

# Analysis of Internal Control of Outpatient Refunds in Public Hospitals

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**Abstract:** Hospital outpatient fee refund is an important part of hospital financial management, and it is also a difficult problem in hospital income control. This article analyzes the current management of outpatient fee refunds in public hospitals, focuses on analyzing the subjective and objective reasons, and proposes a number of recommended measures from the perspective of optimization of internal control.

## 1. Introduction

Outpatient clinics are the most important gateway for hospitals. The quality of outpatient services directly determines the patient's satisfaction with the hospital, and directly determines the doctor-patient relationship. Outpatient charges have a very important position in the hospital, but in practice, various reasons will always cause some problems in outpatient charges. At the implementation level, improper refunds not only reduce the hospital's work efficiency and a waste of resources, but also reduce patient satisfaction with hospital services and even cause medical disputes. In addition, due to poor management of refunds, "holes" have become "black holes" and often become an important means for some criminals to obtain economic benefits through illegal operations. Therefore, in view of the major problems existing in the current fee refund process of hospitals, the management of fee refunds in hospitals should be strengthened, and countermeasures to strengthen the management of fee refunds should be explored.

## 2. Management status of outpatient fee refund in public hospitals

The hospital's charge department takes into account both financial and service tasks. It is a hospital's cutting-edge position with large cash flows, frequent staff movements, and complicated work. Among them, chargeback is a key part of the work of the charging department, and it is also a difficult problem in the management of hospital income. In actual work, there are still many unsatisfactory aspects in the management of outpatient fee refunds in public hospitals due to the large flow of people, high cash flow, and long working hours. Therefore, problems such as doctor-patient contradictions and medical disputes cannot be ignored. Taken as a whole, from the perspective of the main body of the problem, it is mainly manifested in the following aspects:

The first is subjective reasons. Refunds are caused by mistakes in the work of the relevant departments of the hospital, such as incorrect orders from hospitals, incorrect charging information for registered patients, miscalculated fees by nurses, and wrong medicines issued by pharmacies. There are also refunds caused by the affected party, mainly due to changes in the patient's condition or death, which means that the doctor's order has been issued and the fee has been issued. Due to changes in the condition or death, medication is not required or the treatment method is changed. Patients request refunds for subjective reasons, that is, patients believe that the costs are too high to be able to bear, or are unwilling to check, treat, and get medicines, which results in refunds. There are other factors that lead to the refund of the patient, such as the patient's failure to hold a medical insurance card on the day and request a change in the charging method.

The second reason is objective. Poor internal management of the hospital is the main reason for the refund. In specific operations, the staff often ignores the verification of the relatively small amount of refunds. There is no strict refund management system, or a refund management system has been formulated, but they have not been strictly implemented. What's more, some people have

used the weak link in the refund management to commit illegal acts. Secondly, the refund procedure is unreasonable and lacks detailed considerations. Each post involved in the refund process has not formulated and clarified the responsibilities and authority of the relevant posts, cannot monitor and restrict each other, and does not meet the requirements of the hospital's internal control system. There is also a lack of detailed refunds. If the relevant departments and personnel are not well coordinated or supervised, it is easy to ignore some obvious problems.

The third is the refund situation caused by other factors. There are mainly policy refunds, that is, mandatory refunds due to the guiding policies of the state or government. The above analysis shows that the refund situation caused by the hospital's own management problems is the controllable cause of the hospital, and practical measures can be effectively avoided, while the refund situation caused by the patient and other reasons outside the hospital is often an uncontrollable type of the hospital. This also fully shows that the hospital's chargeback behavior is inevitable.

