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The recommendations emphasize on the efficient allocation of funds and minimizing waste of resources. The first step involves the identification of the components of the revenue cycle. This will highlight the financial capacity of the organization. Various metrics are used for managing the revenue cycle. It is important to determine how services are reimbursing healthcare providers. The process will also involve the identification of the methods used for funding capital expenditure.

Adopting compliance practices can be an effective tool for managing funds appropriately. This will eliminate the chances of misallocation or fraud. It will ensure that the funds are utilized in accordance with the rules and regulations of the healthcare organization (Niles, 2010). Audits will provide clear details on the malpractices or breaches that have adversely impacted financial stability. Removing the mismanagement of resources and services can be effective in controlling finances.

There is a need for comparing an organization's ability to generate funds with total cost incurred monthly in healthcare services. This will assist the institute in bridging the gap between expenses and earnings. Financial analysis will also help in identifying the areas where the hospital is not generating adequate revenues.

Another possible solution is forming a merger with other healthcare organization for gaining access to funds and investments. For a successful acquisition, the hospital must identify the rationale for affiliation. Local market dynamics must also be considered before forming a merger with the partners. This will also require determining how it might affect the quality of care and affect the hospital's vision of low-cost care. Clinical resources can be utilized effectively for eliminating the scope of their misuse. Before entering a merger, the organization will examine if it will create value or not. Incorporating value-oriented payment systems can be useful for improving the quality of service and attaining high patient satisfaction.

Reference

Niles. (2010). *HSA1117 Keiser University and Jones & Bartlett Bundle 1st Edition.* JONES & BARTLETT LEARNING.