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Original Article

Analysis of Financial Statements of Afzalipour Hospital in Kerman, Iran, During the COVID-19 Pandemic

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Abstract

Background: Financial ratio analysis enables hospitals to enhance their efficiency and productivity and to allocate financial resources optimally. The present study aimed to analyze the financial ratios of Afzalipour Hospital in Kerman.

Methods: This descriptive study was conducted in 2024. First, data related to the comprehensive balance sheets of Afzalipour Hospital from 2017 to 2022 were collected using the *RoozAmad* software. Financial ratios, including liquidity ratios, activity ratios, profitability ratios, and leverage ratios, were calculated using Microsoft Excel 2019.

Results: The highest proportion of hospital revenues was attributed to received grants (governmental resources) and quasi-commercial revenues (generated through the hospital's dedicated operations). The largest expenditure share was related to the costs of goods and services consumed. The mean current ratio and quick ratio were 0.92 and 0.87, respectively. The average collection period for receivables was 327 days. Total asset turnover was 1.14. The average profit margin was 31%. The total debt-to-asset ratio was 0.96.

Conclusion: The hospital faces difficulties in repaying its debts. It is essential to adopt managerial strategies aimed at increasing internally generated revenues and reducing dependence on external financial support. Innovative approaches are also required to shorten the receivables collection period and improve asset turnover, particularly under conditions such as the COVID-19 pandemic.

Keywords: Financial ratios, Financial liquidity, Efficiency ratio, Debt ratio, Hospital, COVID-19

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Introduction

Financial circulation within the health system is one of the fundamental aspects of resource management and efficiency. A major portion of this financial activity occurs in hospitals, as they serve as the primary providers of healthcare services and consume substantial financial resources for procuring equipment, paying personnel, and improving service quality. Given the critical role of hospitals in optimizing the health system, cost management and financial management in these centers are essential. Therefore, financial management in the health sector, particularly in hospitals, holds special significance. As hospitals operate as service-oriented and social institutions, effective financial management can contribute to improving service quality, increasing efficiency, and protecting financial resources (1).

Financial management ensures proper allocation of financial resources and prevents wastage. Through effective financial management, hospitals can engage in precise financial planning and make necessary projections regarding costs and revenues. Financial management also enables hospitals to control expenditures and prevent unnecessary cost escalation. By evaluating and analyzing financial performance and financial statements, hospitals can identify strengths and weaknesses and take appropriate corrective actions (1).

Financial statement analysis and financial ratio assessment are fundamental tools in financial management, assisting managers in evaluating organizational financial performance and making informed decisions. Through financial statement analysis, managers can identify the financial strengths and weaknesses of a hospital and

thereby make more strategic decisions. This analysis can also help forecast financial trends, enabling managers to plan appropriately for the future. With accurate financial analysis, hospitals can manage their resources more efficiently and enhance productivity. The information obtained from financial statement analysis supports managers in making more precise financial decisions, particularly under critical circumstances such as the COVID-19 outbreak (2, 3).

COVID-19 has exerted profound effects on the costs and financial status of Afzalipour Hospital and other hospitals. Throughout this public health crisis, many hospitals faced substantial financial pressure due to increased expenditures for medical care, equipment, and human resources. Moreover, the reduction in non-essential services and the decline in inpatient admissions, due to fear of contracting the virus, led to decreased hospital revenues. Overall, the COVID-19 pandemic generated long-term consequences for the financial and economic conditions of hospitals (4).

Financial ratio analysis is conducted for various purposes, specifically evaluating organizational performance in comparison with competitors to identify strengths and weaknesses and strive for improvement. Another key objective is assessing organizational performance to achieve progress and meet long-term goals. Furthermore, financial ratios serve as tools for predicting future financial conditions and providing a clear outlook for organizational planning (5, 6).

Several international studies have examined this topic. For instance, Panayotis Kourtis (2009) investigated healthcare financing and the financial performance of U.S. public hospitals (7). In another study, Pizzini (2006) analyzed financial ratios and their impact on managerial decision-making in U.S. hospitals, concluding that financial ratios can serve as effective tools for evaluating hospital performance (8). Nasiripour et al. (2012) also analyzed the financial statements of medical universities in Iran (9).

