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Introduction

Managers in the field of healthcare technology management (HTM) are critical players in healthcare’s successful use of technology. Their skill, knowledge, and motivation in all areas of equipment, technology, and patient care are crucial to the safe, effective, reliable, and economical deployment of patient care equipment in hospitals and clinics.

To be successful, HTM managers must have skills that cross all lines in healthcare. They must be able to communicate with physicians, nurses, administration, manufacturers, accountants, regulators, technicians, big businesses, small businesses, and patients. They must understand the wants, needs, and goals of all of these special groups. They must have the knowledge and the tools to be able to use the most advanced technology while employing the simplest of communication skills.

Put simply, the HTM manager is a very special person—one who combines the talents of a technician, an engineer, a business owner, a negotiator, a counselor, and a process engineer. He or she must also be a diplomat who is a model of high ethical behavior.

This study guide is not designed to turn a non-HTM manager into a seasoned manager. It is designed as a refresher and a guide to help the applicant for the Certified Healthcare Technology Manager (CHTM) examination review the many aspects of the job and identify those areas to study further. It does not contain all of the knowledge needed to pass the exam, but should point you in the direction of the areas to review.
Management of an HTM department revolves around a keen ability to understand and manage money. This involves not just the money that is spent in the direct maintenance of patient care equipment, but also the flow of monies in and out of the hospital for general services, reimbursements, and capital purchases. Understanding hospital finances helps HTM managers recognize how their activities influence the hospital’s overall financial performance. And because many HTM departments are providing fee-based services to outside entities, it is important for managers to understand and be able to set rates, negotiate contracts, and aid in billing and collections.

HTM departments are involved with spending millions of dollars of hospital money in the direct maintenance of medical equipment, but can affect millions more, over many years into the future, through their participation in capital equipment planning, evaluation, and contracting decisions. It is critical that the HTM manager understands and is extremely comfortable with all aspects of financial management and the effects that today’s decisions have on both short- and long-term hospital profitability and patient care.

BUDGETING

A budget is a financial expression of a plan of action for the future. It takes the expectations of planned or expected events, applies the cost impact of them, and rolls them up into a revenue and expense projection for the next year. HTM managers are expected to create a meaningful and accurate budget for their department, and assist with the equipment-related budgets of other departments. These budgets are usually developed 3 to 6 months before the start of the fiscal year. There are two types of budgets with which HTM managers must be familiar: the capital budget and the operating budget.

Capital Budget

The capital budget is a special budget in which a manager requests purchases that are above a certain cost threshold and have a long and useful life. Usually, capital budgeted items reflect an expansion of a program or an addition to an existing program. The HTM manager must interact with many capital budgets. First, they must generate their own HTM departmental capital budget. This may consist of test equipment, departmental expansion, and shop upgrades. Capital requests submitted by the HTM department must compete with every other capital request throughout the hospital for the very limited money available for capital purchases. A major factor affecting whether the requested capital items are approved is whether their use, benefit, and cost effectiveness are adequately explained in the request document. This request should also include the consequences of not making the investment.