Modern American Journal of Business, Economics, and Entrepreneurship
ISSN (E): 3067-7203
Volume 01, Issue 03, June, 2025
Website: usajournals.org

IMPROVING FINANCIAL ANALYSIS IN MEDICAL INSTITUTIONS

Khasanov Khusinboy Xudayberganovich
Teacher of the Department of Economics at the
University of Business and Science
Email: khusinboyh@mail.ru

Abstract

This article examines the main indicators used to assess the financial condition of medical institutions: financial condition, profitability, liquidity turnover indicators, solvency and financial reporting. Based on the conclusions obtained as a result of the analysis of the activities of medical institutions, conclusions and proposals for improving the financial analysis of medical institutions were developed.

Keywords: Medical institution, profitability, liquidity, solvency, financial analysis.

Introduction

Currently, the private medical sector in Uzbekistan is developing rapidly. This leads to an increase in the quality of medical services and an intensification of the competitive environment in the healthcare system. At the same time, the issues of maintaining financial stability and rational use of resources for private clinics are becoming increasingly important.

Financial analysis is an important tool for determining the effectiveness of private clinics, making investment decisions and strategic planning. However, current financial analysis methods may not provide sufficiently complete or accurate results in some cases. Therefore, this article justifies the need to improve the methods of financial analysis of private clinics.

Modern American Journal of Business, Economics, and Entrepreneurship
ISSN (E): 3067-7203
Volume 01, Issue 03, June, 2025
Website: usajournals.org

Literature Review

The issues of financial management and analysis of private medical institutions have been widely studied worldwide. World experience shows that financial analysis is an important tool for improving the efficiency of the healthcare system.

Richard A. Brealey and Stewart C. Myers 2020 [1] view financial analysis as a strategic management tool, focusing on capital structure, profitability, and investment efficiency. They argue that not only current financial performance but also long-term value creation are important for healthcare organizations.

According to World Health Organization reports (2018, 2022)[2], financial sustainability for private clinics is closely related to service quality and continuity. Financial monitoring tools (e.g., operating margin, EBITDA, liquidity ratios) are widely used in healthcare organizations.

The Healthcare System Development Strategies for 2021–2024, published by the Ministry of Health and the Ministry of Economy and Finance of the Republic of Uzbekistan [3], set clear goals for private sector participation and financial sustainability. However, no unified financial analysis standards have been developed for private clinics.

A study by Mahmudov M. and Qodirov I. (2021) noted the existence of different formats and approaches in the accounting and financial analysis system of private clinics in Uzbekistan.

In the process of innovative approaches, the trend towards automation of financial analysis in medicine and real-time management through KPI monitoring systems is gaining momentum. According to the analysis of Deloitte and McKinsey (2022), the accuracy of forecasting the financial condition of healthcare institutions using analytical platforms based on artificial intelligence has increased by 30–40%.

Methodology

The study uses the following methods to assess the management models, performance indicators and financial condition of private clinics.

Modern American Journal of Business, Economics, and Entrepreneurship
ISSN (E): 3067-7203
Volume 01, Issue 03, June, 2025
Website: usajournals.org

1. SWOT analysis

SWOT analysis is used to identify the strengths and weaknesses, opportunities and threats of private clinics. This method is of key importance in developing strategies aimed at improving the management models of the study.

2. PEST analysis

PEST analysis studies the political, economic, social and technological factors affecting the management of private clinics. This method helps private clinics identify risks and opportunities arising from the external environment.

3. Economic efficiency analysis

a) Formula for analyzing income and expenses

To assess economic efficiency, it is important to analyze the income and expenses of a private clinic. In this process, the following formula is used:

$$P=TR-TC$$

Where:

- PPP— profit (net money remaining from income),
- TR — total revenue,
- TC — total costs.

The meaning of the formula is that the economic efficiency of a private clinic is calculated by subtracting its total expenses from its total income. Total expenses include salaries, operating expenses, legal requirements and other financial obligations of the clinic.

b) Profitability calculation formula

To assess the financial efficiency of private clinics, it is necessary to calculate the profitability ratio[4]. This ratio shows whether the clinic is profitable or unprofitable. The profitability ratio is calculated using the following formula:

$$R=P/TR*100$$

Where:

- R— profitability (profitability ratio),
- P— profits,

Modern American Journal of Business, Economics, and Entrepreneurship
ISSN (E): 3067-7203
Volume 01, Issue 03, June, 2025
Website: usajournals.org

- TR— total income.

