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Public Hospital Financial Flexibility: Between Improvements Financial Performance And Fraud Risk

Rahmad Hidayat[1], Yusnaini[2], Shelly Febriana Kartasari[3]

[1] Master of Accounting Science Program, Sriwijaya University, Indonesia
[2,3] Department Of Accounting, Sriwijaya University, Indonesia

*Corresponding Author: dayat.dy41@gmail.com

Abstract

Public hospitals are required to maintain a balance between service sustainability, resource management efficiency, financial accountability, and risk prevention of deviations. Financial flexibility provides space for public hospitals to manage revenue, spending, cash, and operational needs in a more responsive manner. In the Indonesian context, this flexibility is widely discussed through the financial management pattern of BLUD/RSUD, while in the international literature the corresponding concepts emerge through financial autonomy and public hospital autonomy. This study aims to synthesize national and international literature for the 2021-2025 period regarding the relationship between the financial flexibility of public hospitals, improving financial performance, and fraud risk. The method used is a Systematic Literature Review with a selection flow based on PRISMA 2020. The article search was conducted through Google Scholar with the help of Publish or Perish. Of the 3,129 records identified, 38 articles were designated as final articles analyzed. The results of the synthesis show that financial flexibility can support increased revenue, efficiency, liquidity, cost recovery, and financial independence of hospitals. However, wide discretion can also increase the risk of fraud, moral hazard, abuse of authority, and weak accountability if not balanced with adequate governance, internal control, audit, and transparency. Thus, the financial flexibility of public hospitals needs to be understood as a conditional managerial instrument: it can strengthen performance if it is controlled by effective control mechanisms, but it can become a fraud loophole if supervision is weak.

Keywords: BLUD, Financial Flexibility, Fraud, Financial Performance, Public Hospitals, Governance.

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INTRODUCTION

Public hospitals have complex characteristics because they carry out health service functions while managing public sector financial resources. As a service organization, hospitals are required to maintain the quality and continuity of services. However, as a public sector entity, hospitals must also ensure budget use efficiency, reporting transparency, regulatory compliance, and financial accountability. Therefore, the financial performance of public hospitals is not enough to see surplus or increase in revenue, but also from the organization's ability to maintain sustainable and accountable services.

Financial flexibility is an important issue in the management of public hospitals because the needs of hospital services are dynamic and cannot always be predicted through rigid bureaucratic budget mechanisms. In the Indonesian context, this flexibility is widely discussed through the financial management pattern of BLUD/RSUD. Meanwhile, in the international literature, the corresponding concepts appear in the terms hospital financial autonomy, public hospital autonomy, autonomy over surplus, autonomy over procurement, and public financial management flexibility. These differences in terms do not show the similarity of regulations, but show the same principle in the form of giving greater decision-making space to public hospitals to manage financial resources more responsively.

A number of studies have shown that financial flexibility can support improving the financial performance of public hospitals. Flexibility can accelerate the utilization of service revenues, improve liquidity, increase operational spending efficiency, strengthen financial independence, and support service cost recovery. In some studies, flexibility has also been associated with the ability of hospitals to respond to the needs of drugs, medical devices, consumable medical materials, facility maintenance, and other operational needs more quickly. However, these benefits are not automatic because they are greatly influenced by managerial capacity, quality of human resources, payment systems, and governance support.

On the other hand, financial flexibility can also bring risks when discretion space is not balanced with strong internal control and accountability. Authority in procurement, cash use, claims management, utilization of service revenue, and service payments can become fraud loopholes if supervision is weak. These risks can arise in the form of mark-ups, fictitious payments, document manipulation, gratuities, bribery, misuse of funds, fraudulent claims, and transactions that do not comply with the provisions. Thus, financial flexibility needs to be understood as a managerial instrument that has two sides: it can improve performance, but it can also magnify the risk of fraud.

Several previous reviews have addressed issues related to this topic. A study on financial autonomy in public hospitals has mapped the development of the literature on

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the financial autonomy of public hospitals. A scoping review of medical fraud and abuse shows that fraud in the health sector is a global problem that has an impact on financial losses and waste of health resources. Meanwhile, a scoping review of hospital governance accountability structure emphasizes the importance of accountability structures in hospital governance. Although the three review groups are relevant, most still discuss financial autonomy, fraud, and governance separately.

