



## Assessing The Hospital Financial Viability Index in Private Healthcare Sector in Borsa İstanbul

Faruk DAYI\*, Ali ELDERBAG\*\*

### ABSTRACT

The uninterrupted continuation of operations in healthcare enterprises significantly depends on the efficient and effective utilization of financial resources. Since the health sector demands intensive capital and qualified labor, continuous assessment of financial performance is essential for maintaining financial sustainability. This study aims to evaluate the financial performance of healthcare enterprises. The variables include the current ratio, the ratio of operating expenses to operating revenues, the ratio of liabilities to total assets, and the Hospital Financial Viability Index (HFVI). The analysis was performed for the 2019-2023 period with the consolidated financial statement data of Lokman Hekim, MLP, NASMED, and TAPDI enterprises traded in Borsa İstanbul. The findings indicate that the financial performances of health enterprises vary. NASMED and TAPDI enterprises do not experience financial difficulties, whereas Lokman Hekim and MLP enterprises experience financial difficulties during specific periods. It is recommended that health enterprises implement measures to improve their financial structures.

**Keywords:** Healthcare Enterprises, Financial Performance, Borsa İstanbul, Hospital Financial Viability Index

**JEL Classification:** I10, G33, P47

## Borsa İstanbul Özel Sağlık Hizmetleri Sektörünün Hastane Finansal Yaşam İndeksinin Değerlendirilmesi

### ÖZET

Sağlık işletmelerinin faaliyetlerini kesintisiz bir şekilde sürdürebilmelerinde finansal kaynakların etkin ve verimli kullanılması oldukça önemlidir. Sağlık sektörü yoğun sermaye ve nitelikli iş gücü gerektirdiğinden işletmelerin finansal sürdürülebilirliğinin sağlanması finansal performanslarının sürekli değerlendirilmesini gerektirmektedir. Bu çalışmanın amacı sağlık işletmelerinin finansal performanslarını değerlendirmektir. Çalışmada cari oran, faaliyet giderlerinin faaliyet gelirlerine oranı, yabancı kaynakların toplam varlıklara oranı ve Hastane Finansal Yaşam İndeksi değişkenleri kullanılmaktadır. Borsa İstanbul'da işlem gören Lokman Hekim, MLP, NASMED ve TAPDI işletmelerinin 2019-2023 dönemi konsolide finansal tablo verileri ile analiz yapılmaktadır. Analiz sonucuna göre sağlık işletmelerinin finansal performanslarının farklılık gösterdiği bulgulanmaktadır. NASMED ve TAPDI işletmelerinin finansal sıkıntı yaşamadıkları; Lokman Hekim ve MLP işletmelerinin ise bazı dönemlerde finansal sıkıntı yaşadıkları görülmektedir. Sağlık işletmelerinin finansal yapılarını iyileştirici önlemler almaları önerilmektedir.

**Anahtar Kelimeler:** Sağlık İşletmeleri, Finansal Performans, Borsa İstanbul, Hastane Finansal Yaşam İndeksi

**JEL Sınıflandırması:** I10, G33, P47

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\* Assoc. Prof. Dr., Kastamonu University, Faculty of Economic and Administrative Sciences, Department of Business Administration, fdayi@kastamonu.edu.tr, ORCID ID: 0000-0003-0903-1500.

\*\* PhD Student, Kastamonu University, Institute of Social Sciences, Department of Business Administration, alielderbag@gmail.com, ORCID ID: 0000-0001-5478-7687.

## 1. INTRODUCTION

The financial performance of health enterprises is crucial for the uninterrupted provision of health services. The sustainability of businesses can be ensured with financial planning and effective financial management in accordance with the goals and objectives of the company. The financial performance of enterprises has a significant share in the timely and quality delivery of health services, and the performance is assessed by examining their financial status (Işıkçelik, Turgut, and Ağırbaşı, 2022: 507). A study conducted in Florida (Encinosa and Berbar, 2005: 60) indicated that the average profitability of the enterprises with the best financial performance between 1996 and 2000 was 15%, while the average profitability of the enterprises with the lowest financial performance was -10%. The study concludes that there is a significant difference between the financial performance of large and small-scale health enterprises.

