



Hospital Profitability and Average Daily Patient-to-Nurse Ratio in Public and Private Hospitals in Taiwan

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ABSTRACT

Taiwan's National Health Insurance system is notable for its comprehensive medical service coverage. This study analyzed the impact of patient-to-nurse ratio on the profitability of Taiwan's public and private hospitals. Patient-to-nurse ratio serves as a crucial measure of resource allocation and nursing quality. Since the implementation of the National Health Insurance system in Taiwan, hospitals of different levels of care have reduced nursing manpower out of consideration of operational costs, when a safe patient-to-nurse ratio was achieved, the nurse turnover rate decreased, which lowered training costs. The research highlighted differences in how these ratios affect profitability, providing insights for policymakers to enhance medical expense management and resource distribution. During the COVID-19 pandemic, private hospitals prioritized profitability and operational efficiency by adjusting patient-to-nurse ratio, while public hospitals aimed to serve societal needs. Despite this community focus, public hospitals' ability to adjust ratios for profit was limited by governmental control and conservative operations, making private hospitals generally more profitable.

Keywords: hospital profitability, public hospitals and private hospitals, average daily patient-to-nurse ratio

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