Based on these conditions, the main gap in the literature lies in the lack of systematic literature reviews that integratively explain whether the financial flexibility of public hospitals plays a role as a driver of improving financial performance or actually becomes a space for fraud risk when internal control and accountability are not effective. This study is also important because national and international literature have different contexts. National articles mostly discuss BLUD/RSUD, while international articles mostly discuss financial autonomy and public hospital autonomy. Therefore, a synthesis is needed that is able to distinguish these contexts without directly equating the regulations.

This study aims to synthesize national and international literature for the period 2021-2025 regarding the relationship between the financial flexibility of public hospitals, improved financial performance, and fraud risk. This synthesis is directed to answer three research questions: (1) how the financial flexibility of public hospitals is related to the improvement of financial performance; (2) how financial flexibility can create or magnify the risk of fraud in public hospitals; and (3) what governance and control factors determine whether financial flexibility has a positive impact on performance or actually increases the risk of fraud.

Literature Review

The theoretical framework in this study was compiled to explain the two sides of the financial flexibility of public hospitals. Agency Theory is used to understand potential conflicts of interest, information asymmetry, and moral hazards when management has great financial discretion. Stewardship Theory is used to explain the possibility that flexibility can be used responsibly to improve financial efficiency and performance. Fraud Triangle Theory is used to understand how pressure, opportunity, and rationalization can drive fraud, especially when flexibility is not balanced by internal controls. Internal control, governance, and public accountability are positioned as safety mechanisms that determine whether financial flexibility results in improved performance or increases the risk of fraud.

Agency Theory

Agency Theory is relevant to explain the relationship between the owner of the public mandate, the government, hospital management, professionals, and the provider

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of goods or services. When hospital management gains discretion in managing funds, information about expenditure decisions, procurement, claims, and financial statements is not always equally owned by the supervisor. This condition can cause information asymmetry and moral hazard. In the context of public hospitals, agency problems can arise when financial flexibility is not followed by an adequate reporting and supervision system.

Stewardship Theory

Stewardship Theory provides a more positive perspective. This theory views management as a manager who can use authority to achieve organizational goals. In the context of the financial flexibility of public hospitals, this theory explains how the autonomy of revenue and expenditure management can be used to accelerate services, increase efficiency, strengthen liquidity, and support financial sustainability. Thus, flexibility can be a tool for improving performance if management acts in an accountable and public-oriented manner.

Fraud Triangle Theory

Fraud Triangle Theory explains that fraud can occur due to pressure, opportunity, and rationalization. In the context of public hospitals, financial flexibility is mainly related to the opportunity component. Discretion in procurement, cash use, service payments, and service claims can open up fraud opportunities if not balanced with internal controls, audits, and accountability. Therefore, fraud risk does not arise solely because of flexibility, but because of flexibility in a weak control system.

Internal Control, Governance, and Public Accountability

Internal control, governance, and public accountability are control mechanisms that link flexibility to performance and risk. A strong internal control system can ensure that financial authority is used according to organizational goals. Public governance and accountability ensure that hospitals' financial decisions can be supervised, reported, and accounted for. Thus, these three concepts are the distinguishing factors that determine whether flexibility will result in performance improvements or become fraud loopholes.

Method

This study uses the Systematic Literature Review (SLR) approach to identify, select, assess, and synthesize literature that discusses the financial flexibility of public hospitals, improving financial performance, and fraud risk. This approach is used because the research not only aims to summarize previous articles, but also compare patterns of findings, identify differences in results, and formulate research gaps based on relevant

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articles. The article selection process was prepared by following the PRISMA 2020 flow, especially at the stage of identification, screening, feasibility assessment, and determination of the final article analyzed.