The primary operating revenues and other operating revenues of health enterprises are insufficient to cover their total expenses. By examining the financial performance of the enterprises, it is possible to determine whether they use their resources effectively and efficiently (Bazzoli, Chen, Zhao, and Lindrooth, 2008: 977). Thus, necessary adjustments can be made to improve the financial performance of enterprises (Kabak and Yurtadur, 2023: 1077). The financial performance of health enterprises is not only related to the financial status of the enterprise, but also closely related to meeting patient expectations and providing appropriate medical services to patients equally. Financial performance, productivity, efficiency, effectiveness, and quality of medical procedures are crucial for ensuring patient satisfaction. The quality of the performance evaluation system of healthcare organizations is measured by its success in providing low-cost services (Vlasiadis et al., 2022: 1-2). This is because quality improvements made in line with patients' quality expectations will increase costs, thus raising prices (Bazzoli et al., 2008: 979). Therefore, sustainable financing practices through the performance evaluation system should be managed by taking into account the effectiveness and efficiency of hospitals. Transparency, accountability, and adoption of best practices in performance measurement are key considerations as improvement tools in the evaluation process (Kourtis et al., 2021: 1048).

Factors affecting the financial performance of health enterprises are not well understood, and these factors require further research (Narine, Pink, and Leatt, 1996: 137). The financial performance of health enterprises can be assessed in terms of profitability, liquidity, activity, cost, and revenue. Profitability refers to the ability of the business to generate profit, liquidity represents the ability to repay debt, capital structure reflects the financing structure of the business, operating ratios indicate the efficiency of assets, cost refers to wages and expenses, and revenues refer to earnings as a result of using resources (Barnes et al., 2017: 4).

Various methods, such as financial statement analysis and multi-criteria decision-making techniques, are employed in financial performance evaluation. Ratio analysis is one of the most widely preferred methods, especially in the 19th century, due to its ease of application (Smith, 1990: 131). In ratio analysis, ratios are calculated by establishing relationships between the accounts in the financial statements, specifically, the balance sheet and income statement. This method evaluates both the performance of enterprises over a specific period and their position within the sector (Pegels, 1984: 701). Ratio analysis is useful for analyzing the profitability, operating performance, debt structure, and liquidity levels of health enterprises. Particularly, sales and profitability are the most commonly used financial performance measures. Various ratios such as return on assets ratio, net profit margin, and asset turnover ratio are widely used in financial performance evaluation (Ozcan and McCue, 1996: 18).

Another method used in evaluating the financial performance of health enterprises is the Hospital Financial Viability Index (HFVI). The index was developed to assess the financial conditions of hospitals (Kabak and Yurtadur, 2023: 1080) and examines the financial

performance and sustainability of hospitals by using 3 financial ratios together (Narine et al., 1996: 144). The HFVI assesses capital structure, liquidity level, and activity level (Özgülbaş, 2005: 136). If the HFVI is 1 and above, it indicates that health enterprises experience financial distress; if it is 1 and below, it indicates that they are not experiencing financial distress (Işıkçelik, Turgut, and Ağırbaş, 2022: 509-510).

In this study, HFVI is used to evaluate the financial performance of healthcare enterprises. Previous studies have mostly assessed the financial performance of healthcare enterprises based on individual enterprises or aggregate sector balances from central banks. This study was conducted to examine whether hospitals are in financial distress by evaluating their financial performance with the HFVI. On the other hand, this study aims to contribute to the literature by evaluating the financial performance of healthcare enterprises in the Borsa İstanbul (BIST) hospital sub-sector utilizing the HFVI.