Although previous research has successfully highlighted the role of financial ratio analysis in performance evaluation and managerial decision-making in hospitals, and some studies have broadly addressed the economic impact of the COVID-19 pandemic on the health sector, there remains a clear gap in the literature. This gap pertains to the lack of a long-term, quantitative study based on standardized financial ratio analysis (e.g., liquidity, activity, leverage, and profitability ratios) that explicitly and directly assesses the financial impact of COVID-19 on a single hospital in comparison with its pre-pandemic period. Most existing studies are either qualitative, general in nature, or compare multiple hospitals within short timeframes. Therefore, the present study aims to fill this gap by providing a robust, comparative, quantitative analysis of the immediate pre- and post-COVID-19 periods, offering a clear depiction of the *extent* and *manner* in which this global crisis affected key financial indicators of a public teaching hospital. The findings of this research may serve as a strong scientific basis for developing financial resilience plans and crisis management policies for hospitals facing future shocks.

Given the aforementioned points and considering that no study has yet been published on the specific impact of COVID-19 on hospitals' financial ratios in Iran, the present study sought to examine the financial status of Afzalipour Public and Teaching Hospital in Kerman during the years before and after the COVID-19 outbreak (2017–2022).

Methods

This descriptive-analytical study adopted a time-series design aimed at comparing the trends of financial ratios across two periods: the pre-COVID era (2017–2019) and the COVID-19 era (2020–2022). To calculate and assess the financial ratios of Afzalipour Hospital before and after the COVID-19 pandemic, the following steps were undertaken:

Study Setting

Afzalipour Hospital is one of the largest and most advanced medical centers in Iran and the largest hospital in southeastern Iran. Established in 2002, the hospital is located on a 23-hectare campus. As one of the major educational and therapeutic centers in Kerman, it provides services to a large number of patients from neighboring provinces as well as other regions of the country. With a capacity of 462 beds, the hospital currently offers comprehensive healthcare services (10). This public hospital is equipped with state-of-the-art technology and modern medical devices and includes emergency units, intensive care wards, specialized departments, and subspecialty units such as endocrinology, dermatology, surgery, liver transplantation, kidney transplantation, and more. The hospital operates under the supervision of the Ministry of Health and Medical Education and Kerman University of Medical Sciences. Owing to its high capacity and wide range of services, it accounts for a substantial share of healthcare expenditures and revenues compared with other hospitals in the region (2, 10). During the COVID-19 pandemic, Afzalipour Hospital functioned as the primary referral and treatment center for COVID-19 patients in Kerman.

Data Collection

Initially, financial data from the consolidated balance sheets of Afzalipour Hospital for the period 2017–2022 were obtained from the "*RoozAmad*" hospital accounting and finance software. These data included detailed information on assets, liabilities, investments, revenues, and other financial indicators. The extracted data were

organized into multiple columns, each representing a specific financial variable. Subsequently, financial ratios, including liquidity ratios, activity ratios, profitability ratios, and leverage ratios, were calculated using Microsoft Excel 2019. Comparative analyses were then conducted to evaluate changes before and after the COVID-19 pandemic.

Definition of Financial Ratios

Financial ratios are divided into several categories, including liquidity ratios, activity ratios, profitability ratios, and leverage ratios (5).

Liquidity Ratios

Liquidity ratios constitute the first category of financial ratios and are used to assess an organization's ability to meet its financial obligations and repay short-term debts. Key liquidity ratios include the current ratio and the quick ratio (5).

Current Ratio: The current ratio, also known as the working capital ratio, is derived by dividing current assets by current liabilities. It serves as an indicator of an entity's ability to meet short-term obligations using its current assets. A higher ratio reflects better liquidity. A current ratio between 1 and 2 is commonly considered desirable. A ratio of 2 indicates that the institution possesses twice as many current assets as short-term liabilities (5).

Quick Ratio: The quick ratio evaluates liquidity in a more conservative manner by excluding inventory from current assets before dividing by current liabilities. A quick ratio above 1 indicates an acceptable level of liquidity (5).