### **3. Analysis of the causes of outpatient refunds**

#### **3.1. Cognitive issues**

In practice, medical fee refund is a weak link in hospital fund management, and there are many problems. In terms of ideology, there are the following. First, management is not well understood and moral literacy is insufficient. Refund management is part of the hospital's charge management process. Because the total amount of refunds is relatively small compared to the hospital's medical income, hospital managers pay more attention to whether the medical income is fully, timely and securely entered into the hospital bank account. It is easy to ignore the issue of refunds, lack of understanding of the importance and necessity of internal control management of refunds, and the quality of personnel in various departments related to refunds is uneven, and there are opportunities for work errors and corruption crimes. Second, the lack of popularization of medical knowledge. With the popularization of information technologies such as the Internet and the media, the level of common medical knowledge among patients has generally improved, especially for patients with chronic diseases. As a result, the booked items have to be refunded.

#### **3.2. Management issues**

First, the fee refund system is not perfect, and the implementation system is not standardized. A sound refund management system is the basic guarantee for the implementation of refunds, but the hospital's management system is incomplete, the refund procedures are unreasonable, and the relationship between responsibilities and rights is unclear. It often results in the refund system being vanished, the authority setting unscientific, and lack of Binding and seriousness, implementation is not satisfactory. Second, the management and control mechanism is not complete, and audit supervision is ineffective. Strengthening internal supervision and establishing a long-term mechanism are effective means and methods for hospitals to curb and correct unhealthy practices. However, many hospitals in China have not established independent auditing departments, nor have they established auditing departments for fee refunds. Opportunity to use the loopholes of refunds for personal gain and become a fish of legal leakage. In addition, there are problems with refunds for outpatient services caused by system or equipment reasons. If some modules in the charging system are not developed during development, the actual inventory quantity of drugs cannot be judged in real time during billing, and continuous improvement needs to be made during the actual operation. There are many factors that determine the refund.

### **4. Necessity of strengthening internal control and management of outpatient fee refunds in public hospitals**

#### **4.1. The change in the financial charging model has made it more difficult to manage refunds.**

With the comprehensive launch of the hospital HIS charging system and the increase of medical insurance patients, coupled with the application of network payment methods, the hospital charging

mode has changed from the traditional manual charging method to various system accounting methods, and the charging bill has also been changed from manual filling into The machine is automatically generated, and the medical charges are no longer related only to the charging personnel. The diversity of hospital collection and settlement methods determines that the refund process cannot be singular, and the unique complexity of information technology and the concealment of computer crimes increase the risk factor and management difficulty of refunds.

#### **4.2. Inappropriate refunds have seriously affected hospital reputation.**

Executing the refund operation not only requires the energy and time of the hospital staff, but also requires the hospital to set up a separate window and a dedicated person to handle the refund, which will increase the hospital's operating costs. Although the patient's financial benefits will not be affected by the refund, the refund will bring the pain and pain of the patient. If the link is not handled properly, it may lead to the patient's dissatisfaction with the hospital, and even cause some unnecessary Medical disputes have severely affected the medical order and the construction of the hospital's image, and have brought an irreparable negative impact on the hospital's reputation.

#### **4.3. Poor refund management may harm the economic benefits of the hospital.**

In recent years, the phenomenon of economic crimes of illegally occupying and embezzling hospital property through the loopholes of fee refunds has emerged endlessly, revealing that hospital fee refunds are a relatively concentrated part of capital risks. If the internal control measures in this link are weak, it may breed some illegal violations, Affect the security of funds, and harm the economic interests of the hospital.

### **5. Internal control measures for refund of outpatient fees in public hospitals**

#### **5.1. Design the internal control system for outpatient fee refund**

Establish a network of internal control systems for ex-ante prevention, in-event control, and post-event supervision. Highlight the preventive function in advance, take active preventive measures, reduce the incidence of outpatient fee refunds, improve work efficiency, and increase patient satisfaction. Optimize the refund procedures during the event, strengthen the management and control of bills, improve the system of receipt, purchase and sale of bills and the circulation registration procedures, and prevent the circulation of blank invoices. In the process of using the ticket, the toll collector must ensure that the number of the charge ticket corresponds to the serial number of the computer operation. Post-event supervision is to be achieved through audit audits and review audits. This is the final link in the refund process, and it is also a transitional link for controlling and linking post-event supervision. Through post-mortem supervision, on the one hand, the reasons for fee refunds can be identified, responsibility attribution can be implemented, and problems should be handled in accordance with the hospital's reward and punishment system, and the entire hospital should be urged to improve service levels and reduce the frequency of fee refunds. On the other hand, we can find the source of loopholes in the refund process, check for leaks and make up vacancies, and gradually improve and continue to improve the internal control management system in a targeted manner.