## **2. LITERATURE REVIEW**

This section reviews studies that examine the financial performance of private healthcare enterprises. Numerous studies analyzed the financial performance by utilizing various methods to understand the viability of private healthcare enterprises. For instance, Karataş and Çınaroğlu (2023) analyzed the financial performance of two private healthcare enterprises in BIST. By using ratio and trend analyses based on financial statement data, they calculated the Financial Viability Index and evaluated the relationship between profitability ratios. The study concluded with a strong and negative relationship between the Financial Viability Index and the gross return on sales ratio, a very strong and negative relationship with the operating profitability ratio, a strong and negative relationship with the net profit margin, and a very strong and negative relationship with the return on equity.

Similarly, Kabak and Yurtadur (2023) highlighted that examining the financial performance of the past periods of the enterprises helps in planning and making more rational decisions for future periods. The study is based on data from the 2017-2021 period of enterprises in the Central Bank of The Republic of Türkiye (CBRT) hospital sector. The Hospital Financial Viability Index was utilized to evaluate the financial performance of the enterprises, indicating that they faced financial difficulties during the period, but reached an ideal level in 2021.

Kurtlar (2023) analyzed the financial performance of a private health enterprise listed on BIST with financial statement analysis methods for the period 2014-2020. The study conducted horizontal, percentage, trend, and ratio analyses and concluded that the enterprise is primarily financed by debt, net working capital is insufficient, and experienced asset-liability imbalance. Despite these issues, the profitability of the enterprise is above the sector average.

Çil Koçyiğit, Ekinci and Özşahin (2022) examined the financial performance of a private health enterprise. Financial statement data for the 2017-2019 period were analyzed performing the DuPont technique. The analysis revealed that the return on assets ratio decreased, and the equity multiplier increased. Also, financial risk may increase with the increase in borrowing.

Şenol and Metin (2022) evaluated the impact of COVID-19 on the financial performance of a private health enterprise traded in BIST. The study conducted a horizontal analysis based on the period financial statement data and that the business was negatively affected by the COVID-19 Pandemic and inflation, also showed a negative trend compared to the pre-pandemic period.

Çil Koçyiğit, Bıyık and Ertaş (2022) analyzed the financial performance of a private healthcare enterprise in Ankara using trend analysis on financial statement data from 2010 to 2020. They concluded that there are increases in trade receivables, delays in collection, and decreases in cash and similar assets, and suggested the need for policies to improve liquidity.

Işıkçelik, Turgut and Ağırbaş (2022) examined the financial performance of healthcare enterprises based on the CBRT sector data for the period 2009-2019. Employing the DuPont technique, Financial Strength Index, and Hospital Financial Viability Index, the study found low profitability ratios, high debts, particularly short-term debt repayment difficulties, and overall poor financial performance due to high costs and expenses.

Bozkurt (2022) evaluated the financial performance of a private health enterprise by utilizing Ratio analysis based on data for the period 2017-2019. The analysis resulted in a good cash level, strong financial structure, good profitability, and a growing trend for the assets of the enterprise.

Kourtis et al. (2021) assessed the financial performance of private healthcare enterprises based on the 2019 financial statement data of 15 health enterprises. By employing Data Envelopment Analysis (DEA) with a model consisting of 2 input and 2 output variables, they concluded that 8 enterprises achieved increasing returns to scale, while 5 experienced decreasing returns.

Güngör Tanç and Erciyes Eravcu (2021) examined the financial performances of 6 private health enterprises in Kayseri. The study performed Ratio Analysis based on financial statement data for the period 2012-2017. The results showed that healthcare enterprises had a performance close to the sector average, but the liquidity level of the enterprises is not sufficient, and they might have difficulty in paying their short-term debts.

Işıkçelik, Durur and Günaltay (2021) evaluated the financial performance of a private healthcare company listed on the BIST by utilizing the DuPont technique for the 2015-2019 period data. The study showed that profitability ratios are negative except for 2019, equity is low, and foreign resources are high, and suggested that the company should reduce the use of foreign resources.

Beyhan (2020) studied the financial performance of MLP healthcare enterprise using horizontal, vertical, and trend analyses on data from 2016 to 2018. The analysis showed high levels of foreign borrowing and the need to take measures to reduce financing costs and exchange rate differences.

