

DATE: / /

STUDY AND EVALUATE THE FINANCIAL FEASIBILITY OF PROPOSED CGHS HEALTH PACKAGES

Submitted by:

Dr. Sonalika Singh

MBA-HM-19

RATIONALE:

As the foot fall of patients is decreasing in the hospital the management came up with a proposal of starting few procedures under government schemes like CGHS. Before getting empanelled for any such schemes, it is essential to check whether starting these procedures under such schemes will be profitable to the organization or not. For this, financial feasibility has to be evaluated. The basic purpose of feasibility study is to determine if a project is viable for the organization. In this study the direct & indirect cost incurred during particular procedures were calculated and compared with the government tariffs.

Feasibility study: Any study that assesses the viability or practicality of a new project or plan.

AIM

- To study the financial feasibility of proposed CGHS health packages for Global Hospital, Hyderabad.

OBJECTIVE

- To carry out financial feasibility of proposed health packages under CGHS across two departments of the hospital.

RESEARCH METHODOLOGY

- **Study design:** Retrospective study
- **Study Area:** Global Hospital, Hyderabad
- **Study population:** All the patients who underwent specific surgeries (surgical gastroenterology and urology) in the month of January, February and March 2016.

- **Sampling Method:** Purposive sampling for Laparoscopic Cholecystectomy and for the rest entire population has been taken as sample.
- **Sample Size:** 55 (29- gastroenterology and 26- urology)
- **Sampling Criteria:** Three surgeries each of surgical gastroenterology and urology were selected.
- For laparoscopic cholecystectomy, 10 cases were selected and for the rest, the cash vouchers of all the surgeries which took place in past 3 months were retrieved and used as sample.

Exclusion criteria:

- Insurance/ credit bills were excluded.
- Bills with different procedures in addition to the specific procedures were excluded.

Data collection tools

- All the cash vouchers from billing department.
- Kranium healthcare software (HIS).

Data Collection Techniques

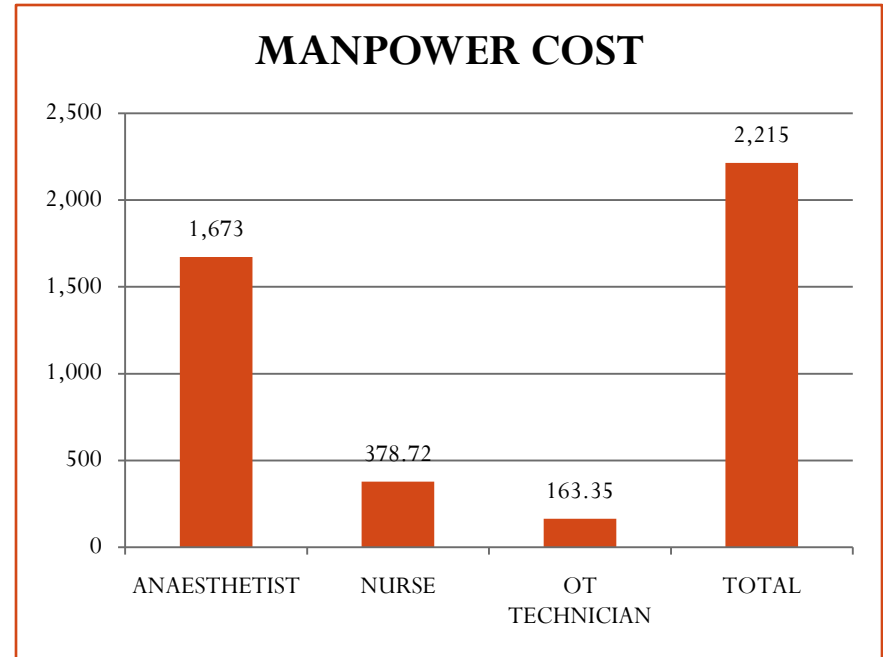
- After retrieving the patient details from the medical record department, all the cash vouchers were collected from the billing department. These vouchers were then analyzed for all the drugs and consumables used (**material cost**).
- **Manpower cost** was analyzed with the help of Human Resource Department. The manpower includes:
 - a) Anesthetists
 - b) Nurses
 - c) OT technicians
- Firstly the cost per hour of the entire manpower and then the cost per procedure were calculated.

- The costs of all the **biomedical equipments** used during and after the procedure were used to find out the cost of equipments per hour incurred to the hospital and hence cost per procedure was calculated.
- For the **electricity cost** of the OT, the units consumed by the OT lights and air conditioners per hour were calculated and then for the particular procedures and included in the final costing.
- Lease contract of the hospital was used to find out the amount paid every month. The cost per square foot was calculated using the total built up area and hence the **infrastructure cost** for both, major and minor OTs was calculated.