This formula shows what percentage of profit a private clinic makes in relation to its total income. If the profitability ratio is less than 100 percent, this indicates that the clinic is not being managed efficiently.

Analysis and results

The following directions are recommended for improving financial analysis in private clinics:

• Implementation of integrated information systems - allows you to manage financial and operational reports on a single platform;

• Creation of KPI systems for monitoring financial indicators - allows you to link the quality of service with financial results;

• Use of digital financial planning (financial forecasting) tools;

• Improving staff skills - organizing regular training for financial managers and accountants;

Development of standardized financial analysis methodology - facilitates comparison of analysis results.

One of the medical institutions in our republic, the private clinic "Anfa Clinic" LLC, was selected for financial analysis. The article presents the financial status of the clinic for 5 years.

The profitability indicators were analyzed after studying the financial statements of the private clinic "Anfa Clinic" LLC.

Analysis of profitability indicators

№	Indicators	2019	2020	2021	2022	2023
1	Profitability of sales	18,8%	-6,2%	19,8%	-18,5%	5,1%
2	Return on Assets	27,3%	-6,1%	22,7%	-23,0%	9,4%
3	Return on Equity	31,3%	-6,2%	26,8%	-30,8%	12,9%
4	Return on Costs	24,3%	-6,1%	25,7%	-16,9%	5,5%
5	Return on Long-term Assets	75,8%	-23,4%	70,5%	-60,7%	29,7%
6	Return on Current Assets	42,7%	-8,4%	33,8%	-37,4%	13,8%

According to the analysis, Anfa Clinic's long-term asset return was 75.5% in 2019, and it will decrease to 29.7% in 2023.

Modern American Journal of Business, Economics, and Entrepreneurship
ISSN (E): 3067-7203
Volume 01, Issue 03, June, 2025
Website: usajournals.org

Liquidity ratios											
№	**Ratios**	**2019**		**2020**		**2021**		**2022**		**2023**	
		at year-start	at the end of the year								
1	Absolute liquidity	1,51	25,06	25,06	56,91	56,91	8,29	8,29	2,02	2,02	0,05
2	Term liquidity	1,6	25,9	25,9	71,6	71,6	15,0	15,0	4,1	4,1	2,7
3	Coverage ratio (Current liquidity)	2,5	32,5	32,5	90,2	90,2	21,5	21,5	10,3	10,3	4,5
4	Accounts receivable to accounts payable ratio	16,6	1,1	1,1	0,1	0,1	0,1	0,1	0,5	0,5	0,4
5	Working capital adequacy ratio	0,6	1,0	1,0	1,0	1,0	0,6	0,6	0,6	0,6	0,6

Liquidity ratios are also analyzed in the table. Here, the highest coefficient among the Liquidity ratios is the ratio of receivables to payables of 16.6 in 2019, and the coverage ratio (Current liquidity) of 4.5 in 2023.

Conclusion

Improving the financial analysis system in medical institutions plays an important role in increasing their overall efficiency and sustainability. If the problems identified and the proposals made based on the research are implemented in real life, the economic efficiency of the clinics' activities will increase significantly. In the future, the development of automated financial analysis systems based on digital technologies in this area remains an urgent task.

References

1. Brealey R.A., Myers S.C., Allen F. Financial management: theory and practice. – Moscow: Infra-M, 2020. – 1056 p.
2. World Health Organization (WHO). Global spending on health: A world in transition. – WHO, 2019.
3. Ministry of Health of the Republic of Uzbekistan. Concept for the development of the health care system in 2022–2026. – Tashkent, 2021.
4. Hasanov H.Kh., Improving the management of private clinics., Journal of Effective Learning and Sustainable Innovation., Vol.3 №5 (2025) 1031-1040 p
5. Sherzodov Sh. Modern directions of financial analysis in medical institutions. // Journal of Financial Analysis. – 2022. – №2. – P. 44–51.