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FACTORS ASSOCIATED WITH THE FINANCIAL DISTRESS OF HOSPITALS: A SYSTEMATIC REVIEW

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INTRODUCTION:

- Hospitals have been under growing financial strain due to macro-economic factors and changes in healthcare regulations.
- The number of hospitals experiencing financial distress, filing for bankruptcy and closing down have increased.
- 'Financially sick' hospitals contribute to sicker patients.
- Hospital bankruptcy and closure have been shown to result in poorer health outcomes for patients.

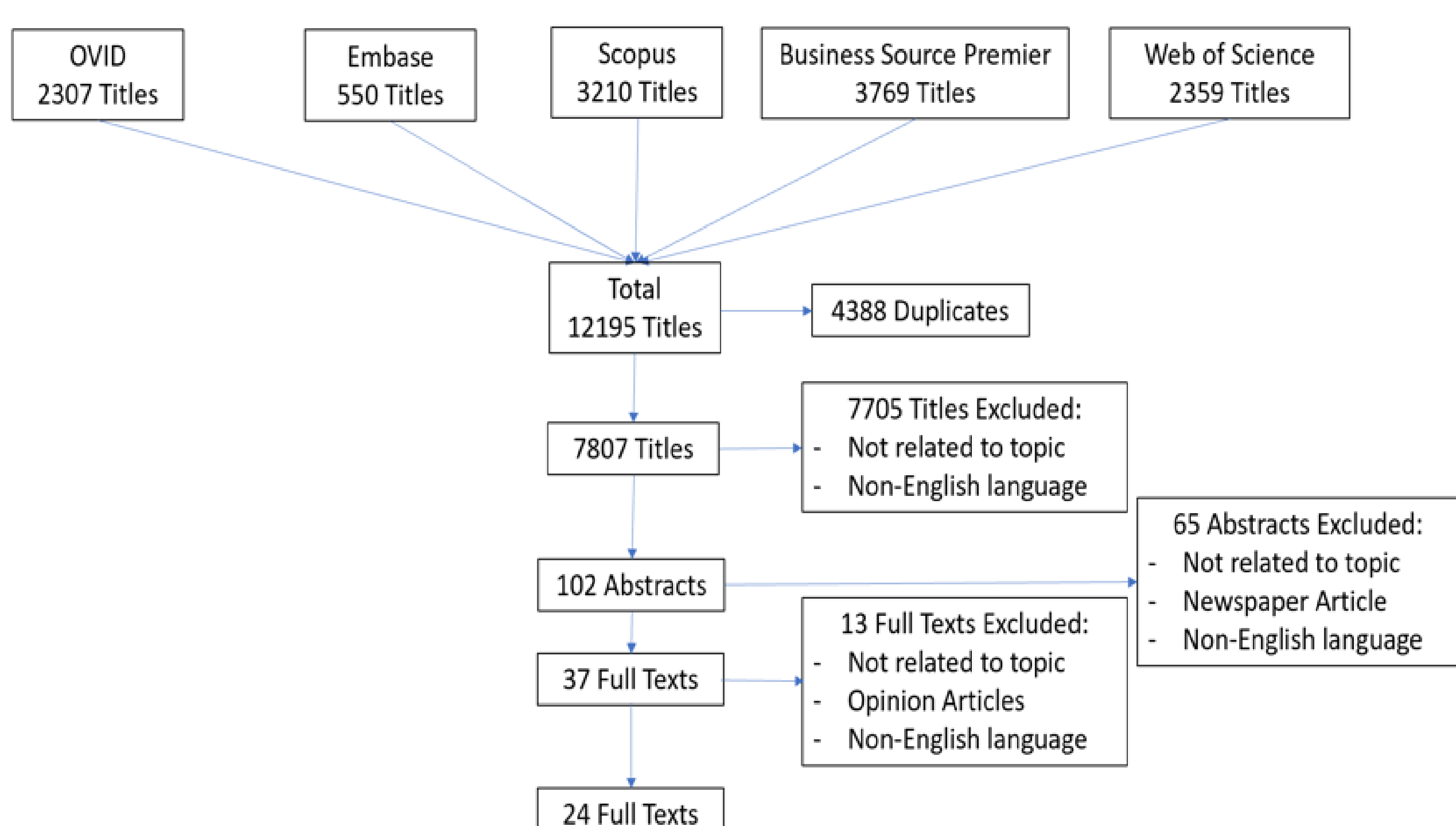
AIMS:

- **Primary aim:**
 1. To conduct a systematic review on factors associated with hospital financial distress.
- **Secondary aims:**
 1. Develop a consensus definition for hospital financial distress based on existing literature.
 2. Consolidate the various measurement approaches for hospital financial distress.