Activity Ratios

Activity (efficiency) ratios measure the effectiveness of an organization in utilizing its resources and assess the productivity of operations. Key ratios include asset turnover and average collection period (5).

Average Collection Period

This ratio represents the average time required to collect payments from the sale of goods or services. It is calculated by relating accounts receivable turnover to the number of days (months or years) in the period. According to international standards, an acceptable collection period for hospitals is typically less than 90 days. Longer periods may indicate deficiencies in billing systems, delays in submitting documents to insurers, or inadequate follow-up processes, all of which can negatively affect cash flow and liquidity (5).

Total Asset Turnover

This ratio reflects the extent to which a company's assets generate revenue. A higher ratio indicates higher income per unit of asset value and therefore higher operational efficiency (5).

Profitability Ratios

Profitability ratios constitute another category of financial ratios. The ultimate goal of financial management is to maximize shareholder returns, and net profit is the key indicator for evaluating managerial success in achieving this objective (5). These ratios, such as earnings per share, dividend payout ratio, and profit margin, are typically of great importance to shareholders. In this study, because the purpose is to assess the financial status of a public teaching hospital (Afzalipour Hospital), only the profit margin ratio was examined, as other profitability metrics are primarily applicable to private hospitals (5).

Profit Margin

Profit margin measures the amount of profit earned per unit of sales. For example, a 20% profit margin indicates that the organization generates 20 units of profit for every 100 units of revenue. Notably, all operating and non-operating revenues and expenses are included in calculating net profit (5, 11).

Leverage Ratios

Leverage ratios reflect the long-term risk borne by investors and creditors and provide useful information about an organization's ability to repay short- and long-term obligations. These ratios indicate the proportion of economic resources financed by external creditors rather than shareholders. For instance, a debt ratio of 40% means that 40 out of every 100 units of the organization's assets have been financed by creditors such as banks. Common leverage ratios include the long-term debt-to-equity ratio, total debt-to-asset ratio, and interest coverage ratio. However, given the public nature of Afzalipour Hospital, this study focuses solely on the total debt-to-asset ratio (5, 11).

Calculation of Financial Ratios

Using the available data, various financial ratios were calculated. Financial ratios are categorized into several groups, including liquidity ratios, activity ratios, profitability ratios, and leverage ratios. Considering the public ownership of Afzalipour Hospital, the following ratios were calculated: the current ratio, the quick ratio, the average collection period, the total asset turnover, the profit margin, and the total debt-to-total assets ratio. Ultimately, the results obtained from these calculations were analyzed. Table 1 presents the formulas and standard ranges for all the relevant financial ratios.

Results

The figure below presents the average revenue composition of Afzalipour Hospital over the six years

Table 1. Financial Ratio Formulas and Their Standard Ranges for Hospitals

Financial ratios	Formula	Standard range
Current ratio	Current assets/current liabilities	Between 1 and 2
Quick ratio	(current assets – inventory)/current liabilities	1
Average collection period	Accounts receivable/average daily credit sales/	The shorter, the better; generally 90 days
Total asset turnover	Net sales/total assets	–
Profit margin	Profit after tax/net sales	–
Total debt-to-total assets ratio	Total liabilities/total assets	–

under study. As shown, the largest share of the hospital's revenue originates from governmental contributions (public funds) (56%), followed by quasi-commercial revenues derived from the hospital's dedicated service activities (43%) (Figure 1).

The figure below illustrates the average expenditure composition of Afzalipour Hospital over these six years. The largest cost component pertains to expenditures on goods and services (57%) (Figure 2).

As previously mentioned, liquidity ratios aim to assess the hospital's financial ability to meet financial obligations and repay short-term debts. Among liquidity ratios, the current ratio and quick ratio are widely used. The average current ratio of Afzalipour Hospital during the years 2017–2022 was 0.92. Since this value is below the standard threshold of 2, the hospital faces challenges in meeting its short-term debt obligations.

