

## Hospital Efficiency Analysis Through Social Value Added Index



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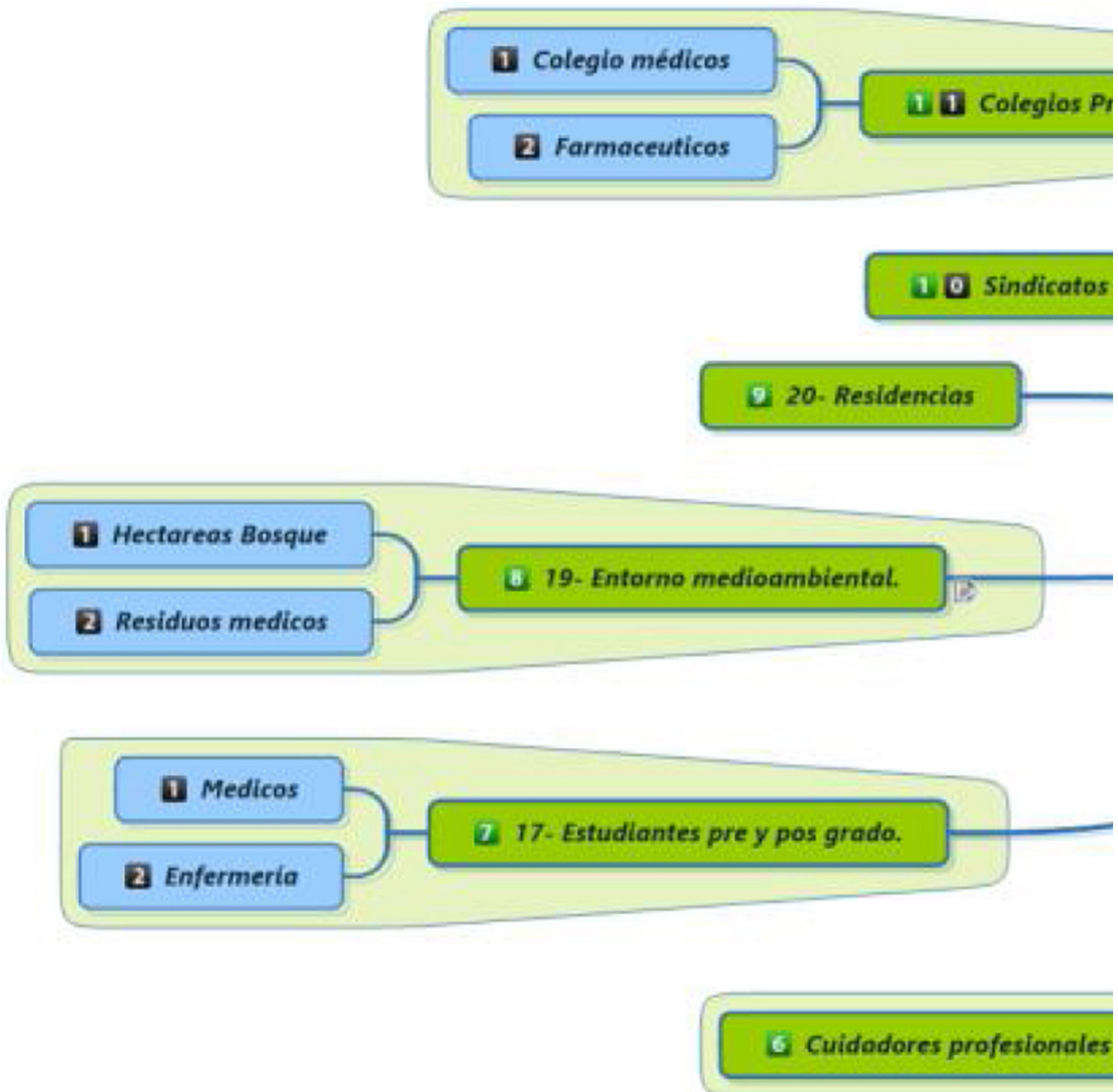
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The role of social value for stakeholders is larger than ever – in healthcare as well as in other sectors because most organisations, public and private, are interested to know about the value they create for society.

The financial aspects are not enough for this purpose since there is a need to identify the actions that create value, but are not reflected in traditional accounting – they are not paid for, yet they are valuable for patients and users of a hospital. Thus, to provide a complete analysis of public spending efficiency, we need to include not only economic aspects but also an array of other actions positively valued by stakeholders and considered as value-generating by a hospital.

To translate the social value to monetary terms, we applied to a Basque Autonomous Community public health hospital, [Santa Marina Hospital](#), the model we call [Social Value Added Index](#). This is a useful indicator for analysing the efficiency of public spending based on generation of social value. In our case, the Santa Marina Hospital has generated €60 million in social value per year during the analysed period.



Stakeholders Map (San-Jose et al. 2019)

Social Accounting or Stakeholder Accounting for Sustainability

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This is a system that allows organisations to assess the social value of their activities based on three aspects.

First is the market value, which includes economic transactions such as salaries, taxes or supply costs reflected in traditional accounting, assessed by their social input.

Second is non-market value or specialised social value that comes from the perceptions of stakeholders (personnel, patients and their families, investors, public administrations, etc) of the social values generated by a hospital. It is an accumulative process, but through triangulation we get the most important and relevant aspects included. Together with the hospital managers we identified, classified and assigned monetary value to the actions performed (objective and systematic).

Third is the level of stakeholders satisfaction (emotional) used as a correction index to increase or decrease the quantification of value generated by the sum of market and non-market values (in the case of Santa Marina Hospital it has been, of course, the increase!)

The calculations took us about six months, but as soon as this model is standardised and more hospitals apply it, the period needed can be as short one month.

### What are the Most Important Aspects?

As mentioned above, the socio-emotional value of the Santa Marina Hospital translated into approximately €60 million per year for the 2013–2017 period. Particularly, hospitalisation services generated over €19 million of socio-emotional value; among other variables analysed were free parking, which saved users over €328,000; outpatient care resulting in savings of €442,000 for families; and clinical training for students – the social benefit here was estimated at over €83,000.

However, the most important aspects of Social Accounting/Stakeholder Accounting application in a hospital are:

- 1) The process of the calculation itself has demonstrated the relevance and importance of social aspects to the hospital as an organisation and to its management.
- 2) This index allows the socio-emotional data to be quantitatively assessed and compared with both economic performance indicators of a hospital and the public spending.
- 3) This researched has provided a toolbox to compare not only economic indicators, but also social ones of different hospitals – and, potentially, other healthcare institutions.

### Acknowledgements

This is the first research aimed to assess social value of a hospital in monetary terms. Although it has its limitations, it can be instrumental in communicating to the society the huge value that hospitals generate, not only financial but also socio-emotional.

It is important to say that this type of research is only possible with the invaluable help and support from the hospital management – in our case we thank [Frumen Molinero](#), former financial director of Santa Marina Hospital. Also, we want to thank [ECRI research group](#) – Ethics in Finance and Social Value, and [GEAccounting](#) for encouraging this type of university-society work, which directly benefits the society.

### References

San-Jose L et al. (2019) Índice de valor social añadido: una propuesta para analizar la eficiencia hospitalaria - Social value added index: a proposal for analyzing hospital efficiency . Gaceta Sanitaria. Available from <http://www.sciencedirect.com/science/article/pii/S0213911119302262>

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