

A STUDY OF CORPORATE SOCIAL RESPONSIBILITY RESOURCES IN A TERTIARY CARE GOVERNMENT HOSPITAL

Commerce

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ABSTRACT

Aim: To study resources under corporate social responsibility of a tertiary care government hospital. **Objectives:** To identify revenue resources and identify resources under corporate social responsibility. **Methodology:** The study was conducted in tertiary care government hospital. It was a cross sectional, observational and descriptive type of study. Duration of study was 4 weeks. The data was collected by observational checklist. Parameters taken were various sources of revenue and various resources under CSR. **Results:** Total funds received under CSR for 2019 was 27 crore 99 lakh 85 thousand [Power Grid (48.73%), UPPCL (40.16%), Helping Hands (10.68%), State Bank of India (0.43%).] The funds received for doss house (48.73%), Burn unit (40.16%) and Paediatric oncology building (10.68%). **Conclusion:** CSR is a good source for non-patient revenue generation. CSR should be further explored in order to meet additional requirements not catered under routine budget allocation.

KEYWORDS

CSR, Patient Care Revenue, Non-Patient Care Revenue

INTRODUCTION

According to the UNIDO, "Corporate social responsibility" (CSR) is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (Triple-Bottom-Line Approach), while at the same time addressing the expectations of shareholders and stakeholders. In this sense it is important to draw a distinction between CSR, which can be a strategic business management concept, and charity, sponsorships or philanthropy [1].

CSR in India has traditionally been seen as a philanthropic activity and in keeping with the Indian tradition, it was an activity that was performed but not deliberated. As a result, there is limited documentation on specific activities related to this concept. However, it was clearly evident that much of this had a national character encapsulated within it like endowing institutions to actively participate in India's freedom movement, and embedded in the idea of trusteeship [2]. The government of India's spending on healthcare is estimated to be about 1.5% of the GDP which is significantly lower when compared with other developed countries. [3].

The objectives were to achieve the highest possible level of good health and well-being, through a preventive and promotive health care orientation in all developmental policies, and to achieve universal access to good quality health care services without anyone having to face financial hardship in National Health Policy 2017. The aim of this policy was raising expenditure on healthcare in a time bound manner to 2.5% of GDP. [4]. Much variation is found in developed and developing countries expenditure on health. Public expenditure on health according to World Bank income group is described below in the figure 1 [5].

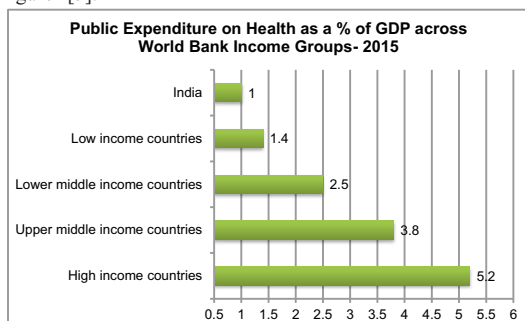


Figure1: Public Expenditure on Health – International comparison

Expecting the government to solve all the problems is not possible. Companies can do support health care as a part of their 2 per cent mandatory spending as per companies act. Nowadays companies focus significantly on healthcare i.e., about 24% of the total spend on CSR is focused on healthcare, study of India's top companies for sustainability and CSR shows that the top 200 companies spend around ₹ 1369 crores on healthcare and wellness. However, majority of this fund is spent on health camps and building hospitals or for upkeep of hospital facilities. Health camps tend to have a short-term orientation and are number driven and setting up and running hospitals are often poorly targeted. Given the above issues, companies need to find more ways to engage in CSR activities around healthcare.

Aggregate CSR spend for 173 companies in 2014-15 were ₹ 5752 crores with an average spend of ₹ 33.25 crores per company. This translated into an average CSR spend as a percentage of average PAT of 1.4%, which is lower than the Government mandate of 2% and more [6, 7].

AIM

To study resources under corporate social responsibility of a tertiary care government hospital.

OBJECTIVES

1. To identify revenue resources of tertiary care government hospital
2. To identify resources under corporate social responsibility in tertiary care government hospital
3. To suggest recommendations if any.

METHODOLOGY

It was a cross sectional, observational and descriptive type of study. The study was conducted in tertiary care government hospital. The study duration was 4 weeks. The data was collected by an observational checklist. The parameters taken for study were various resources of revenue and various resources under CSR. The data generated was entered and analysed using Microsoft Excel and Microsoft Word.

RESULTS

Various sources of revenue generation

All the sources of revenue generation were identified and grouped into two categories:

1. Patient Care Revenues
 - Revenue from OPD
 - Revenue from diagnostic services

2. Non-patient Revenues

- Budget from State government
- Resources received under CSR
- Resources received under Donations
- From fixed assets disposal

Various resources received under CSR

All the resources received under CSR from April 2016 to December 2019 were identified. These were in the form of building and material and source of non-patient revenue. Various organizations were involved in it, details are given in table 1.