The article search is conducted through Google Scholar with the help of the Publish or Perish tool. Google Scholar is used because it has a wide coverage of national and international articles, including articles that discuss BLUD, hospitals, public hospital financial management, internal control, fraud, and hospital financial autonomy. The use of Publish or Perish helps the search process, downloading metadata, and recording the number of initial articles that appear from each keyword combination. The articles analyzed are limited to publications for the 2021–2025 period so that the synthesis results remain relevant to the latest literature developments.

The search strategy used a combination of keywords in Indonesian and English. Indonesian keywords were used to obtain national articles related to BLUD, hospitals, financial performance, fraud, internal control, and accountability. Meanwhile, English keywords were used to obtain international articles that discussed financial autonomy, public hospital autonomy, financial performance, healthcare fraud, and fraud detection. Each search result was then filtered based on title, metadata, year of publication, and initial relevance to the research focus.

Table 1. Article Search Strategy via Google Scholar/Publish or Perish

No	Search Keywords	Total Initial Results
1	"BLUD" AND "hospital" AND "financial performance"	471
2	"Hospital" AND "Financial Performance" AND "BLUD"	441
3	"hospital" AND "fraud" AND "internal control"	828
4	"hospital" AND "accountability" AND "financial management"	1.000
5	"financial autonomy" AND "public hospital" AND "financial performance"	39
6	("public hospital autonomy" OR "hospital autonomy") AND ("fraud" OR "corruption" OR "internal control")	13
7	"healthcare fraud" AND "hospital" AND "fraud detection"	337

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Total articles identified	3.129

After the search results were obtained from each keyword combination, the researcher conducted an initial screening in stages. The screening was carried out by reading the title and metadata of the article in each search result. Articles whose titles show suitability with the focus of the research, namely the financial flexibility of public hospitals, financial performance, fraud risk, governance, internal control, or accountability, were then selected for download. This process was carried out sequentially starting from the first keyword to the seventh keyword.

From the entire initial search process, 3,129 records were obtained. After initial screening based on title, metadata, publication period, and topic relevance, a total of 3,059 records were issued because they were not in accordance with the focus of the research. Articles are issued at this stage if they are not related to public hospitals or public health facilities, do not discuss financial flexibility, financial performance, fraud, governance, internal control, or are outside the 2021–2025 publication period. After the initial screening, as many as 70 articles were selected for download and further examination.

After the article was downloaded, a duplicate check was carried out based on the similarity of the title, author's name, year of publication, and source of the article. Of the 70 articles downloaded, as many as 10 articles were identified as duplicates and removed from the selection process. Thus, as many as 60 articles were continued to the full text feasibility assessment stage.

At the full text assessment stage, the article was read in more depth to assess its suitability with the inclusion criteria, exclusion criteria, and research questions. Of the 60 articles assessed, 22 articles were excluded because they did not meet the criteria, such as not directly discussing public hospitals or public health facilities, not relevant to financial flexibility, financial performance, fraud risk, governance, or internal control, being outside the 2021–2025 publication period, or not supporting research questions directly. Thus, a total of 38 articles were determined as final articles analyzed in the synthesis.

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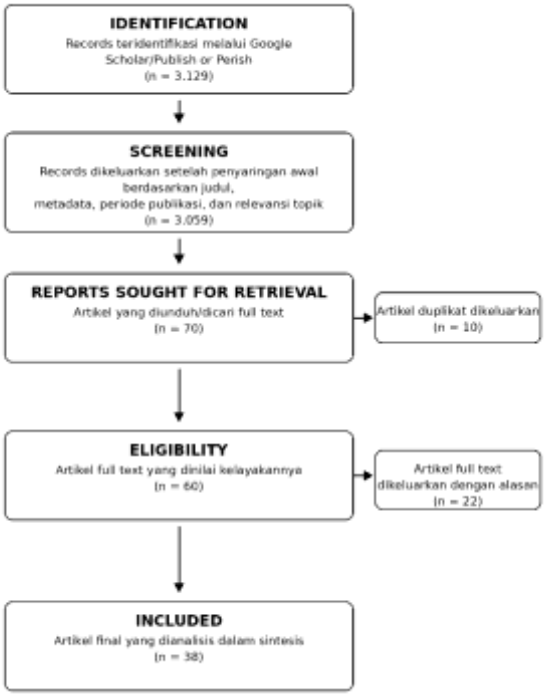


Figure 1.

