

Healthcare cost containment goals

Article provided by Medi Q Healthcare Group



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Global healthcare industry is going through major transformation. Affordable healthcare is still a challenge for patients and providers. Even amidst increasing government regulations and price capping, be its implication of DRG pricing in UAE or Ayushman Bharat scheme in India, low prices have become the biggest barrier and challenge for sustainability of hospitals. The focus has been shifted from price of the service to the cost of the service. Huge investment in medical equipment, scarcity of doctors and nurses, and high infrastructure cost put pressure on private as well government hospitals and health authorities for financial sustainability.

Whether your health system is non-profit, for-profit, big or small, it's critically important to understand the money coming in compared to the money going out. An understanding of resource utilisation and proper analysis of the long-term effects of both clinical and financial decisions is imperative. If you are not focusing on the Technology, People, Information, you are at risk of not understanding, or misunderstanding, your costs; therefore, becoming ineffective stewards of your communities' limited resources. You can only manage your cost by understanding them. You can only understand it by viewing it up close, far away, and from all angles, as if it were a sculpture.

Cost Accounting is one vital fact which helps you in having the right price mix for your hospital services. It makes you confident while negotiating and launching your services in the market. You as the management individual should be aware of the cost of each service provided in your hospital. You can create an actual timeframe for achieving the break-even point. What are the insurance prices and for which services are you able to earn profit and for which you are not, can be worked out as per the actual costs only.

Service line costing must be the base for analytics and decision support. It should be a

conversation starter and a question generator. Are there better ways to measure costs? Why are costs increasing in x department? Why is y surgery consistently more expensive for one physician compared to the rest of the peer group?

We are in the phase of "twisting the tale". Affordable quality healthcare will emerge out of it. Hospitals who are in control of their costs will be the leader. Healthcare will have to adopt scientific cost management as philosophy. Scientific cost management can become a bridge between healthcare providers and healthy society. MediQ Healthcare has brought the solution for Scientific Cost management. The uniqueness of MediQ is advanced automated techniques from US healthcare, low cost solution from Indian healthcare and personalised approach for individual hospital. Our team consists of combination of Financial, Operational and Technical experts exclusively from Healthcare, whereas the costing projects are led by Ms. Christie and Ms. Latesh. The team has developed and Implemented Activity-Based Costing models in health systems across the world.

Ms. Christie has immense expertise for Automation of Healthcare cost accounting systems and development of statistical models to predict average future cost by DRG. She is the professor of Healthcare Information & Technology. While Ms. Latesh is a Strategic Cost Management Expert with over two-decade experience in Cost Management of various industries. She is a seasoned Cost and Management Accountant (CMA) with a certification in Sig Sigma and specialization in International Finance from IIT Delhi.

Having passion to contribute in low cost healthcare in India, she developed Automated Cost Design templates based on Time driven Activity-Based Costing for Hospitals. Her focus is on deriving costing at procedure level and cost control system in hospitals to improve the operational efficiency and EBIDTA as well as strategic pricing structure.