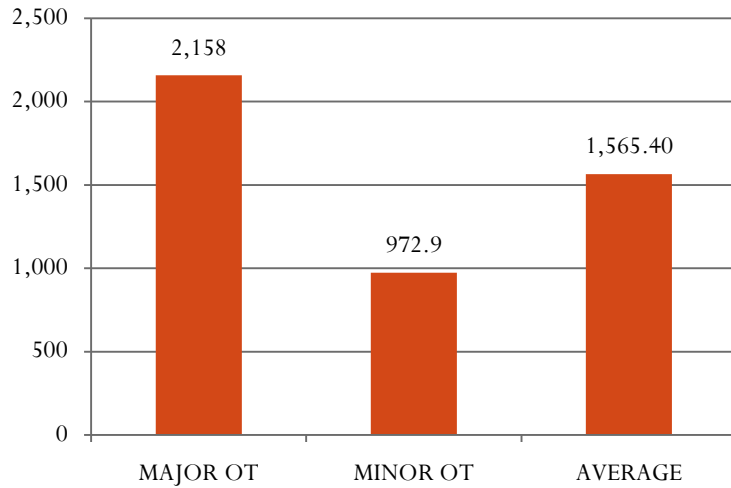
1) LAPAROSCOPIC CHOLECYSTECTOMY (n=10)

OBSERVATIONS AND ANALYSIS

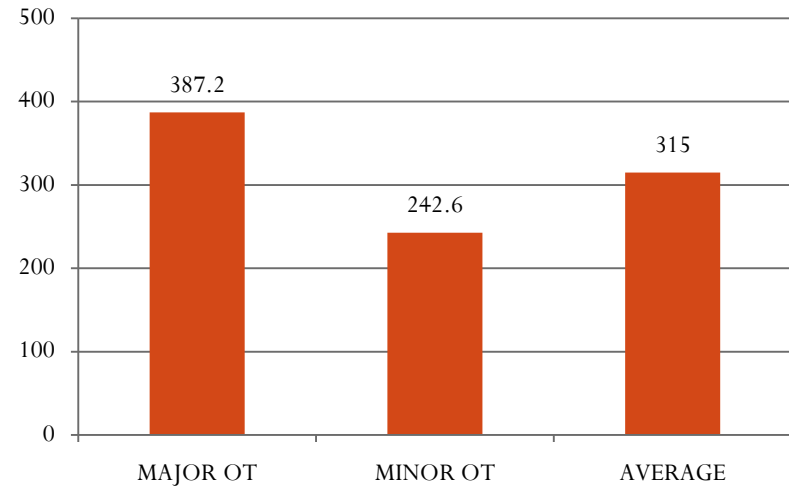
S.No	DRUGS & CONSUMABLES	AVERAGE COST (Rs)
1	CANNULAS AND CATHETERS	194
2	LIGATING & SUTURING MATERIALS	768
3	OTHER CONSUMABLES	538
4	IV FLUIDS	159
5	ANAESTHESIA DRUGS	154
6	ANTIBIOTICS	57
7	IV DRUGS	553
8	ORAL DRUGS	107
	TOTAL	2530