The average quick ratio for the same period was 0.87. Given that this value is below the benchmark of 1, the hospital is not in an optimal liquidity position. This indicator further confirms that the hospital encounters difficulties in repaying its debts. Based on the results, the current ratio exhibited a relatively stable and slightly upward trend between 2017 and 2019, but declined from 2020 to 2022 (Figure 3).

Activity ratios reflect the hospital's efficiency in utilizing its resources and evaluate operational performance. Among activity ratios, total asset turnover and the average collection period are commonly used. The average collection period at Afzalipour Hospital over these six years was 327 days. As shown, the longest collection period occurred in 2019, while the shortest was recorded in 2021 (Figure 4).

Another important activity ratio is total asset turnover. A higher value indicates greater operational activity. The average total asset turnover for Afzalipour Hospital was 1.14. Its trend over the study period is shown in the figure below, with the highest and lowest values observed in 2022 and 2021, respectively (Figure 5).

Profitability ratios constitute another major category of financial indicators. Among them, the profit margin is particularly important, as it reflects the hospital's profit relative to its assets. The average profit margin of Afzalipour Hospital during the six years was 31 percent. The trend of this indicator is illustrated in the figure

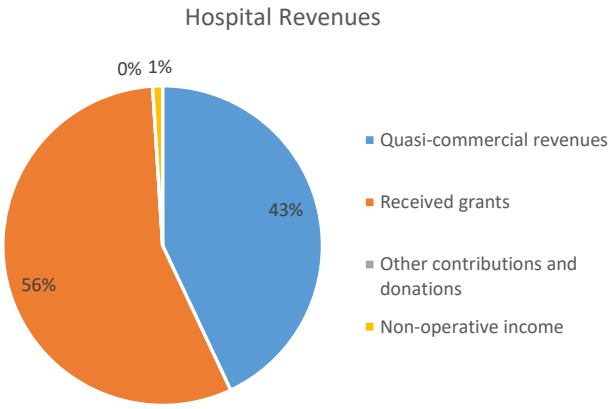

Figure 1. Revenue Composition of Afzalipour Hospital Based on Six-Year Average (2017–2022)

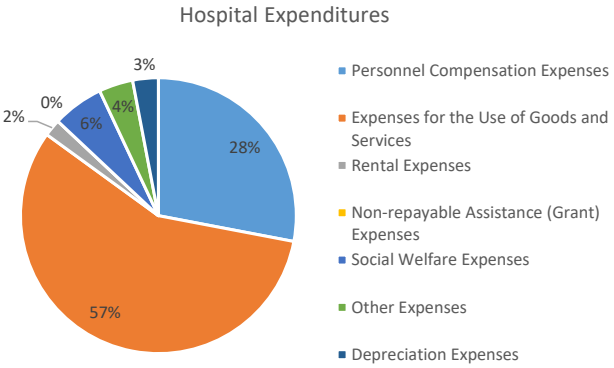

Figure 2. Expenditure Composition of Afzalipour Hospital Based on Six-Year Average (2017–2022)

below. The lowest profit margins were recorded between 2020 and 2022. The hospital's profit margin decreased by approximately 33 percent during the COVID-19 period, demonstrating the considerable impact of the pandemic on profitability. Although a slight recovery is observed in 2021 and 2022, the decline remains substantial (Figure 6).

Leverage ratios provide valuable insights into the hospital's debt-repayment capacity. Among these, the total debt-to-total assets ratio is particularly informative. The average value of this ratio for Afzalipour Hospital was 0.96. A lower ratio indicates greater capacity to repay debts. The trend over the six years reveals an upward trajectory, meaning that the hospital's debt-repayment capacity has decreased each year. The highest value of this ratio was recorded in 2022, and overall, the indicator