The inclusion criteria in this study include articles published in the 2021–2025 period, available in full text, written in Indonesian or English, and relevant to the financial flexibility of public hospitals, financial performance, fraud risk, governance, internal control, accountability, or fraud prevention. Articles included can be in the form of quantitative empirical studies, qualitative studies, case studies, mixed methods, systematic reviews, scoping reviews, or conceptual articles that are relevant to the focus of the research. The articles that are issued are articles that are outside the publication period, not available in full text form, in the form of news, popular opinions, pure regulations without academic analysis, do not discuss public hospitals or public health facilities, and do not contribute directly to research questions.

The assessment of article quality is carried out narratively by paying attention to several aspects, namely the relevance of the article to research questions, the clarity of the research objectives, the suitability of the method, the adequacy of the data or object of study, the accuracy of the analysis, and the contribution of the findings to the synthesis. Articles with strong relevance and methodological clarity are used as the main basis in the synthesis, while articles with more limited relevance are used as context support. This assessment is carried out to ensure that the articles analyzed are selected not only based on the ease of access, but also based on the suitability of the substance and its contribution to the focus of the SLR.

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In quality assessment, articles are not mechanically excluded based on specific scores, but are weighted based on the strength of relevance and methodological clarity. Articles that have a direct relevance to research questions, clear methods, appropriate study objects, and findings that support the P1–P4 theme are positioned as the main basis for synthesis. Articles with relevance are being used as support for thematic discussions, while articles with more limited relevance are used to reinforce the conceptual context or background of the issue. In this way, 38 final articles are still analyzed, but the weight of their use in the synthesis is differentiated according to their quality and contribution to the focus of the SLR.

This research also has a potential risk of bias in the review process. First, there is a risk of database bias because article searches focus on Google Scholar with the help of Publish or Perish. Second, there is a risk of selection bias because the initial screening is carried out based on title, metadata, publication period, and topic relevance, so that articles that are relevant but not clearly depicted from the title or metadata are potentially not selected. Third, there is a risk of publication bias because articles that are available in full text are more likely to be included in the selection process than articles that are not fully accessible. Fourth, there is a risk of language bias because articles are limited to Indonesian and English. To minimize this bias, the selection process is carried out in stages through title and metadata filtering, duplicate checks, full text assessments, the application of inclusion-exclusion criteria, and the assessment of the suitability of articles to research questions.

Data from each article is extracted based on the author, year of publication, country or research context, type of article, research method, object or unit of analysis, focus of study, main findings, and contribution to research questions. This extraction process is carried out to ensure that each article is analyzed consistently and not only summarized narratively. In addition, national and international articles are differentiated in the analysis process so that the context of BLUD/RSUD in Indonesia is not directly equated with the concept of hospital financial autonomy in international literature.

Data analysis was carried out using a thematic synthesis approach. Articles that met the inclusion criteria were grouped into four main themes, namely P1: financial flexibility and financial performance of public hospitals, P2: financial flexibility and fraud risk, P3: governance, internal control, accountability, and fraud prevention, and P4: healthcare fraud, claim fraud, and fraud detection. Based on the grouping results, 13 articles were included in the P1 theme, 5 articles were included in the P2 theme, 15 articles were included in the P3 theme, and 5 articles were included in the P4 theme. The grouping was carried out based on the dominant focus of each article, although some articles were related to more than one theme.

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With this approach, this review is not structured as a mere narrative summary, but is directed to produce a critical synthesis of the relationship between financial flexibility, improved financial performance, and fraud risk in public hospitals. The synthesis is also carried out by comparing national and international evidence, so that the results of the review can show that financial flexibility is a concept that has the potential to improve performance, but can also increase the risk of fraud if it is not balanced with adequate internal governance and control.

RESULTS AND DISCUSSION

Article Mapping Results

Based on the selection and data extraction process, a total of 38 articles were analyzed in this study. The articles were grouped into four main themes based on the dominant focus of each article. This grouping was carried out so that the results of the review were not only in the form of narrative summaries, but could show patterns of findings, differences in focus, and relationships between issues in the literature.