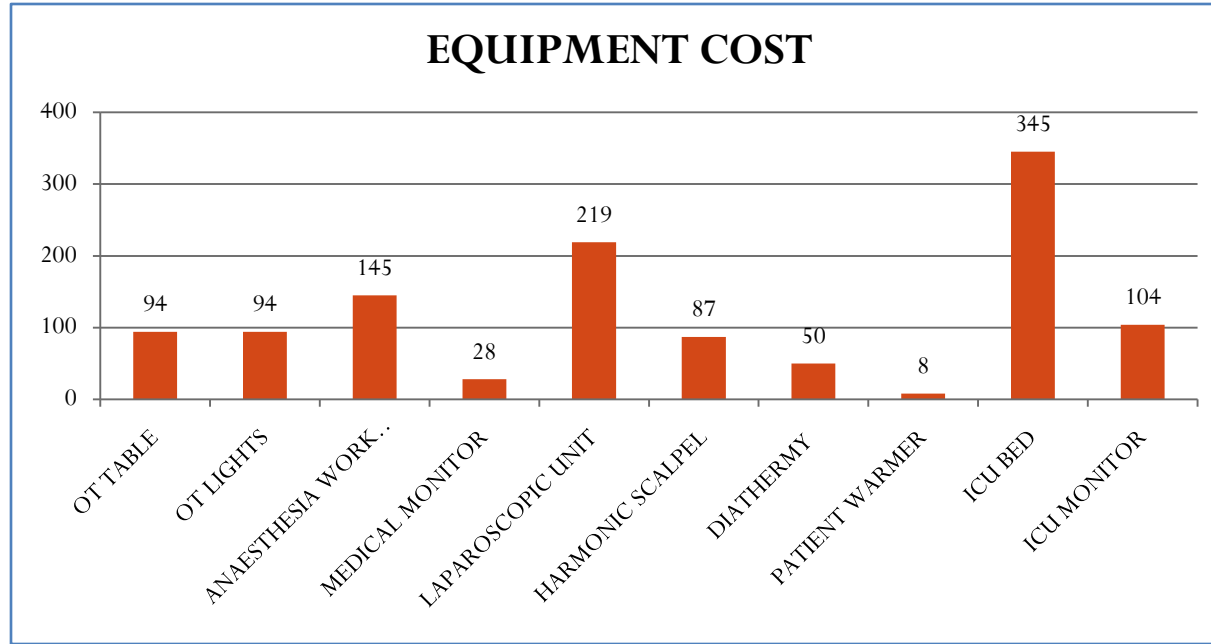


INFRASTRUCTURE COST



ELECTRICITY COST





Total equipment cost = Rs 1,174

RESULTS:

CGHS tariff	2002	2014
Package tariff	16400	18975
Direct cost	7854	7854
Surgeon's cost (20%)	3280	3795
Indirect cost (15%)	2460	2846
Margin	2806	4480
Margin percentage	17.1%	23.6%

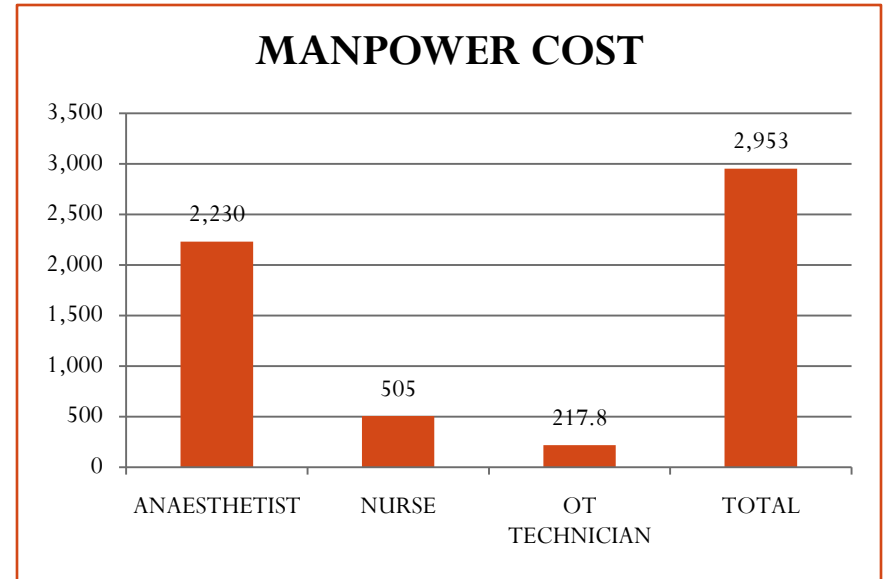
CONCLUSION:

Laparoscopic Cholecystectomy is found to be profitable as the margin is more than 15% and are recommended to be started under the scheme.

2) Laparoscopic Inguinal Hernia

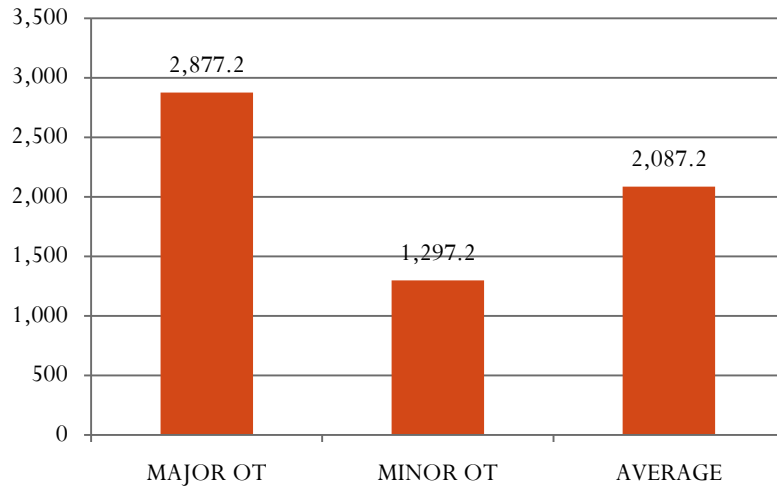
Observation and analysis

S.NO.	DRUGS & CONSUMABLES	AVERAGE COST(Rs)
1	CANNULAS AND CATHETERS	302
2	LIGATING & SUTURING MATERIALS	740
3	OTHER CONSUMABLES	1464
4	IV FLUIDS	166
5	ANAESTHESIA DRUGS	182
6	ANTIBIOTICS	208
7	IV DRUGS	541
8	ORAL DRUGS	179
	TOTAL	3781