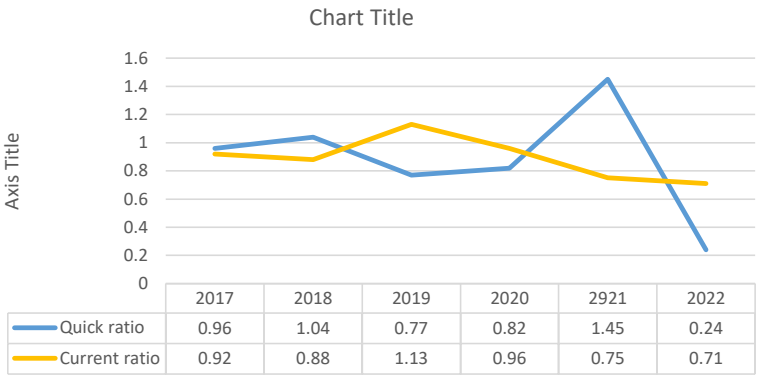

Figure 3. Trend of Current and Quick Ratios (2017–2022)

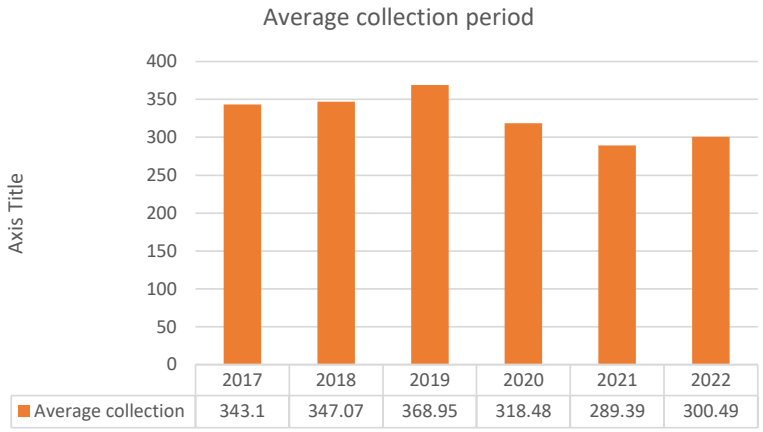

Figure 4. Average Collection Period (2017–2022)

Figure 5. Total Asset Turnover (2017–2022)

shows a persistent increasing trend (Figure 7).

A comparison of the financial indicators of the hospital before the COVID-19 pandemic (2017–2019) and during the pandemic (2020–2022) reveals pronounced impacts of the pandemic on the hospital's financial status. During the pandemic, liquidity deteriorated significantly, as indicated by the decrease in the current ratio from 0.94 to 0.81, and the 10-percentage-point decline in profit margin from 36% to 26%. These changes reflect the substantial financial strain caused by the pandemic. Besides, the debt-to-asset ratio increased from 0.93 to 0.99, indicating greater reliance on borrowed funds for financing. However, some positive developments were also observed. The average collection period improved, decreasing from 355 days to 298 days, and asset turnover increased from 1.08 to 1.21. These suggest that despite challenging conditions, the hospital enhanced its operational efficiency in managing resources and collecting receivables. It should be noted that during

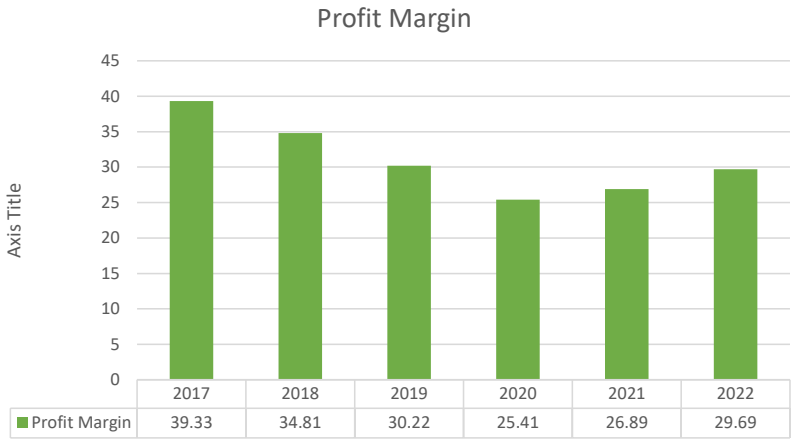

Figure 6. Profit Margin (2017–2022)

