



## A study on low cost quality care system in corporate hospitals

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### Abstract

In today's accelerating world economy, services and manufacturing organizations are facing the market realities of ever more demanding customers, shrinking product lifecycles and steep price erosion. This condition drive to continually cut costs, focus on core competencies (outsource some or all of their production), improving supply chain execution and leveraging the supply base has become more critical than ever in achieving competitive advantage and thus increases the competitive advantage of a manufacturer through service providers selection process. The overall objective of the service providers selection process is to maximize overall value to the service provider.

**Keywords:** quality care system, hospitals

### Introduction

The cost of purchasing medicine, latest equipments, pharmacy and component parts is significant in most services health care hospitals. Purchased products and services account for more than 60% of an average organization's total costs (Degraeve *et al.* 2000).

Accordingly, improvement in the procurement process can help organization to increase their profits and the relationship quality with their service providers can be deemed as one of the significant criteria in the evaluation of organizations' economic performance. Selection of the services provider is considered a critical process, cumbersome and lengthy process.

While the health care sector in India started developing in 1940s, distinct growth rates started only in 1970s. After economic reforms took place in India in 1991 that the health care sector started opening up. Thus, the mid-1990s are characterized by the entry of global health care providers through joint ventures in India. After the year 2000, further policy changes were introduced and the focus on development in the organization started increasing. There was a change in health care sector which where due to -

- The government has reduced regulation on the organization and more foreigners patients are coming for treatment purposes.
- Banks and other financing organizations started providing loans at reasonable interest rate.
- Medical policies have been started with lower premium and better facilities system.

The biggest challenge the most of the health care sector is change of mindset of the business approach. Service provider selection starts with setting of the strategic goal or strategic decision about the single sourcing and multiple sourcing (Demirtas and Ustun, 2008). After deciding the strategic goal, organization has to decide the various selection criteria based on organization's requirement. For service provider selection criteria, combining supply chain performance measurement

and service provider selection seems to be an important area. Although some researchers are on SCM environment, little attention has been paid on the influences on the whole supply chain if a certain service providers is selected. Some new criteria to reflect the whole supply chain performance should be developed in the process of service provider's selection.

Supply chain members have to collaborate, sharing information for improving customer's satisfaction and profitability of the health care sector. The purpose of this research is to present what is the impact of the information system in performance of SCM in which a framework is based on Model Predictive Control (MPC) combined with a forecasting module was presented, so, this is dealing with studying the relationship between information system and supply chain management (SCM) optimization. For this objective, we will discuss model predictive control when is nowadays recognized as a standard methodology for the control of corporate hospital and process systems. In addition, this attempts to clearly describe the relation between the supply chain management and information system. The proposed framework will be determinate the efficiency of the method and the impact of forecast accuracy.

### Review of Literature

Chan, *et al.* (2003) stated that apart from the common criteria such as cost and quality, additional aspects had to be given some attention such as flexibility and innovation.

Ndubishi *et al.*, (2005). The quality consideration had become strategically important when a manufacturer started focusing on volume flexibility.

Demirtas and Ustun, *et al.* (2008). The biggest challenge the most of the health industries was change of mindset of the purchasing and traditional business approach. Service provider selection starts with setting of the strategic goal or strategic decision about the single sourcing and multiple sourcing.

Gonza'lez and Quesada, *et al.* (2004). Researchers said that service provider selection criteria were most important in service provider selection process. The studies about service

provider selection were based on the years of 1960s.

Andrew Feller, Dan Shunk, & Tom Callarman, David Blanchard (2014). The term “supply chain management” entered the public domain when Keith Oliver, a consultant at Booz Allen Hamilton (now Strategy&), used it in an interview for the Financial Times in 1982. The term was slow to take hold. It gained currency in the mid-1990s, when a flurry of articles and books came out on the subject. In the late 1990s, it rose to prominence as a management buzzword, and operations managers began to use it in their titles with increasing regularity.

Lambert, (2013). The integration of key business processes across the supply chain for the purpose of creating value for customers and stakeholders.

### **Technosavy in health care**

The urgent need of ICT solutions in the field of medicine is driven by the doctor’s prescription of medication. In this regard, there are possibilities of ADE (adverse drug events) by e.g. a wrong dosing, mistakes in medication setting and mistakes in application of medicine. Studies are showing that up to 10% of the anamneses in hospitals are flawed and thereof 60% pertaining to medication. The implementation of specialized ICT systems aims to prevent these ADEs. Additional special measures and technical equipment (e.g. patient bracelets with barcodes) help to get the right medication to the right patient in the right time.

New technologies have made it possible to bring personalized medicine to fruition. First things first, like Amazon’s “people like you also bought” feature introduced algorithms to look at our online buying profile and match us to others so we could easily find new products we might enjoy. By understanding a person’s biology and how he will react to a particular therapy, researchers will be able to develop more targeted and effective treatment options and physicians will more accurately prescribe those treatments. Next is to include genome analyzing and “datafication” of tissue within patients’ profile. Telemedicine and Biosensors can be used to customize design to actively control and alert the condition of diseases

### **Conclusion**

There are two major forces driving the development of customization:

1. Patients want better, more personalized care. They want to be involved in decisions about their health care. And many want to be actively involved in managing their condition.
2. Control rising health care costs associated with long-term management of chronic diseases.

In an effort to continue to advance its supply chain operations, the provider wanted to perform a quantitative and qualitative review of its OR supply chain process. The member knew that by comparing the operations of two or more of its hospitals against each other as well as against industry best practices, it could identify discrepancies and implement improvements to save significant time and money.

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