Bazzoli, Fareed, and Waters (2014) examined the financial performance of healthcare businesses in the USA, evaluating the impact of the economic crisis on the financial performance of businesses. Utilizing data from 2971 enterprises for the 2006-2011 period, they concluded that healthcare enterprises were adversely affected by the 2008 crisis, which resulted in weakened financial performance.

Gider (2011) analyzed the impact of economic crises on the financial performance of private hospitals, using ratio analysis on data from Acıbadem Healthcare Enterprise for the 1998-2003 period. The study found that while the enterprise had good financial performance, it was negatively affected by the 2020 and 2021 crises.

Özgülbaş et al. (2008) studied the financial performance of private health enterprises. Based on the data of 797 enterprises for the 1994-2005 period CBRT, the financial performance of the sector was analyzed using ratio analysis, trend analysis, and the Mann-Whitney U test. The study showed that the enterprises did not experience financial distress, were able to pay their debts, and had high liquidity levels.

Many studies in the literature examine the financial performance of health enterprises. It is obvious that the financial performances of enterprises are evaluated by utilizing financial statement analysis, multi-criteria decision-making techniques, and other indices. In a similar study, it was found that CBRT sector balance sheet data were used. This study distinguishes

itself from prior research by assessing the financial performance of private healthcare enterprises through the application of the Hospital Financial Viability Index.

### 3. MATERIAL AND METHOD

The primary focus of this study encompasses private healthcare enterprises operating in Türkiye. Since access to data on private healthcare enterprises is not possible, the sample consists of healthcare enterprises listed in Borsa İstanbul (BIST). Table 1 provides a list of enterprises within the "Human Health and Social Services" sector as classified by BIST (KAP, 2024a).

**Table 1:** List of Private Healthcare Enterprises in the Sample

No	Name of Private Healthcare Enterprises	Stock Exchange Code	Abbreviation
1	Lokman Hekim Engürüsağ Sağlık Turizm Eğitim Hizmetleri ve İnşaat Taahhüt A.Ş.	LKMNH	Lokman Hekim
2	MLP Sağlık Hizmetleri A.Ş.	MPARK	MLP
3	NASMED Özel Sağlık Hizmetleri Ticaret A.Ş.	EGEPO	NASMED
4	TAPDI Oksijen Özel Sağlık ve Eğitim Hizmetleri Ticaret A.Ş.	TNZTP	TAPDI

The financial performance of health enterprises for the last five years, from 2018 to 2023, has been assessed. Since the public offering dates of the enterprises are varying, financial statement data of 5 years could not be obtained in some transactions. Therefore, the periods in which the data of the enterprises are analyzed differ. The data of Lokman Hekim and MLP for 2018-2023, NASMED for 2021-2023, and TAPDI for 2022-2023 were obtained from the Public Disclosure Platform (PDP). The consolidated financial statement data of the enterprises were obtained from PDP, and the relevant ratios were calculated in Microsoft Excel software (KAP, 2024b). "The Hospital Financial Viability Index (HFVI)", which is not commonly applied in the literature, was utilized. The variables in the HFVI and their formulas are given in Table 2 (Işıkçelik, Turgut, and Ağırbaş, 2022: 509; Kabak and Yurttadur, 2023: 1080). The ratios of the HFVI and the index were evaluated together.

**Table 2:** List of Variables

Variables	Abbreviation	Formula
Current Ratio	CR	$\frac{\text{Current Assets}}{\text{Short Term Liabilities}}$
Ratio of Operating Expenses to Operating Revenues	ROR	$\frac{\text{Cost of Sales}}{\text{Net Sales}}$
Ratio of Liabilities to Assets	RLA	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$

Hospital Financial Viability Index

HFVI

$$\frac{4. (RLA). (ROR)^4}{CR}$$

The current ratio is calculated as the ratio of current assets to short-term liabilities. The ratio was utilized to assess the level of liquidity. The ratio of operating expenses to operating income can be calculated by dividing total operating expenses by total operating income or by dividing the cost of sales by net sales. This ratio indicates the proportion of net sales that is made up of costs. The ratio of total debt to total assets is obtained by dividing the sum of short-term and long-term liabilities by total assets. This ratio is also known as the financial leverage ratio in the literature (Karapınar and Zaif, 2016: 271). HFVI was computed by formulating the current ratio, the ratio of operating expenses to operating revenues, and the ratio of liabilities to assets. Therefore, instead of using multiple ratios, HFVI enables simultaneous evaluation of the capital, operating, and liquidity levels of hospitals by using a single ratio (Özgülbaş, 2005: 136).