#### **5.2. Improve the system and mechanism that regulate the management of hospital outpatient fees**

Establish and improve the medical charging system and other working systems, make full use of the informational advantages of the HIS system, design smooth business workflow, refine the operating steps of each business link, and provide guidance to doctors, doctors, toll collectors, pharmacists, and other Relevant department staff carry out relevant knowledge training to prevent chargebacks to reduce chargebacks caused by human errors and mistakes. Establish and improve refund management methods, improve the reward and punishment system, implement the accountability system and joint responsibility system, increase the cost of wrongdoing, and severely punish malicious refunds. "Can't, don't want" cultural atmosphere for refund due to work error or

malicious intention. Promote information about medical and health knowledge, outpatient clinic general knowledge, and drug management regulations, improve patient medical knowledge and medical compliance, and publicly release information on the principles, scope, and procedures of refunds to minimize the occurrence of refunds. Strengthen the communication between doctors and patients to avoid the chargeback behavior caused by asymmetric information to the greatest extent.

### **5.3. Strengthen the supervision of outpatient fee refund**

At the management level, re-evaluate the outpatient consultation process, analyze the operational value of each process link, reconstruct and optimize the outpatient link, reduce the outpatient visit link, and reduce the occurrence of refunds for process errors. Develop an internal fee refund system for hospitals, elaborate procedures and guidelines for fee refunds, establish an evaluation system for medical personnel's fee refund operations, and restrict rewards and punishments for medical personnel through reward and punishment measures. Construct a public service platform to realize the joint information operation of doctors, payees, and pharmacists, and reduce the proportion of refunds caused by information asymmetry. Regularly analyze the comprehensive information of refund operations, focus on the departments and links with more refunds, find the reasons, and monitor in real time

### **5.4. Optimize the outpatient fee refund process**

Strictly control the operation of the outpatient fee refund process, and timely review the errors in the process of checking fees and refunds. Strengthen the control of the information system to ensure that the system records the patient's payment and refund in the whole process. The system shall establish a cost execution confirmation system for medicines, radiation, inspections, tests, and treatments, timely confirm the patient's consultation and treatment, and strictly implement the refund management in accordance with the system status. Carry out multi-party collaborative control to achieve coordination and supervision of various departments and links. Carry out quality control of personnel, strictly control the selection and employment conditions of toll collectors, and adopt measures such as setting minimum qualifications, implementing a guarantee system, regular rotations, conducting skill training and warning education to effectively avoid professional ethics risks. Strengthen the doctor-patient communication control, deepen the patient's understanding of the hospital fee refund process through different methods such as doctor-patient communication, guidance and guidance, and avoid doctor-patient conflicts caused by poor communication during the refund process.

## **6. Conclusion**

With the development of hospital management, financial management tends to become more sophisticated. Refund management in hospitals is an important part of hospital financial management. As a key link of high risk, outpatient fee refunds are an important aspect of strengthening the security of medical charges and preventing hospital revenue. An important part of the loss needs to be given sufficient attention to strengthen internal control construction. From the perspective of establishing and improving internal control of hospitals, this paper analyzes the necessity of strengthening the internal control system for fee refunds, and designs the internal control system framework for outpatient fee refunds, which provides some reference for the hospital to further standardize and strengthen refund management. In the specific operation process, the hospital must organically combine the three methods to achieve the maximum effectiveness of management.

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