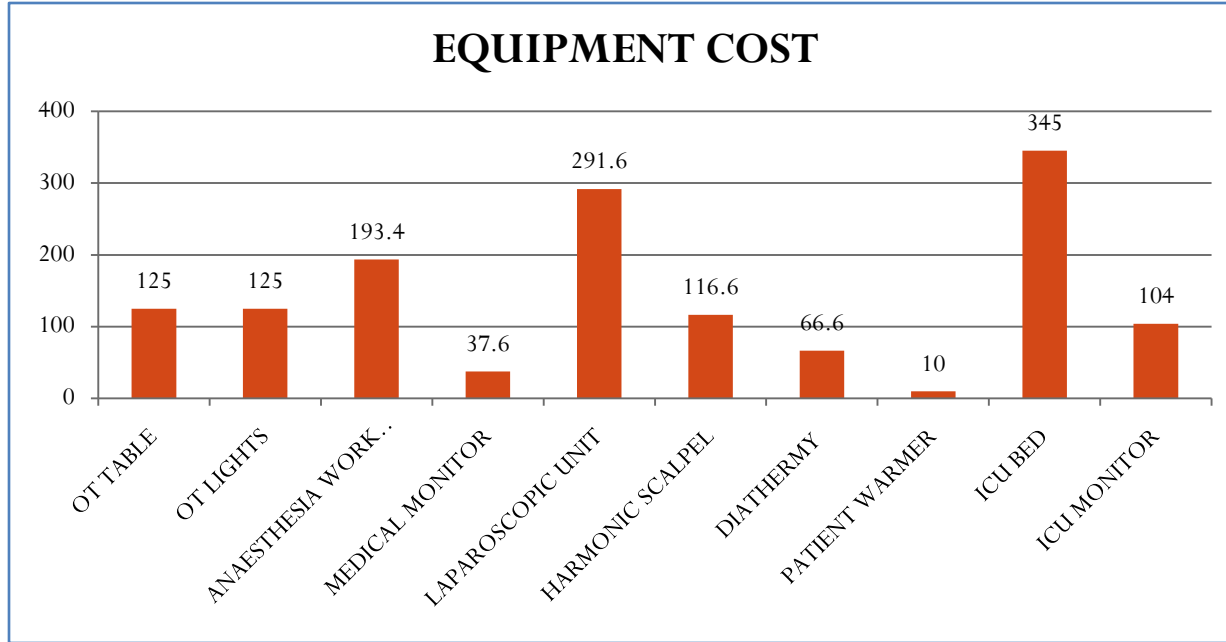
(n=10)

INFRASTRUCTURE COST



ELECTRICITY COST





Total equipment cost = Rs 1,415

RESULTS:

CGHS tariff	2014
Package tariff	18000
Direct cost	10657
Surgeon's cost	3600
Indirect cost	2700
Margin	1043
Margin percentage	5.79%

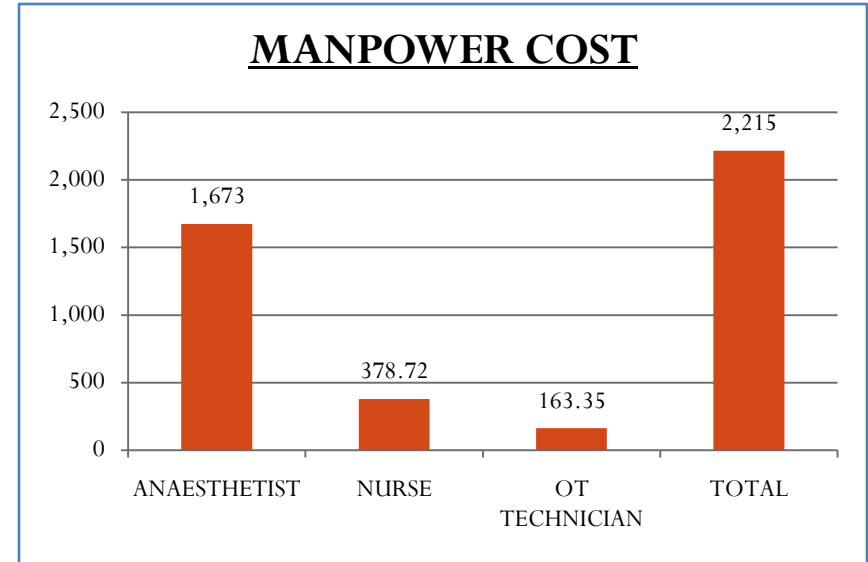
CONCLUSION:

Laparoscopic Inguinal Hernia has less profit margin and the decision is up to the management to decide its viability.