METHODOLOGY:

- Step 1:** Development of review strategy and conduct of article search.
- Step 2:** Article selection.
- Step 3:** Quality appraisal.
- Step 4:** **Concept analysis** to develop consensus definition for hospital financial distress.
- Step 5:** Consolidation and classification of measurement approaches for hospital financial distress.
- Step 6:** Synthesis of factors associated with hospital financial distress using the **constant comparative method**.

RESULTS: ARTICLE SELECTION



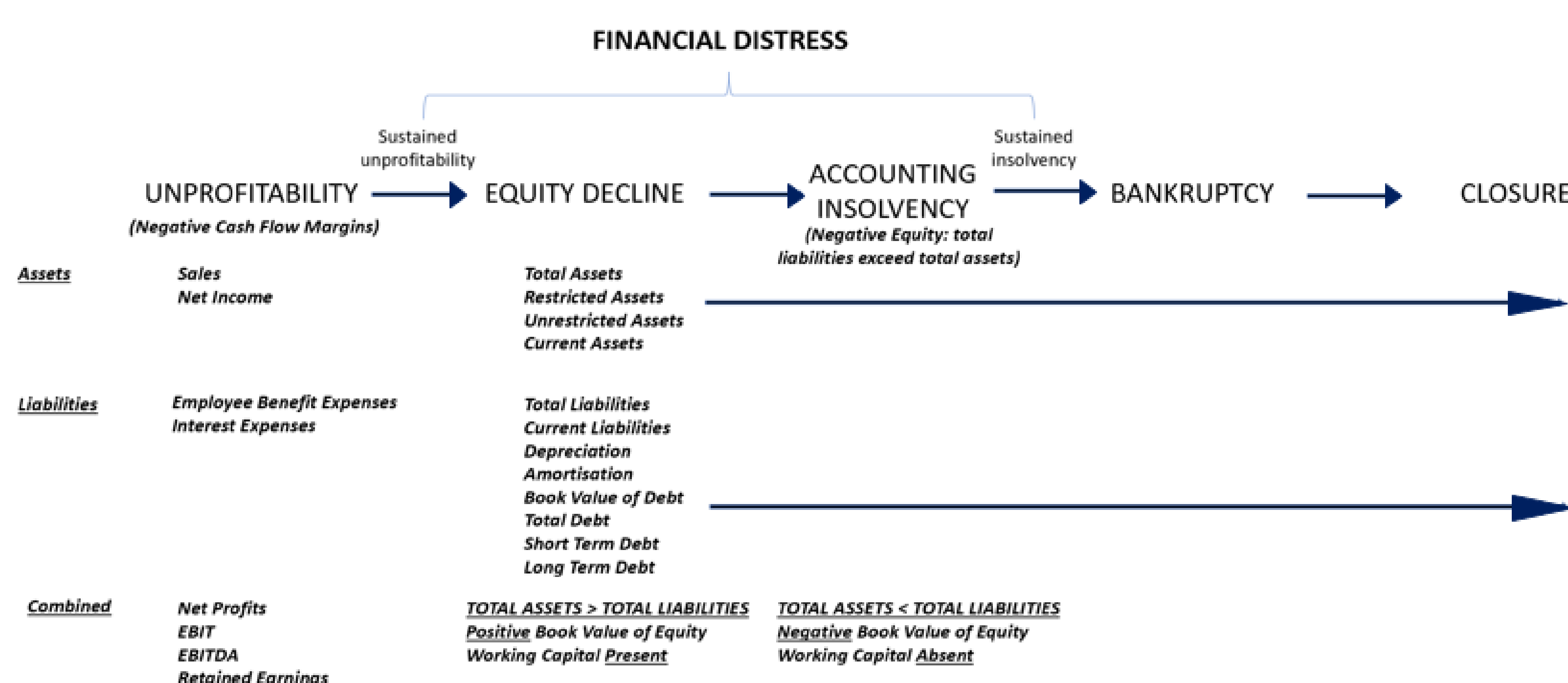
RESULTS: CONSENSUS DEFINITION

ANTECEDENTS	ATTRIBUTES	OUTCOMES	RELATED CONCEPTS
- Unprofitability Negative operating income Negative net income	- Sustained unprofitability - Equity decline - Decline in credit worthiness - Difficulties in debt repayment - Inability to fulfil financial obligations to creditors, investors and employees - Insolvency	- Bankruptcy - Hospital closure - Hospital merger - Change in hospital organisational status	- Financial decline - Financial stress