#### 4. FINDINGS AND DISCUSSION

Current Ratio, Operating Expenses to Operating Revenues Ratio, Liabilities to Assets Ratio, and HFVI findings of health enterprises are presented in this section. The findings of four different health enterprises are analyzed separately. The financial performances of the enterprises are evaluated by examining the ratio analysis and HFVI findings together.

The findings of Lokman Hekim Health Enterprise for the 2019-2023 period are presented in Table 3.

**Table 3:** Findings of Lokman Hekim

Variables	2019	2020	2021	2022	2023
CR	0.79	1.17	0.75	0.81	0.91
ROR	0.88	0.78	0.75	0.88	0.86
RLA	0.75	0.53	0.54	0.49	0.42
HFVI	2.25	0.66	0.89	1.44	1.01

Table 3 shows that the current ratio increased in 2020, experienced a sharp decline in 2021, and rose again in 2022 and subsequent years. A ratio below 1 indicates that current assets are not paid with short-term debts, and the liquidity level of the enterprise is generally low. The ratio of operating expenses to operating income maintained a horizontal trend, except for in 2020 and 2021. This ratio also reflects the proportion of costs within sales. In 2020 and 2021, the share of costs within sales decreased. However, there was a significant increase in this ratio in 2022, indicating that the rise in costs reduced the gross profit margin from sales. The ratio of liabilities to total assets showed a decreasing trend, indicating that the enterprise relied less on short-term and long-term liabilities to finance its assets and preferred equity more. The HFVI indicated a fluctuating trend during the analysis period. It is clear that Lokman Hekim Enterprise experienced financial distress in 2019 and 2022.

On the other hand, it is obvious that the ratio fell below 1 in 2020 as a result of the increase in liquidity, decrease in costs, and decrease in the use of foreign resources. Nevertheless, with the abnormal increase in assets and resources, as a result of the sudden and sharp increase in the debts of the enterprise, it is observable that the enterprise was in another financial distress in 2022. Furthermore, the index decreased almost to 1 with the decrease in foreign resources.

It is recommended that the enterprise reviews its financial structure due to the very low current ratio, the significant portion of costs within sales, and the predominant use of liabilities to finance assets. A review of the literature reveals similar findings by Karataş and Çınaroğlu (2023). Additionally, Kurtlar (2023) states that the enterprise primarily finances its assets through liabilities and has not achieved a balance between assets and liabilities.

The findings of the MLP health enterprise for the 2019-2023 period are presented in Table 4.

**Table 4:** Findings of MLP

Variables	2019	2020	2021	2022	2023
CR	0.89	0.92	0.83	0.87	0.95
ROR	0.77	0.76	0.73	0.74	0.71
RLA	0.94	0.92	0.88	0.56	0.55
HFVI	1.49	1.36	1.20	0.78	0.60

