As a special social service organization, the hospital has a rigorous and specific requirements for its financial management. As an important link of financial management, the application of cost accounting in hospitals is also particularly important. The research shows that implementing fine cost management can effectively control hospital costs, optimize resource allocation and improve the quality of medical service. At the same time, combined with the application of information technology, the innovation of cost accounting system can further improve the pertinancy and efficiency of the financial management of the hospital, so as to enhance the overall competitiveness of the hospital.

2. Hospital cost accounting and its importance in financial management

2.1 Composition and characteristics of hospital costs

Hospital costs are important in measuring the efficiency of hospital operations, which involves the monetize resources consumed by the hospital in providing medical services, performing various business activities, and achieving established business objectives. These costs can be roughly divided into three categories: tangible asset consumption, intangible asset consumption, and other forms of resource consumption. The consumption of tangible assets refers to the expenses directly related to the material assets during the operation of a hospital. It includes the cost of human resources, the maintenance of houses and buildings, the procurement of medical equipment and materials, as well as the production of medical products. These costs are the basis of the daily operation of the hospital and directly affect the quality of medical services. Intangible assets consumption mainly refers to the intellectual property rights and other non-material resources held by hospitals. Although these assets do not directly appear as material forms, they have an important influence on the quality of service in the hospital.

Hospital costs have their own characteristics, including complexity. Hospital costs involve multiple departments and services, and the types of costs are diverse, making calculation and management relatively complex. With the increase of volatility, hospital costs are influenced by various factors such as policy adjustments, market changes, and patient demand, resulting in significant cost fluctuations. In the process of medical services, the uncertainty of factors such as disease type, severity, and treatment plan leads to difficulties in cost prediction and control. Having economies of scale, the larger the hospital, the more obvious the cost management advantages, and cost reduction can be achieved through economies of scale. While pursuing economic benefits, it is also necessary to pay attention to social benefits and ensure the quality and fairness of medical services.

2.2 The role of cost accounting in hospital financial management

Cost accounting plays a vital role in hospital financial management, and its core function is to provide accurate data support to help hospitals to make scientific decision-making. Through systematic and accurate cost accounting, the hospital can grasp the cost composition of various medical services, scientific research projects and administrative management

activities in detail, so as to effectively analyze and manage various costs [2]. Cost accounting can not only help to reveal the actual situation of resource utilization in various departments, but also to identify the waste of resources and the potential for space saving, so as to optimize the allocation of resources. Accurate cost information is an important basis for hospital budgeting, performance evaluation and cost control, and has a direct role in reducing operating costs and improving economic benefits. Cost accounting can also assist hospitals to optimize pricing strategies, improve the rationality and transparency of fees, and enhance patient satisfaction and trust. Through continuous improvement and innovation of the cost accounting system, the hospital can enhance the scientific and effective financial management and achieve the goal of sustainable development.

2.3 Current situation and existing problems of hospital cost accounting

At present, the hospital cost accounting still faces many challenges in the practical operation. The hospital cost composition is complex, the management is difficult, and the cost distribution is easily inaccurate. The traditional cost accounting system is relatively backward, which is difficult to meet the needs of modern hospital management. The low degree of informatization leads to the lag of cost data, which affects the timeliness and accuracy of decision-making. Hospitals lack an effective incentive mechanism for cost control, and medical staff may lack the initiative in cost control. Moreover, the cost accounting standard is not unified, and it is difficult to compare the cost data between different hospitals, which affects the experience exchange and development within the industry. The above problems seriously restrict the efficiency and effect of hospital financial management, and it is urgent to seek innovative applications to cope with the challenges.