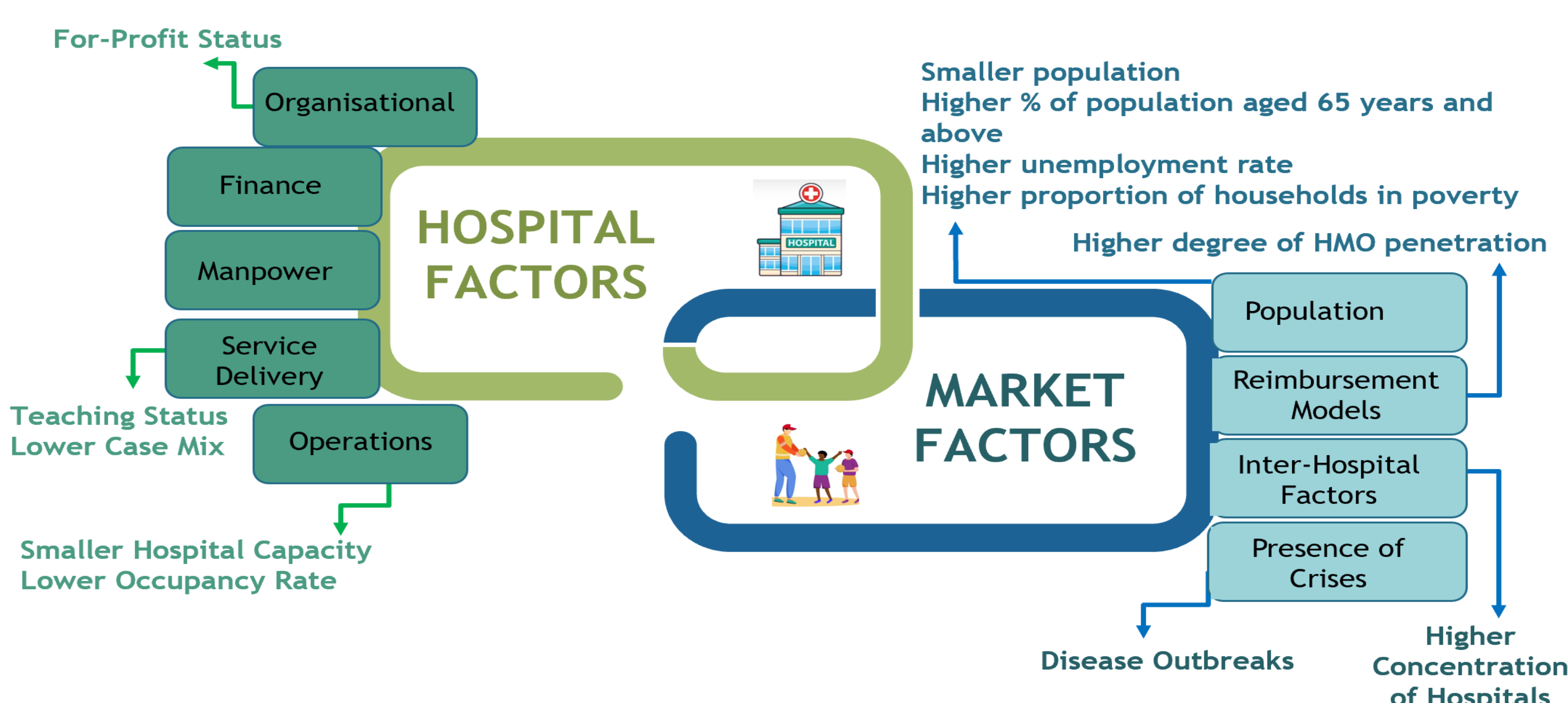
CONSENSUS DEFINITION:

Hospital financial distress refers to the stage of decline when a hospital is unable to meet its financial obligations. This is observed when the hospital is in a state of sustained unprofitability, equity decline or accounting insolvency.

RESULTS: MEASUREMENT SYNTHESIS



RESULTS: FACTORS ANALYSIS



CONCLUSIONS:

1. **Novel consensus definition for hospital financial distress:** the stage of decline when a hospital is unable to meet its financial obligations. This is when a hospital is in a state of sustained unprofitability, equity decline or accounting insolvency.
2. **Measurement approaches** for hospital financial distress could be broken down into fundamental financial variables, which would be useful to determine the phase of financial distress a hospital was in.
3. **Factors associated with hospital financial distress** could be classified into hospital and market factors.
4. **Future studies** are required in this area of study, especially to evaluate the strengths and limitations of interventions to prevent and manage financially distressed hospitals.

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