

ENVIRONMENTAL FACTORS THAT IMPACT THE HOSPITAL PERFORMANCE

Yong Joo Lee, Department of Finance and Supply Chain Management, Central Washington University, Ellensburg, WA 98926, yongjoo.lee@cwu.edu

Seong-Jong Joo, Department of Operational Sciences, Air Force Institute of Technology, 2950 Hobson Way, WPAFB, OH 45433, 937-255-3636, Ext 4761, seong-jong.joo@afit.edu

ABSTRACT

Despite the governmental effort to ameliorate the health care system better in the U.S., finding unanimous solutions addressing all aspects of the system is not that simple due to its complexity and entanglement of the system in insurance coverage, cost, quality care, legislation, and financing method. We attempt to identify the role of environmental factors to the operational efficiency of hospitals in the State of Washington. We apply truncated regression model with the double-bootstrapped algorithm and compare the results to those obtained from Tobit and OLS regression models. The analysis suggests that Medicaid revenues, locations, and ownership types of hospitals are the significant variables that affects hospital performance.