3. The application of cost accounting in hospital financial management

3.1 Improve the fine cost refinement management system of BRP hospitals

In the construction of hospital cost management system, a series of core principles must be followed to ensure the scientific management. These principles include the utility maximization, the deep integration of measurement and management, the phased implementation of the accounting process, the clear implementation of the accrual system, the establishment of the information feedback mechanism, and the consistency of the cost management objectives with the strategies at all levels. In order to effectively realize these principles, all departments of the hospital need to adopt the centralized accounting mode. Register the original data uniformly, and ensure the accuracy of the data when filling in the credentials of cost accounting. After a strict review, all the data should be centrally submitted to the cost accounting office, which shall be responsible for the overall processing. The office will fully manage the cost accounting, monitoring and evaluation, and then complete the preparation of statements to ensure the refinement of the cost management work. Secondly, the operation of the cost fine accounting system is inseparable from the implementation of a clear responsibility system. Under the overall leadership of the general manager, the financial department can directly implement the corresponding cost accounting tasks. In addition, the financial department should not only assume the main responsibility of cost management, but also maintain a close cooperative relationship with other relevant departments to form a working mode of clear division of labor and cooperation. The implementation of the responsibility system emphasizes that the principal responsible person should take full responsibility for the accuracy of the accounting results. On the basis of following the national policy guidance, hospitals should continuously and accurately achieve the optimal service effect with the minimum resource consumption. At the same time, for the reliability of the cost accounting information, to avoid the decision-making errors caused by data errors. To achieve the above goals, hospitals must continuously improve the application of the hospital resource planning system. It can comprehensively promote the deep integration of financial integration and cost fine management, make the allocation of resources more reasonable, so that the hospital can achieve the balance of income and expenditure in financial management, and even obtain surplus on this basis, so as to ensure the smooth operation of the hospital.

3.2 Strengthen the fine accounting of inventory costs.

Since the cost expenditure accounts for more than 50% of the total hospital cost, the management of inventory cost has become a key issue in the hospital cost strategy. Relevant managers can adopt refined inventory cost control methods, such as scientific methods such as turnover period analysis and factor analysis, to help hospitals accurately evaluate the best economic batch of inventory materials, so as to provide support for the scientific formulation of procurement strategies and realize the efficient use of inventory funds. Secondly, in the process of controlling this cost, it is also very important to clarify the division of responsibilities of each functional department. Relevant departments should work closely together to build the corresponding inventory cost accounting system, and formulate a detailed inventory cost plan. Encourage all hospital staff to actively participate in inventory cost management, enhance their sense of responsibility, so that medical services and

inventory cost control can be deeply integrated. Thirdly, the financial department is the core of cost accounting. Xu Ya takes the leading role and adopts centralized accounting management to manage the inventory cost of each department. Finally, in order to further improve the accuracy of inventory cost accounting, relevant hospitals also need to follow the requirements of internal rules and regulations, set up accounting subjects scientifically, and classify all kinds of inventory materials. At the same time, according to the established accounting process, the inventory cost is accurately measured.

3.3 Detailed different control measures for cost classification

When studying the details of hospital cost management deeply, first, the definition of hospital cost needs to be clearly defined. This concept includes the consumption of assets generated in medical services, and also covers the cost of income. Both of these concepts jointly promote the contraction of hospital resources, which is specifically manifested in the decline of capital flow and net assets. According to the economic characteristics of hospital costs, the cost elements can be divided into three main parts: labor cost, operating cost, and material and depreciation cost. Together, these costs form the basis of hospital operations, namely fixed costs.

Secondly, in order to improve the effectiveness of the use of public funds, hospitals can consider introducing a quota management system to set corresponding limits according to different types of expenditure, clarify the responsibilities of all relevant departments, and ensure the improvement and effective implementation of the cost control system. By adopting detailed cost classification, the cost structure is deeply understood to develop more targeted control measures. Among them, the efficient cost management system can better improve the use efficiency of hospital resources and ensure the quality of medical services. Under the background of increasingly complex medical environment, hospitals should constantly optimize their own financial management and achieve their best operation effect under the condition of limited resources.

