An Analysis of the Correlation between Financial Performance and the Nurse-Patient Ratio: Evidence from Different Hospital Levels in Taiwan

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Accepted March 2022

ABSTRACT

In light of the situation in Taiwan following the COVID-19 outbreak in May 2021, hospitals face a shortage in nursing manpower, resulting in many registered nurses leaving the profession. As a result, the issue of the high nurse-patient ratio has received renewed attention. This study attempts to fill this gap by conducting an empirical analysis of public hospitals at different levels between 2019 and 2020. The empirical results show that, as medical centers have a better financial position than regional hospitals and district hospitals, a lower nurse-patient ratio can improve a hospital’s operating performance. In addition, Taiwan’s six municipality areas have relatively more resources and tend to have a good health care quality, which means that they provide better benefits and therefore have a better nurse-patient ratio, resulting in a lower turnover rates and lower manpower training costs which in turn improves operating performance.

Keywords: Nurse-Patient Ratio, Financial Performance, Hospital Levels

JEL classification: M10 、I15 、I18

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