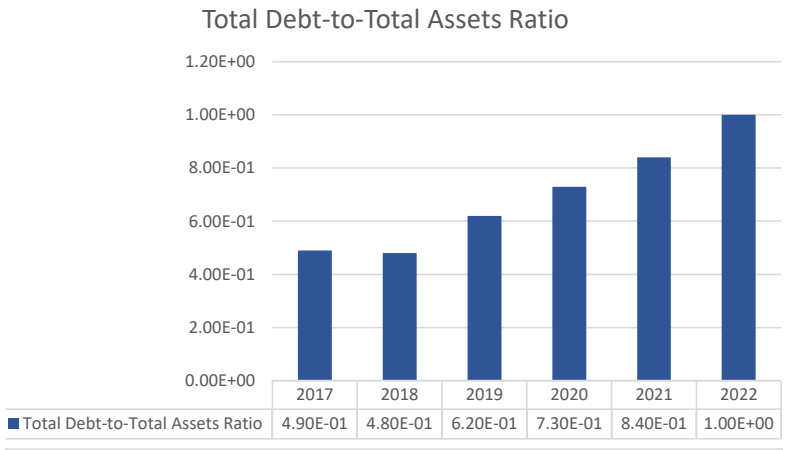

Figure 7. Total Debt-to-Total Assets Ratio (2017–2022)

the pandemic, the Ministry of Health and insurance organizations attempted to support hospitals involved in COVID-19 care by accelerating payments. Overall, the negative effects of the pandemic on profitability and liquidity are substantial and undeniable (Table 2).

Discussion

Afzalipour Hospital, as one of the largest healthcare centers in Iran, plays a vital role in delivering health services. The analysis of its financial ratios indicated that the hospital's primary revenues are derived from governmental contributions and quasi-commercial activities, highlighting its significant reliance on external resources and underscoring the importance of sustainable financing.

In this study, the quick ratio of the hospital was 0.87, whereas in Nasiripour et al.'s study on hospitals across Iran, the quick ratio was 2.5 (9). This comparison indicates that Afzalipour Hospital's financial position is not strong and that it faces challenges in meeting its debt obligations.

The findings also showed that the current ratio remained relatively stable and slightly increased until 2019, but declined from 2020 to 2022. Given that the COVID-19 pandemic occurred during 2020–2022, this decline suggests a deterioration in the hospital's financial status at the onset of the pandemic. Specifically, the current ratio in 2022 dropped significantly. Similarly, Nasrollahi et al., who investigated the impact of COVID-19 on the dedicated revenue of Tehran hospitals, reported that hospital revenues decreased during the pandemic and elective admissions were canceled, causing financial shocks to hospitals. Based on these findings, the observed decline in the current ratio from 2020 to 2022 is likely attributable to reduced hospital revenues, increased treatment costs, and shifts in financing patterns. This is consistent with previous studies, which also indicate worsening debt repayment ability for hospitals during the pandemic (12). The mean current ratio of Afzalipour Hospital over the six years was 0.92, while the current ratio for other hospitals in Iran is 3.5 (9), indicating challenges in covering short-term debt obligations. A value below the standard benchmark of 2 demonstrates that the hospital faces limitations in meeting its current liabilities.

In the present study, the average collection period was 327 days, indicating delays in timely revenue collection. In comparison, hospitals in Qom have an average

Table 2. Comparison of Financial Indicators of Afzalipour Hospital Before and During the COVID-19 Pandemic

Financial Indicator	Pre-COVID Period (2017–2019)	COVID Period (2020–2022)	Change	Interpretation
Current Ratio	0.94	0.81	Decrease	Decline in ability to meet short-term obligations
Quick Ratio	0.87	0.87	No change	Critical liquidity status in both periods
Average Collection Period	355 days	298 days	Decrease	Partial improvement in receivables collection
Total Asset Turnover	1.08	1.21	Increase	Improved efficiency in asset utilization
Profit Margin	36%	26%	Noticeable decrease	Significant decline in profitability due to COVID-19
Debt-to-Asset Ratio	0.93	0.99	Increase	Increased debt burden and financial risk

collection period of 149 days. This delay can negatively affect cash flow and the hospital's ability to pay expenses on time. In addition, total asset turnover, which reflects the hospital's efficiency in using its resources, indicates challenges in asset productivity (13). The longest collection period occurred in 2019, and the shortest in 2021. Between 2019 and 2022, when the hospital was engaged in COVID-19 care, the average collection period decreased due to increased government and institutional support. According to the Medical Council website, the government implemented changes in insurance regulations to reduce financial pressure on hospitals, including increased financial support and accelerated payment of treatment costs (14). These findings suggest that the reduction in the average collection period during 2019–2022 was likely due to increased government support and faster reimbursement processes, which aligns with the present study results showing more rapid revenue collection during the pandemic.