3) Laparoscopic Appendectomy

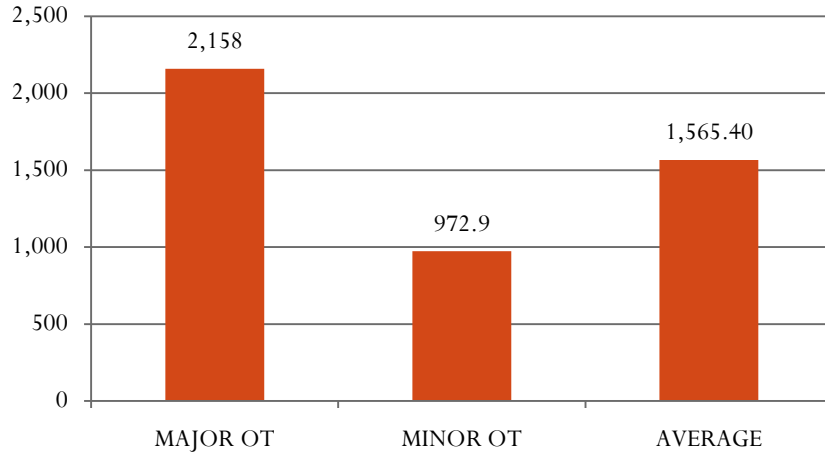
Observation and Analysis

S.No	DRUGS & CONSUMABLES	AVERAGE COST
1	CANNULAS AND CATHETERS	312
2	LIGATING & SUTURING MATERIALS	517
3	OTHER CONSUMABLES	495
4	IV FLUIDS	132
5	ANAESTHESIA DRUGS	151
6	ANTIBIOTICS	240
7	IV DRUGS	456
8	ORAL DRUGS	68
	TOTAL	2370

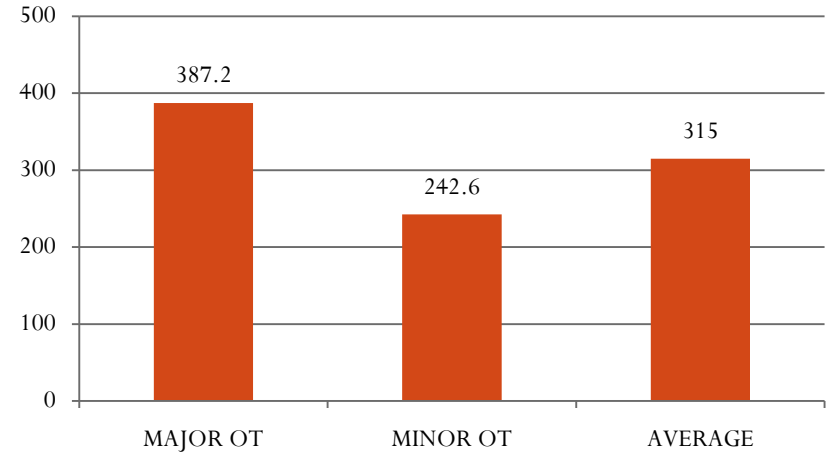


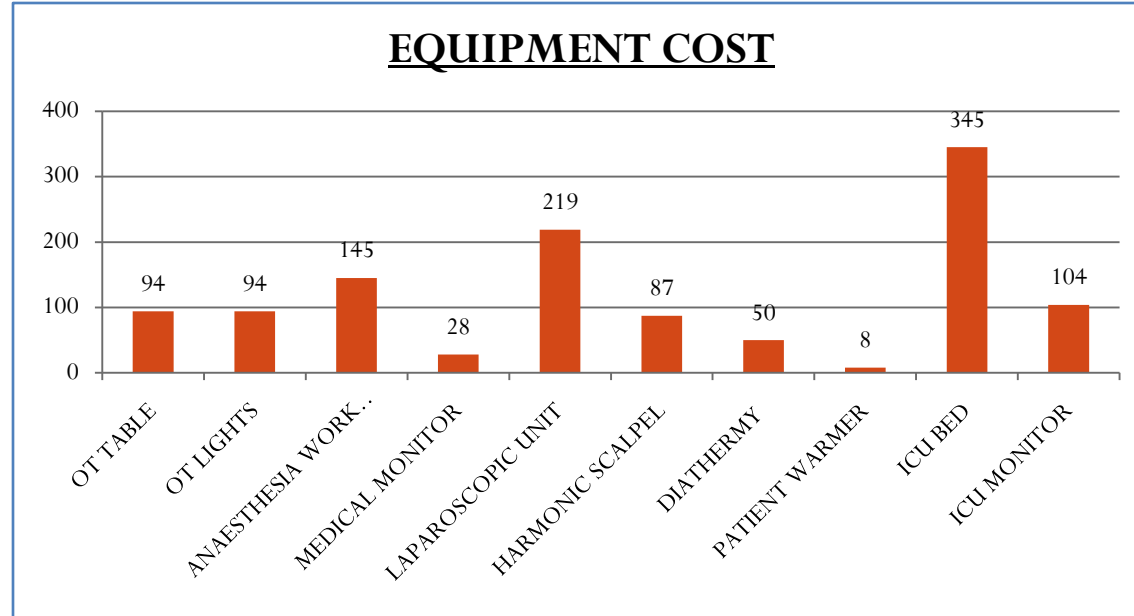
(n=9)

