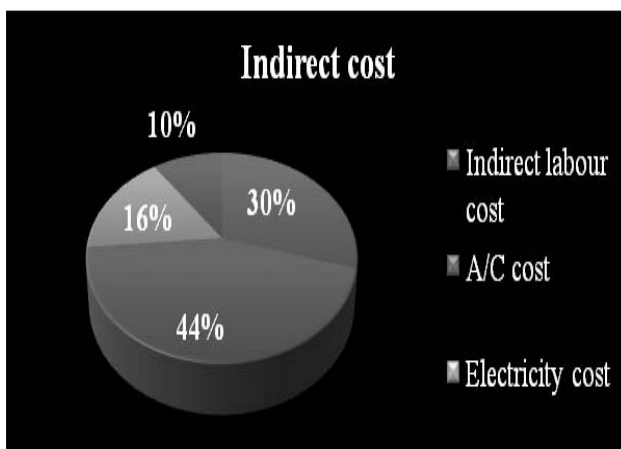


From the above chart it is evident that material cost followed by labour cost formed a major part of the direct cost.

From the above chart it is evident that material cost followed by labour cost formed a major part of the direct cost.

Indirect cost per procedure	
Indirect labour cost	40.8
A/C cost	60.48
Electricity and maintenance cost	22.6
Depreciation of building	13.7
Total Indirect Cost	137.58



Air conditioning charges and labour cost formed a major part of the indirect cost.

Unit Price/Cost per procedure	
Direct cost	1,316.24
Indirect cost	137.58
Overheads	72.69
Total Unit Price	1,526.51

The actual cost incurred by the hospital to provide dialysis service is Rs.1,526.51. The direct costs account for 86 percent of the total cost, while the indirect cost account for 9 percent and overhead cost being 5 percent of the total.

Profit	
Sale price per procedure	1,613
Cost per procedure	1,526.51
Profit per procedure	86.49

In the hospital the patients are charged Rs. 1613 per procedure.

DISCUSSION

The study was carried out with the aim to calculate the cost per dialysis procedure and the result suggests that the cost incurred per procedure was Rs. 1,526.51 and Rs.86.49 was the profit obtained by the hospital per procedure. It is evident from the study that material cost, labour cost and air conditioning cost are the major inputs to the dialysis unit. The average numbers of procedures carried out in the dialysis unit per day are 52 and this includes both inpatients as well as outpatients. So the profit made by the dialysis unit per day is Rs. 4,497.48.

Hospital cost information is derived by relating the inputs of resources in monetary terms to the outputs of services provided by the hospital. Cost information is part of the basic information needed by managers and policy makers for making decisions about how to improve the performance of a hospital, where to allocate the resources within or among hospitals, or to compare the performance of different hospitals to one another. Some of the basic reasons for wanting cost information are to improve efficiency, increase effectiveness, enhance sustainability, and improve quality.

CONCLUSION

Cost information is part of the basic information needed by managers and policy makers for making decisions about how to improve the performance of a hospital and where to allocate the resources within or among hospitals. Cost data are not always available from routine data systems, due to poor information systems and lack of resources devoted to hospital management. Without quality cost data it is not possible to make accurate projections, improve technical efficiency, control expenditure and enhance accountability of managers. A scientific costing system is a very important tool for managements to fulfil these needs and hence, is imperative for the successful running of a hospital.

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