The average profit margin at Afzalipour Hospital was 31%, while the average profit margin for other hospitals affiliated with universities of medical sciences in Iran ranges from 36% to 39%, indicating relatively low profitability per unit of service and that the hospital was unable to maintain significant profits (15).

Regarding total asset turnover, the average for Afzalipour Hospital was 1.14. The highest and lowest values were observed in 2022 and 2021, respectively. One explanation is that in 2021, many non-essential procedures were canceled to prevent the spread of COVID-19, while in 2022, after two years of reduced activity, these previously canceled procedures resumed. Similarly, the study by Zalvand et al. on the impact of COVID-19 on the dedicated revenue of Tehran hospitals reported that non-essential admissions were canceled during the pandemic, which reduced hospital activity and negatively affected total asset turnover (16).

The debt-to-asset ratio for Afzalipour Hospital was 0.96, whereas the global average is 0.3, and for 12 hospitals in Iran during COVID-19, it reached 0.49. This finding indicates that Afzalipour Hospital's debt levels are substantially higher than the global average. Considering that the present study period coincides with the pandemic, the high debt-to-asset ratio can be attributed, at least in part, to the increased borrowing required during this period (17).

In the present study, Afzalipour Hospital's debt repayment capacity decreased year by year, with the highest debt-to-asset ratio observed during the COVID-19 outbreak. Overall, this ratio followed an upward trend, and the pandemic exacerbated the increase. Similarly, Hassannejad et al(18) in their study on hospital financial performance during the COVID-19 crisis, reported significant changes in hospitals' financial structures, including an increase in the debt-to-asset ratio. Based on these findings, the rise in the debt-to-asset ratio during the pandemic likely resulted from reduced revenues, higher treatment costs, and changes in financing patterns. This is consistent with the data from the present study, which showed increased debt levels and reduced repayment capacity during COVID-19 (18).

Compared with other healthcare centers, Afzalipour Hospital may perform differently in liquidity, profitability, and leverage ratios. Liquidity ratios, such as the current ratio, indicate the ability to cover short-term obligations from current assets, which can vary significantly in hospitals with high patient volume and extensive services. Profitability ratios, such as operating profit margin, reflect profit generated from core hospital operations before interest and taxes and can be influenced by revenue generation and cost control (11).

During the COVID-19 pandemic (2020–2022), Afzalipour Hospital recorded its lowest profit margins. As previously mentioned, many non-essential yet profitable services were suspended during this period, which led to a decline in the hospital's profitability. Zalvand et al., in their study on the impact of COVID-19 on dedicated revenue of Tehran hospitals, reported that non-essential admissions were canceled, resulting in reduced hospital revenues and a negative impact on profit margins (1). Furthermore, a report published by Tehran University of Medical Sciences indicated that hospital revenues during the pandemic decreased to one-third of pre-pandemic levels, primarily due to the hospital's focus on managing COVID-19 patients and the reduction of profitable services (19). These findings suggest that the decline in profit margins at Afzalipour Hospital during 2020–2022 was likely driven by reduced patient demand for non-essential services, increased treatment costs, and changes in financing patterns. These results align with the present

study, confirming that hospitals experienced reduced profitability during the pandemic.

Research indicates that liquidity, debt, and profitability ratios in hospitals are influenced by several factors, including ownership structure, financing sources, government policies, and internal management. Specifically, public hospitals may benefit from government support, enabling them to maintain higher liquidity ratios and meet short-term obligations, whereas private hospitals often rely on diverse financing strategies, resulting in different debt ratios. Similarly, for-profit and non-profit hospitals may adopt distinct resource allocation strategies and financial policies, influencing their profitability ratios (5, 7).