The four main themes used in the synthesis are: P1 financial flexibility and financial performance of public hospitals, P2 financial flexibility and fraud risk, P3 governance, internal control, accountability, and fraud prevention, and P4 healthcare fraud, claim fraud, and fraud detection. Some articles relate to more than one theme, but in this mapping each article is placed based on its main focus.

Table 2. Mapping Themes

Theme Code	Theme Focus	Number of Articles
P1	Financial flexibility and financial performance of public hospitals	13
P2	Financial flexibility and fraud risk	5
P3	Governance, internal control, accountability, and fraud prevention	15
P4	Healthcare fraud, claim fraud, and fraud detection	5
	Total	**38**

The mapping results show that the most dominant themes are **governance, internal control, accountability, and fraud prevention** with 15 articles. This shows that the literature places governance and internal control as the main mechanism to reduce the risk of fraud in the financial management of public hospitals. The second theme that is quite dominant is financial flexibility and financial performance with 13 articles, which

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shows great concern for the relationship between the flexibility of fund management and the achievement of financial performance of hospitals.

Meanwhile, the theme of financial flexibility and fraud risk is only found in 5 articles. This number shows that studies that explicitly link financial flexibility with fraud risk are still limited. The theme of healthcare fraud and fraud detection also consists of 5 articles, most of which come from international literature and focus on claims fraud, billing fraud, upcoding, and the use of data mining or machine learning for fraud detection.

In general, the results of this mapping show that the literature on the financial flexibility of public hospitals is still fragmented. Some articles discuss financial flexibility and performance, others discuss fraud and internal controls, while articles on healthcare fraud focus more on claims systems and detection technologies. This condition reinforces the research gap that there is still a need for a synthesis that integrates the relationship between financial flexibility, improved financial performance, and fraud risk in a single analytical framework.

Financial Flexibility and Improvement of Financial Performance of Public Hospitals

The P1 theme shows that financial flexibility has the potential to support the improvement of the financial performance of public hospitals. In the national context, this flexibility is widely associated with the BLUD financial management pattern which provides space for hospitals to manage service revenues, accelerate operational expenditures, and improve response to service needs. In the international context, the corresponding issue is discussed through the concept of hospital financial autonomy or public hospital autonomy.

The synthesis of article P1 shows that flexibility can improve financial performance through several mechanisms. First, hospitals have the flexibility to use service revenues more directly to finance operational needs. Second, flexibility can improve liquidity because hospitals are not completely dependent on rigid budget mechanisms. Third, more responsive management of revenue and expenditure can support the efficiency and financial independence of hospitals.

However, performance improvement does not occur automatically. Several articles show that the positive effects of flexibility are still influenced by management capacity, quality of human resources, claims systems, financial management compliance, and government support. Thus, financial flexibility is more accurately understood as an instrument that can strengthen performance if hospitals have adequate organizational capabilities.

In this context, flexibility is not just the freedom to use funds, but the ability of an organization to manage resources quickly, efficiently, and accountably. If managerial capacity is weak, flexibility can fail to result in significant performance improvements.

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Therefore, the relationship between financial flexibility and financial performance needs to be understood as a conditional relationship.

Financial Flexibility and Fraud Risk

The P2 theme shows the other side of financial flexibility, namely the potential for increased fraud risk. Flexibility provides greater discretion to hospital management in managing procurement, cash, service payments, claims, and the use of service revenue. This discretion can be positive when used to speed up services, but it can be a risk when it is not accompanied by adequate supervision.

The article on this theme shows that fraud can appear in the form of misuse of funds, mark-ups, fictitious payments, document manipulation, gratuities, bribery, procurement fraud, and claim irregularities. In the perspective of Fraud Triangle Theory, financial flexibility is mainly related to the element of opportunity, which is the opportunity to commit fraud when the control system is weak. This means that flexibility does not directly cause fraud, but can expand the opportunity for fraud if accountability is not effective.