INFRASTRUCTURE COST



ELECTRICITY COST





Total equipment cost = Rs 1,174

RESULTS:

CGHS tariff	2002	2014
Package tariff	13750	16200
Direct cost	7693	7693
Surgeon's cost	2750	3240
Indirect cost	2063	2430
Margin	1244	2837
Margin percentage	9.04%	17.5%

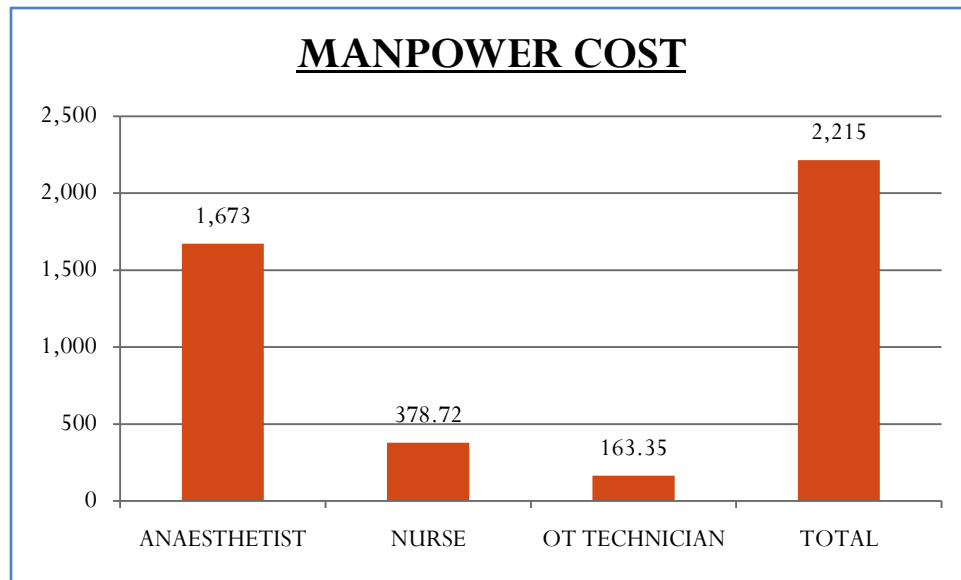
CONCLUSION:

Laparoscopic Appendectomy under 2014 tariff is found to be profitable and is recommended to be started whereas for 2002 the profit margin is less and the decision is up to the management to decide its viability.

4) PERCUTANEOUS NEPHROLITHOTOMY

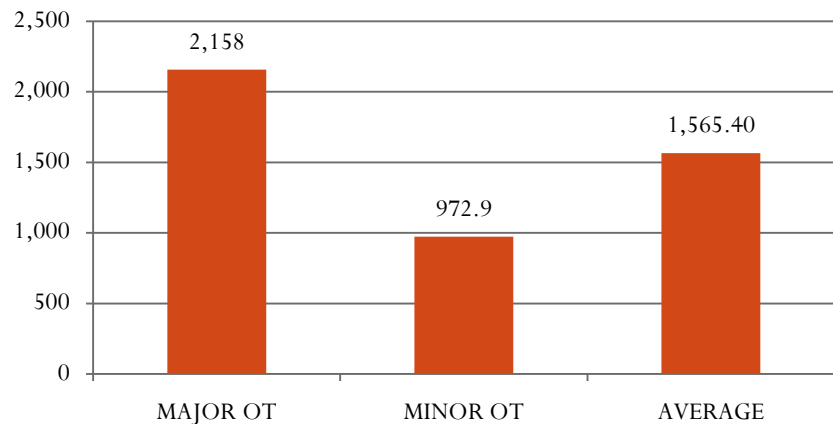
Observation and analysis

S.NO.	DRUGS & CONSUMABLES	AVERAGE COST
1	CANNULAS AND CATHETERS	799
2	LIGATING & STENTING MATERIALS	426
3	OTHER CONSUMABLES	507
4	IV FLUIDS	599
5	ANAESTHESIA DRUGS	88
6	ANTIBIOTICS	376
7	IV DRUGS	696
8	ORAL DRUGS	25
	TOTAL	3493

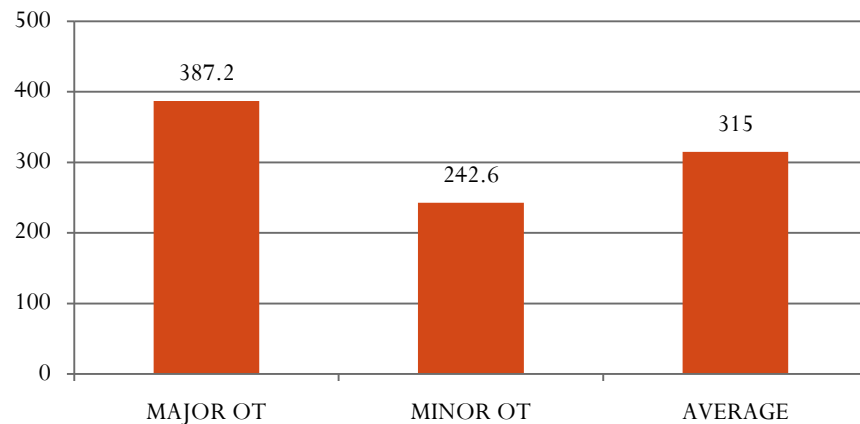


(n= 7)