Rhodes et al. demonstrated that Medicaid and Medicare hospitals in the United States experienced, on average, a 5% decline in operating profit margins between 2019 and 2020. However, significant heterogeneity was observed across hospitals, depending on institutional characteristics and operational environments. Despite widespread job losses during the pandemic, no offsetting changes in care costs were observed. These findings are consistent with the observation from the present study, although the decrease in profit margins in the present study during the COVID-19 period was substantially greater, approximately 33% compared to pre-pandemic levels (20).

Overall, while Afzalipour Hospital showed relative improvements in certain operational indicators, such as total asset turnover (increasing from 1.08 to 1.21) and a reduction in the average collection period (from 355 to 298 days). However, these gains were insufficient to offset the negative impact of the pandemic on liquidity and profitability. These findings emphasize the importance of designing government support policies for hospitals during future crises and the critical role of strengthening working capital management at the hospital level.

Placing these findings in a global context, it is essential to compare them with international standards. Organizations such as the International Federation of Accountants (IFAC) and the Healthcare Financial Management Association recommend a desirable current ratio above 2 for healthcare institutions. The average current ratio of 0.92 observed at Afzalipour Hospital falls below both domestic benchmarks (1-1.5) and international standards, highlighting the depth of liquidity challenges. Moreover, the hospital's average collection period of 327 days far exceeds the common benchmark in efficient healthcare systems (typically less than 90 days), underscoring the urgent need to reform the hospital's revenue collection management system.

Limitation

This study focused exclusively on Afzalipour Hospital, and precise data from other public hospitals in Iran were unavailable for comparison. Thus, comparative analyses may have limitations. Moreover, statistical models such as multivariate regression could be used to assess the impact of independent variables, including the level of government support, patient admission numbers, and treatment costs, on hospital financial ratios. Such analyses were beyond the scope of this study, but could provide valuable insights for policymakers to develop more effective financial strategies for resource management and improving hospital financial health.

Conclusion

Analysis of the financial ratios of Afzalipour Hospital over six years (2017–2022) indicated that the hospital faces challenges in repaying its debts, and its financial situation, compared to other hospitals in the region, is not promising. The financial indicators were particularly poor during the COVID-19 pandemic. Being a public and educational hospital, it often receives less attention in terms of financial monitoring compared to private and non-educational hospitals. However, as Afzalipour Hospital operates as an economic entity providing essential services to the people of Kerman and surrounding provinces, including Sistan and Baluchestan, and primarily serving middle- and lower-income populations, efforts must be made to improve its financial performance to ensure its continued service to the community.

To enhance the hospital's financial situation, it is recommended to implement comprehensive management strategies aimed at increasing internal revenues and reducing reliance on external funding. Innovative approaches to shorten the accounts receivable collection period and improve asset turnover can enhance cash flow and operational efficiency. Besides, developing risk management programs to control debt and improve repayment capacity, especially during emerging health crises such as COVID-19, is crucial.

In the short term, implementing a prepayment system for elective services and incentive programs for collecting overdue and high-cost debts is recommended. In the medium term, establishing self-funded service centers (e.g., physiotherapy and pain clinics), deploying intelligent inventory management systems, and outsourcing support services are suggested. In the long term, expanding telemedicine services to create new revenue streams and establishing a financial reserve fund to manage future shocks are proposed. Implementing these operational strategies can improve financial ratios while ensuring the hospital's ability to continue serving its target population. Overall, the analysis of Afzalipour Hospital's financial ratios can assist managers and policymakers in making informed financial decisions and designing strategies to enhance the hospital's financial performance.

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Writing – review & editing: Rouhaneh Rahimi Sadegh, Zeinab Shaker, Mohammad Hossein Mehralhasani.

Competing Interests

None of the authors, individuals, or institutions involved in this study have any conflicts of interest related to the publication of this article.

Ethical Approval

All financial data and information used in this study were collected with the necessary approvals from Afzalipour Hospital and in accordance with confidentiality and data protection protocols.

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