The synthesis of the P2 theme also shows that fraud risks often arise in the context of weak internal supervision, conflicts of interest, low transparency, and dominance of certain authorities in financial decision-making. Therefore, financial flexibility must always be read together with the quality of the control system and public accountability mechanisms.

Thus, flexibility has an ambivalent character. On the one hand, flexibility allows hospitals to move faster in meeting service needs. On the other hand, flexibility can also increase risk space when decision-making is not controlled by a strong control system. These findings are an important basis for explaining that financial flexibility cannot be treated as a completely positive variable.

Governance, Internal Control, and Fraud Prevention

The P3 theme is the theme with the highest number of articles. This shows that the literature places governance, internal control, accountability, and fraud prevention as key factors in the financial management of public hospitals. This theme serves as a bridge between the two sides of flexibility: performance improvement and fraud risk.

The article on the P3 theme shows that internal controls, audits, SPI, accountability, report transparency, and Fraud Control Plans have an important role in ensuring that financial flexibility does not turn into irregularities. Internal controls help ensure that financial transactions are conducted according to procedures, proof of transactions are documented, cash usage is supervised, and financial statements are accountable.

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Governance and accountability are also important elements because public hospitals manage public funds and service revenues that must be accountable to the government, regulators, and the public. The greater the flexibility given to hospitals, the stronger the need for a reporting, audit, and supervision system.

The synthesis of the P3 theme shows that the effectiveness of control is not only determined by the existence of rules or procedures, but also by real implementation in the organization. A well-written control system can still fail to prevent fraud if it is not supported by management commitment, employee integrity, SPI capacity, and compliance culture. Therefore, governance and internal control must be understood as active mechanisms, not just administrative formalities.

Healthcare Fraud, Claim Fraud, and Fraud Detection

The P4 theme expands the discussion of fraud from the management of internal hospital funds to fraud in the health claims system. In the health financing system, hospitals often interact with the insurance system or third-party payers. This interaction opens up the risk of claims fraud, such as upcoding, duplicate billing, claims for services not provided, unbundling, diagnosis manipulation, and unauthorized billing.

Articles on this theme show that healthcare fraud can cause large financial losses, increase resource waste, and decrease trust in the healthcare system. Claims fraud not only impacts hospitals, but also the health financing system at large because it can increase service costs and reduce the efficiency of the use of health funds.

The international literature shows that fraud detection is starting to move from manual audits to a data-driven approach. Data mining, machine learning, and anomaly analysis are used to identify unusual transaction patterns. However, fraud detection technology cannot stand alone. The system still requires good data quality, information system integration, data labeled as fraud, validation of results, and investigative follow-up.

Thus, the P4 theme strengthens the argument that fraud in public hospitals does not only occur in procurement or cash, but also in the claims and service payment systems. Therefore, fraud prevention requires a combination of financial governance, internal control, auditing, and the use of detection technology.

Integrative Synthesis

Based on these four themes, the relationship between financial flexibility, improved financial performance, and fraud risk is not linear. Flexibility can strengthen financial performance when a hospital has adequate managerial capacity, reporting systems, internal controls, audits, and accountability. Under these conditions, flexibility helps

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hospitals manage revenue, accelerate operational financing, improve liquidity, improve efficiency, and strengthen financial independence.

However, the same flexibility can magnify the risk of fraud if financial decisions are made in a wide discretionary space without effective supervision. This risk can arise in procurement, cash use, claims management, service payments, and utilization of service revenues. Thus, flexibility is not the sole cause of fraud, but can be a enabling factor when there are opportunities, weak control, and low accountability.

This synthesis shows that the main distinguishing factors are the quality of governance and internal control. If governance is strong, flexibility serves as an instrument of performance improvement. If governance is weak, flexibility can turn into a space for risk. Therefore, the financial flexibility of public hospitals must be understood as a policy that requires a balance between managerial discretion and public accountability.

Critical Evaluation of the Literature

Critically, the literature analyzed still has several limitations. First, some national articles on the financial performance of public hospitals are still based on case studies on one hospital, so generalizations to all public hospitals need to be done carefully. Second, the financial performance indicators used are not uniform, ranging from liquidity ratios, profitability, cost recovery, independence levels, to financial performance scores. The difference in these indicators makes comparisons between articles not always possible directly.