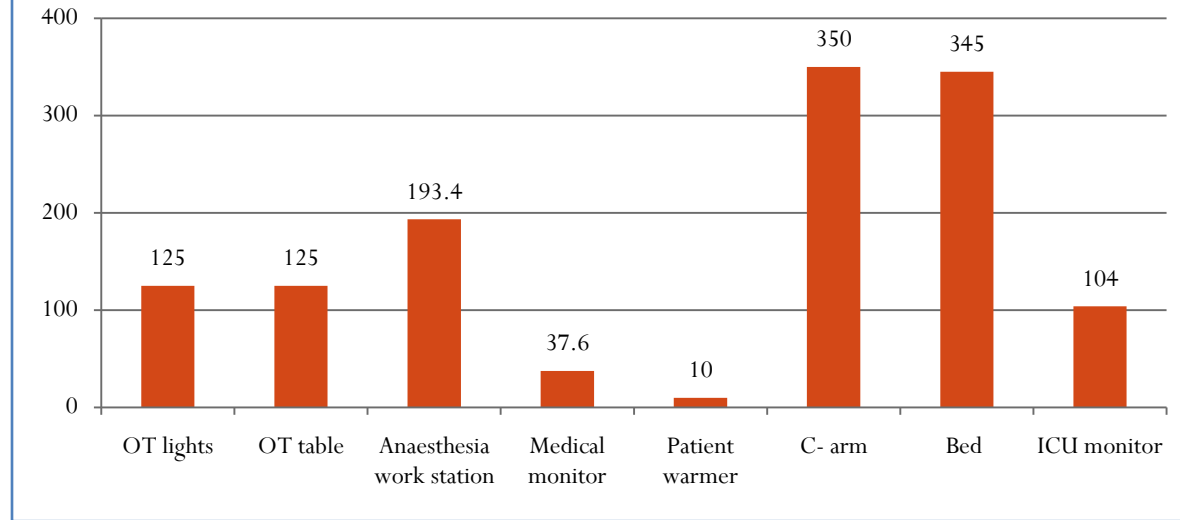
INFRASTRUCTURE COST



ELECTRICITY COST



EQUIPMENT COST



Total equipment cost = Rs 1,290

RESULTS:

CGHS tariff	2002	2014
Package tariff	17000	20000
Direct cost	9616	9616
Surgeon's cost	3400	4000
Indirect cost	2550	3000
Margin	1434	3381
Margin percentage	8.43%	16.9%

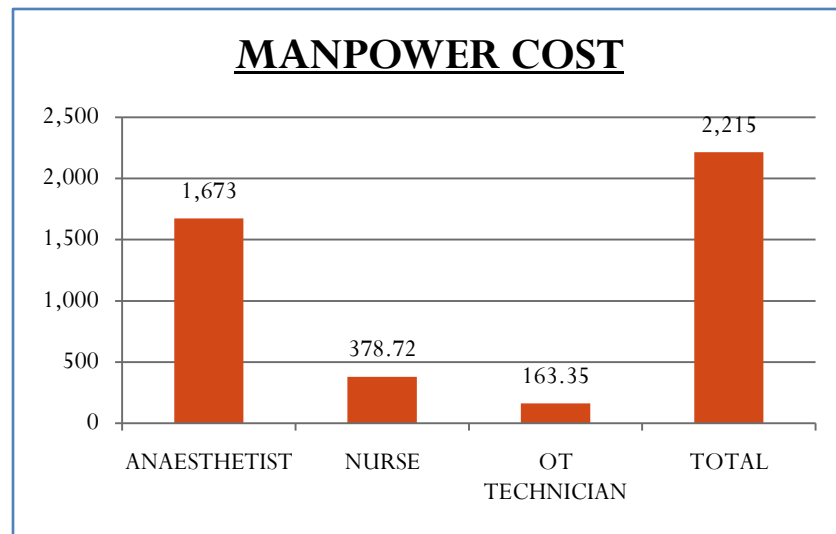
CONCLUSION:

PCNL under 2014 tariff is found to be profitable and is recommended to be started whereas for 2002 the profit margin is less and the decision is up to the management to decide its viability.