It is obvious that the current ratio increased in 2020, decreased in 2021, and increased again starting in 2022. Since the current ratio is low and below 1, it is determined that there are no current assets to pay short-term debts. The ratio of operating expenses to operating income has followed a decreasing trend. The share of the cost of sales in revenue has decreased over the years. Gross profit margin increased with the decrease in cost of sales. The ratio of foreign resources to assets has followed a decreasing trend. In the 2019-2021 period, it has been determined that foreign resources are very high and that the enterprise finances a significant portion of its assets by utilizing foreign resources. In 2022, it was observed that there was a sharp decline in the ratio as the share of foreign resources in liabilities decreased. As a result of the decrease in foreign resources, financing expenses are also expected to decrease. It was determined that HFVI followed a decreasing trend during the analysis period. It has been determined that MLP health enterprise experienced financial distress in the 2019-2021 period. In 2021, the ratio fell below 1 with the increase in liquidity and the decrease in the use of foreign resources. In 2023, it was determined that the index showed a significant decrease as a result of the increase in the current ratio, the decrease in costs, and the decrease in the share of foreign resources in total assets. In a similar study, Bayhan (2020) states that a significant portion of the assets of the enterprise, analyzed through its 2016-2018 financial statements, are financed by foreign resources, and the enterprise may face financial difficulties due to the high interest and exchange rate difference expenses of foreign resources. Similar findings regarding the financial situation of the enterprise were identified by Karataş and Çınaroğlu (2023). Also, Şenol and Metin (2022) state that the enterprise was negatively affected by the pandemic, however, its equity increased during this period. They also note that long-term foreign resources and fixed

asset investments could not be met. Therefore, short-term foreign resources and equity was preferred.

The analysis findings of NASMED health enterprise for the 2020-2023 period are presented in Table 5.

**Table 5:** Findings of NASMED

Variables	2020	2021	2022	2023
CR	1.33	1.92	1.72	1.44
ROR	0.63	0.76	0.84	0.72
RLA	0.41	0.25	0.31	0.22
HFVI	0.20	0.18	0.36	0.17

Due to the absence of data for the year 2019, the analysis could not include this period. It is observable that the current ratio increased in 2021 but decreased as of 2022. Additionally, the current ratio of the enterprise is better than the other enterprises, which indicates current assets have the power to pay short-term debts. While the ratio of operating expenses to operating income was at its lowest value in 2020, the ratio followed a fluctuating trend. The volatility of the cost of sales had a negative impact on profitability. The ratio of liabilities to assets followed a decreasing trend. Most of the assets of the enterprise are financed by equity. The Hospital Financial Viability Index followed a decreasing trend during the analysis period, except for the year 2022. Since the index has a value below 1, it is obvious that NASMED health enterprise did not experience financial distress in the 4-year period.

The analysis findings of TAPDI health enterprise for the 2021-2023 period are presented in Table 6.

**Table 6:** Findings of TAPDI

Variables	2021	2022	2023
CR	2.13	2.22	1.34
ROR	0.74	0.77	0.72
RLA	0.21	0.20	0.30
HFVI	0.12	0.12	0.25

The data was excluded from the analysis for 2019-2020 due to its unavailability. It is obvious that the current ratio increased in 2022 but decreased in 2023. With the exception of 2023, the high current ratio indicates that the enterprise had sufficient current assets to cover its short-term liabilities. The ratio of operating expenses to operating income followed a trend in the range of 0.72-0.77 and decreased in 2023 compared to the previous year. Possibly, the ratio may



have decreased with the increase in the share of the cost of sales in the net sales. In 2023, the gross sales profitability of the enterprise was higher compared to previous years. Also, the gross sales profitability of the enterprise has an average value compared to the others. The ratio of liabilities to assets decreased in 2022 but showed a sharp increase in 2023. The ratio fluctuated between 0.20-0.30; thus, foreign resources were low, and most of the assets were financed through equity. It is also considerable that the borrowing level of the enterprise is low. The HFVI ranged between 0.12-0.25. The enterprise did not experience financial distress as the index remained below 1.

The HFVI of the enterprises is presented in Table 7.

**Table 7:** Findings of HFVI

Healthcare Enterprises	2019	2020	2021	2022	2023
Lokman Hekim	2,25	0,66	0,89	1,44	1,01
MLP	1,49	1,36	1,20	0,78	0,60
NASMED	-	0,20	0,18	0,36	0,17
TAPDI	-	-	0,12	0,12	0,25

Upon analyzing the HFVI of healthcare enterprises, it is clear that Lokman Hekim had the highest index with 2.25 in 2019, and TAPDI has the lowest index with 0.12 in 2021-2022. It is observable that Lokman Hekim and MLP health enterprises have financial difficulties from time to time. NASMED and TAPDI enterprises did not experience financial distress during the analysis period. Evaluating the financial performances of the enterprises collectively shows that their performance has been good, with a few exceptions in certain periods.