Third, articles that explicitly link financial flexibility to fraud risk are still relatively limited. Most articles discuss flexibility and performance, or fraud and internal controls, separately. Fourth, international articles provide an important perspective on hospital financial autonomy, but the context of regulation, financing, and accountability is different from that of public hospitals in Indonesia. Therefore, international articles are more appropriately used as a conceptual comparison, rather than as direct evidence of the effectiveness of the BLUD system.

Taking into account these limitations, this SLR emphasizes that the financial flexibility of public hospitals needs to be studied through a more integrative approach. Financial performance is not enough to be analyzed through revenue indicators or financial ratios alone, but needs to be associated with fraud risk, governance quality, and effectiveness of internal controls. This approach is important so that flexibility is not only understood as the freedom of fund management, but as a managerial mechanism that must be controlled accountably.

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CONCLUSION

Based on a synthesis of 38 articles for the 2021–2025 period, the financial flexibility of public hospitals has two main aspects. On the one hand, flexibility can support improving financial performance through more responsive utilization of service revenue, efficiency of operational spending, increased liquidity, cost recovery, and strengthening financial independence. Flexibility also allows public hospitals to respond to service needs more quickly, especially in the procurement of operational needs, cash management, and service financing.

However, financial flexibility cannot be understood as a factor that automatically improves performance. The synthesis shows that flexibility can also increase the risk of fraud if discretionary space is not balanced with adequate internal controls, audits, transparency, and accountability. These risks can arise in the form of misuse of funds, mark-ups, document manipulation, fictitious payments, procurement fraud, claims fraud, gratuities, bribery, and irregularities in the use of hospital revenue.

Thus, the relationship between financial flexibility, improved financial performance, and fraud risk is conditional. Flexibility can be an instrument for improving performance if it is supported by strong governance, a functioning SPI, transparent reporting systems, effective audits, and a culture of organizational integrity. Conversely, flexibility can turn into a space of risk when financial decision-making takes place in a weak oversight system.

The main contribution of this SLR is to show that the financial flexibility of public hospitals is not enough to be assessed from the improvement of financial indicators alone, but needs to be analyzed together with the risk of fraud and the quality of control mechanisms. Therefore, the financial performance of public hospitals should be understood as a result of a balance between managerial flexibility and public accountability.

Limitations and Advanced Research Agenda

This research has several limitations. First, the articles analyzed come from national and international contexts that have different regulations, health financing systems, governance structures, and accountability mechanisms. Therefore, the findings from the international literature cannot be directly equated with the context of public hospitals in Indonesia, but are used as conceptual comparisons.

Second, some national articles are still based on case studies on specific hospitals, so generalizations to all public hospitals need to be done carefully. Differences in human resource capacity, supervisory systems, revenue structures, local government support, and the maturity level of financial management can affect the impact of flexibility on performance and fraud risk.

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Third, the financial performance indicators used in previous articles are not completely uniform. Some articles use liquidity ratios, profitability, cost recovery, independence levels, and financial performance scores, while other articles emphasize financial efficiency, revenue, or sustainability. These differences in indicators limit the ability of reviews to conduct direct quantitative comparisons.

Fourth, articles that explicitly test the relationship between financial flexibility and fraud risk are still relatively limited. Most of the literature addresses financial flexibility and performance, or fraud and internal controls, separately. This suggests the need for further research that examines the relationship more empirically.

Further research is recommended to use a multi-hospital design in order to compare the effect of financial flexibility on fraud performance and risk in various public hospital contexts. In addition, future research may place internal control, internal audit, SPI, governance, and accountability as moderation or mediation variables. This approach is important to explain why flexibility can have a positive impact on some hospitals, but risk on others.

Another research agenda that is also relevant is the development of a data-based fraud detection system, especially in the context of health claims fraud, billing fraud, upcoding, duplicate billing, and transaction anomalies. The use of data mining, machine learning, digital auditing, and digital accountability systems can be a direction for further research to strengthen fraud prevention in public hospitals.

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