4. The impact of the innovative application of cost accounting in hospital financial management on hospital development

4.1 The process and effect of the innovative application of cost accounting to improve the operating results of hospitals

In the hospital financial management, the innovative application of cost accounting has a significant improvement effect on the hospital operating results. Through the fine cost management, the comprehensive monitoring and detailed analysis of the hospital costs can be realized. Through the detailed accounting of the cost of each department and each project, the hospital management can have a clearer understanding of the use of resources and the specific links of cost consumption. This can not only help to find and correct unreasonable cost expenditure, but also to make scientific decisions in resource allocation, which can effectively reduce unnecessary expenses in hospital operation.

On this basis, the application of information technology further improves the accuracy and timeliness of cost accounting. For example, through the integration of various data in the hospital information system, the automatic collection and real-time update of the cost are realized, the process of cost accounting is optimized, the interference of human factors is reduced, and the reliability of the data is improved. The innovative cost accounting system combined with big data analysis can deeply explore the potential cost saving space, and constantly improve the management strategy through data feedback, so as to achieve the purpose of continuous improvement.

These measures not only optimize the hospitals operating results in terms of financial indicators, such as reducing costs and improving revenue, but also improve the overall operating efficiency and medical service quality of the hospital. Through scientific and reasonable cost control, resources have been efficiently allocated, and medical quality and patient satisfaction have been improved accordingly. It can be seen that the innovative application of cost accounting in hospital financial management can greatly promote the improvement of hospital operating results.

4.2 Innovative application of cost accounting to improve the overall competitiveness of hospitals

The innovative application of cost accounting has significantly improved the overall competitiveness of hospitals. Through the combination of fine cost management and information technology, the resource allocation has been optimized, and the cost control has been more strict, effectively reducing the waste of resources and improving the efficiency of hospital operation. In terms of the coordinated development of clinical and non-clinical departments, precise cost data facilitate scientific decision-making, enabling better coordination and cooperation among various departments. The perfect cost accounting system has increased the transparency, enhanced the credibility and social image of the hospital, and further attracted more high-end talents and patients. The application of information technology not only simplifies the cost accounting process, but also provides detailed and real-time financial data for hospitals, promotes rapid response and flexible

adjustment, and effectively responds to market changes and policy adjustment. The innovative application of cost accounting finally improves the service quality and management level of the hospital, enables the hospital to have greater advantages in the fierce industry competition, and enhances its comprehensive competitiveness in the medical industry.

4.3 The positive impact of the innovative application of hospital financial management on the society

The innovative application of hospital financial management has many positive effects in the social level. Through the combination of fine cost management and advanced information technology, hospitals can gradually improve the efficiency of resource utilization, realize the optimal allocation of medical resources, and then improve the overall quality of medical services. With the improvement and transparency of the cost accounting system, the operating conditions of hospitals will be better, which not only reduces the economic burden of patients, but also improves the trust of the masses in medical institutions. The improvement of medical quality and service efficiency brought about by such innovative measures will ultimately help to promote the overall improvement of the social medical system and promote social harmony and healthy development.

5. Conclusion

The research shows that the implementation of fine cost management and innovative cost accounting system can effectively improve the efficiency and pertinacity of hospital financial management, achieve the purpose of controlling hospital cost, optimizing resource allocation and improving the quality of medical service, so as to enhance the overall competitiveness of the hospital. However, it is worth noting that how to combine this theory and practice to improve the operating efficiency while taking into account the social responsibilities of the hospital still needs more in-depth research and discussion. Future studies could further focus on specific implementation strategies and effectiveness assessments for innovative applications of cost accounting.

References

- [1] Peng Ronghui. The practical application of hospital Cost accounting in financial management [J]. *Pharmaceutical industry*, 2019, 0(01): 0163-0163.
- [2] Wang Lijie. Application of comprehensive cost accounting in hospital financial management [J]. *Contemporary Accounting*, 2023, (08): 55-57.
- [3] Zhao Guanghui. Explore the application of cost accounting in hospital financial management [J]. *Township Enterprise Guide*, 2020, (04): 0060-0061.