

COST IMPACT ON THE PERFORMANCE OF HOSPITAL OPERATIONS

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ABSTRACT

Amid the inconsistent health care policies and high expenditures nationwide in U.S., many health care providers are concerned with the management of the costs that incur during their business operations. Using the large governmental data for health care institutions in the state of Washington, we attempt to identify the relationship between performance and cost structure for health care organizations in the state. We apply DEA (Data Envelopment Analysis) to delineate the productivity of hospitals. In addition, to delve into the cost analysis, we use regression analysis and structural equation modeling. We will conclude how we can apply our findings for policy makers in the health care department of the state government.