Table 1: Various resources received under CSR (2016-2019)

S. No.	Name of item	Total number	Total revenue allocated under CSR	Name of organization
1	Doss house building	One	13,68,76,074	Power grid
2	Burn unit	One	11,28,00,000	UPPCL
3	Pediatric Oncology building	One	3,00,00,000	Helping hands
4	Stretchers	Forty	2,70,000	State Bank of India
5	Wheel chairs	Eight	39,920	State Bank of India
Total funds under CSR			27,99,85,994	

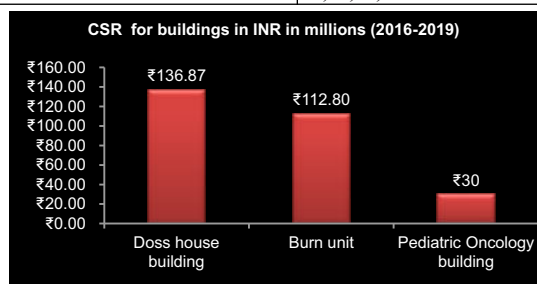


Figure 2: CSR for buildings

A total ₹ 279.67 million was received for all buildings from 2016 to 2019 out of which ₹ 136.87 million (48.94%) for doss house, ₹ 112.80 million (40.33%) for burn unit and ₹ 30 million (10.73%) for pediatric oncology building.

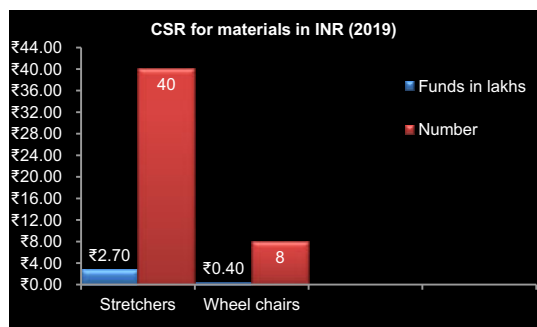


Figure 3: CSR for materials

It was identified that funds were received for forty stretchers and eight-wheel chairs. Total ₹ 3.1 lakhs was received in 2019 out of which ₹ 2.70 lakhs (87%) for stretchers and ₹ 0.40 lakhs (13%) for wheel chairs.

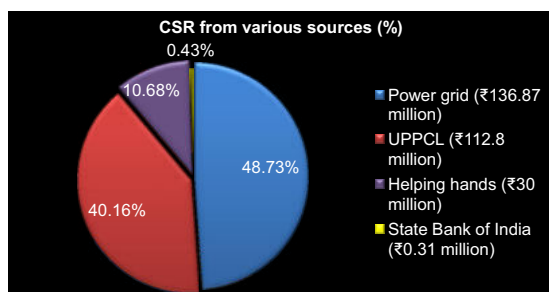


Figure 4: Various sources of CSR

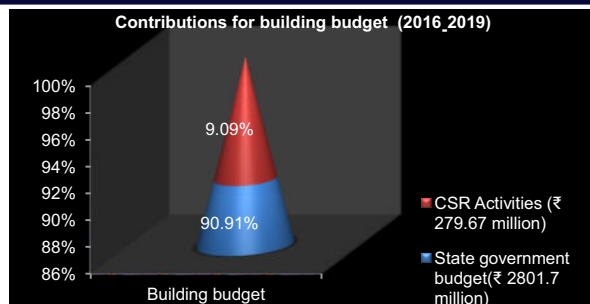


Figure 5: Contribution of Building Budget

It was identified that a total ₹ 3081.37 million was used for construction of building from year 2016 to year 2019 out of which ₹ 2801.7 million (90.91%) was received from state government and ₹ 279.67 million (9.09%) from various CSR activities.

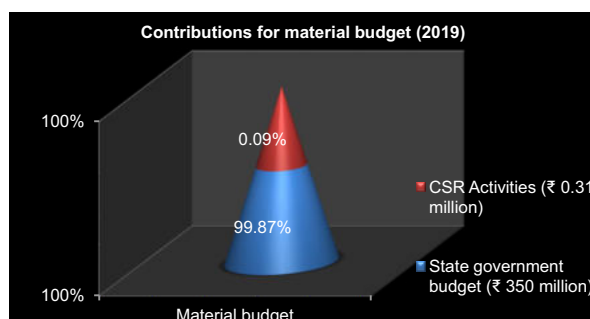


Figure 6: Contribution for Material Budget

A total ₹ 350.31 million was used for purchase of materials in year 2019 out of which ₹ 350 million (99.87%) was received from state government and ₹ 0.31 million (0.09%) from various CSR activities.

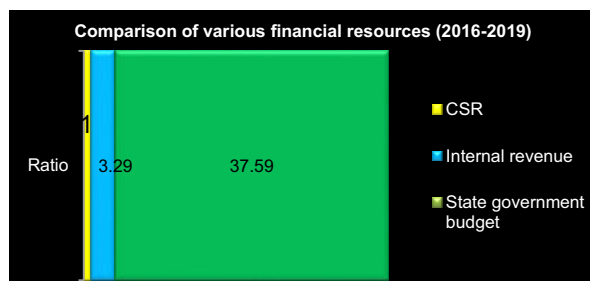


Figure 7: Comparative Ratio of various sources of revenue

It was analysed that that funds generated from internal revenue (patient revenue + non patient revenue) is 3.29 times of funds received under various CSR activities and state government budget is 37.59 times.

Conclusion and Recommendations

There are various sources of revenue generation in hospital. Major concern is given to government funds and patient care revenue in government hospital. There is little literature about the non-operating revenues of hospital. In this study major focus is on the resources which come under corporate social responsibility from various agencies.

A study was done on non-patient revenue generation in Tainan municipal hospital, Tainan City, Taiwan; where a total of 9.29% of finance was generated from non-patient revenue out of which 12.4% from various donations. CSR is a good source for non-patient revenue generation. CSR should be further explored in order to meet additional requirements which are not catered under routine budget allocation. For expansion of extent and exploring new avenues supported through CSR a professional cell designated as CSR cell for hospitals should be planned as part of hospital administration.

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