## 5. CONCLUSION

The study evaluates the financial performance of healthcare enterprises with the Ratio Analysis method and the Hospital Financial Viability Index based on the data of 4 health enterprises traded in Borsa İstanbul for the 2019-2023 period. However, the study has several limitations. It was conducted using data from only four hospitals listed on the Borsa İstanbul. Additionally, the data covers a relatively short time period, which may limit the generalizability of the findings.

The findings indicate that the financial performance of healthcare enterprises varied; some enterprises even had financial distress in certain periods. Lokman Hekim's current ratio below 1 indicates insufficient current assets to cover short-term debts and a low liquidity level. The ratio of foreign resources to total assets follows a decreasing trend; thus, equity is preferred more. According to Lokman Hekim's HFVI, the enterprise experienced financial distress in 2019 and 2022. It is recommended that the enterprise review its financial structure to ensure a balanced distribution of financial resources. The enterprise currently lacks the liquidity to cover short-term debts and should focus on increasing its cash assets.

MPL has no current assets to cover short-term debts, given that the enterprise's current ratio is below 1. The analysis of the operating expenses to operating income ratio revealed a decrease in the cost of sales as a proportion of revenue, leading to an increase in the gross profit margin. Although the ratio of foreign resources to assets followed a decreasing trend, the foreign resources were significantly high in the 2019-2021 period. Nevertheless, it is observable that

MLP health enterprise experienced financial distress in the 2019-2021 period. Overall, the financial performance of the enterprise followed an increasing trend. It is recommended to increase current assets, especially cash assets. Foreign resources should be reduced and equity should be increased. A balanced financing policy can be followed.

The higher current ratio of NASMED enterprise, compared to the others, indicates current assets are sufficient to cover short-term liabilities. The variability of the cost of sales had a negative impact on profitability. Although the ratio of foreign liabilities to assets has exhibited a declining trend, NASMED did not experience financial distress as its HFVI is below 1. Investigating the reasons for the change that occurred in 2022. Excessive use of equity may increase the cost of capital. The borrowing policy should be reviewed to effectively leverage financial resources.

TAPDI health enterprise has current assets that can pay short-term liabilities with a high current ratio. An increase in the proportion of the cost of sales to net sales might have reduced the ratio. The gross sales profitability of the enterprise has an average value compared to the others. Notably, the borrowing level of the enterprise is low. TAPDI health enterprise did not experience financial distress in the 4-year period as HFVI is below 1. It is recommended that the business should review the factors that create its costs.

In conclusion, HFVI findings suggest that Lokman Hekim and MPL healthcare enterprises have periodically experienced financial distress. Conversely, NASMED and TAPDI have not faced financial difficulties. Overall, except for certain periods, the performance of the enterprises is considered to be good. Fixed asset investments of health enterprises are higher than current assets. It is observable that foreign sources were predominantly utilized in financing fixed asset investments. Since 2022, there has been a shift in the financing sources of enterprises, moving from a reliance on foreign liabilities to equity financing. It is recommended to investigate the reasons behind the sudden and sharp increase in the assets and financing sources of enterprises. The impact of inflation, one of the major macroeconomic problems today, on the financial performance of health enterprises could be examined. Additionally, developing financial performance measures specific to the financial situation of health enterprises is suggested. Examining the financial risk that may be caused by the high amount of borrowing of enterprises could contribute to the literature. Healthcare facilities shouldn't be concentrated in specific locations but should be evenly distributed across the country.

#### **Research and Publication Ethics Statement**

This study was prepared in accordance with scientific research and publication ethics rules.

#### **Researchers' Contribution Rate Statement**

The author has contributed equally.

#### **Conflict of Interest Statement**

There is no conflict of interest arising from the study for the authors or third parties.

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