5) EXTRACORPOREAL SHOCK WAVE LITHOTRIPSY

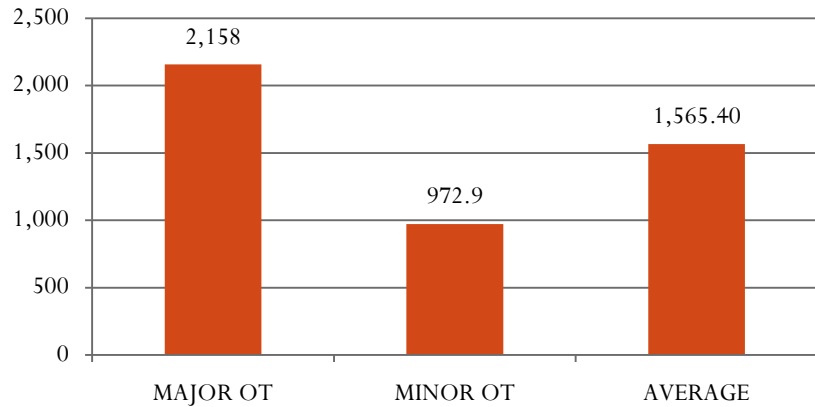
Observation and analysis

S.NO.	DRUGS & CONSUMABLES	AVERAGE COST
1	CANNULAS AND CATHETERS	160
2	STENTING MATERIALS	153
3	OTHER CONSUMABLES	251
4	IV FLUIDS	146
5	ANAESTHESIA DRUGS	107
6	ANTIBIOTICS	137
7	IV DRUGS	149
8	ORAL DRUGS	13
	TOTAL	1190

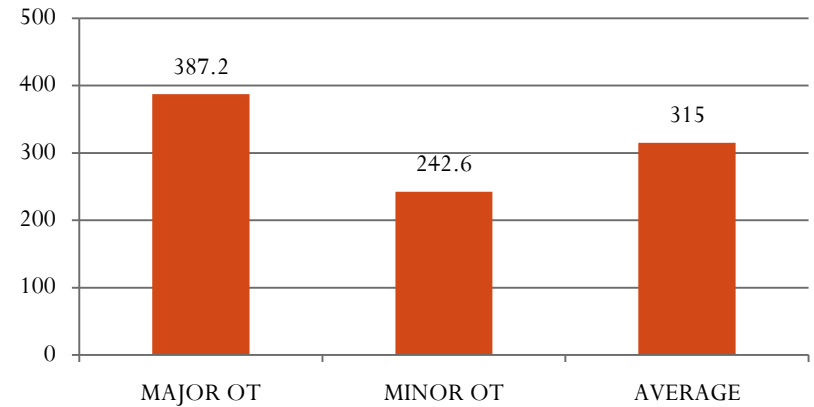


(n= 12)

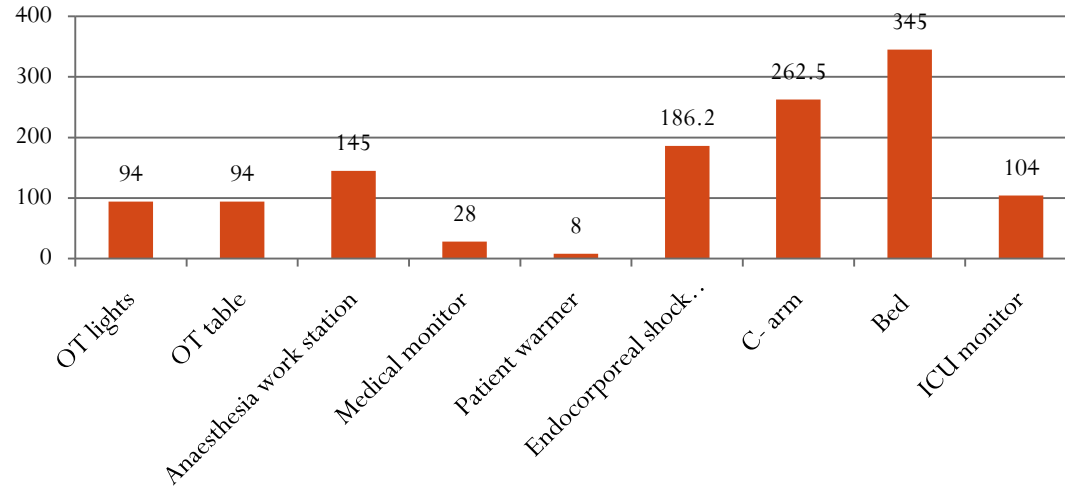
INFRASTRUCTURE COST



ELECTRICITY COST



EQUIPMENT COST



Total equipment cost = Rs 1,227

RESULTS:

CGHS tariff	2002	2014
Package tariff	20000	37260
Direct cost	6512	6512
Surgeon's cost	4000	7452
Indirect cost	3000	5589
Margin	6488	17707
Margin percentage	32.44%	47.52%

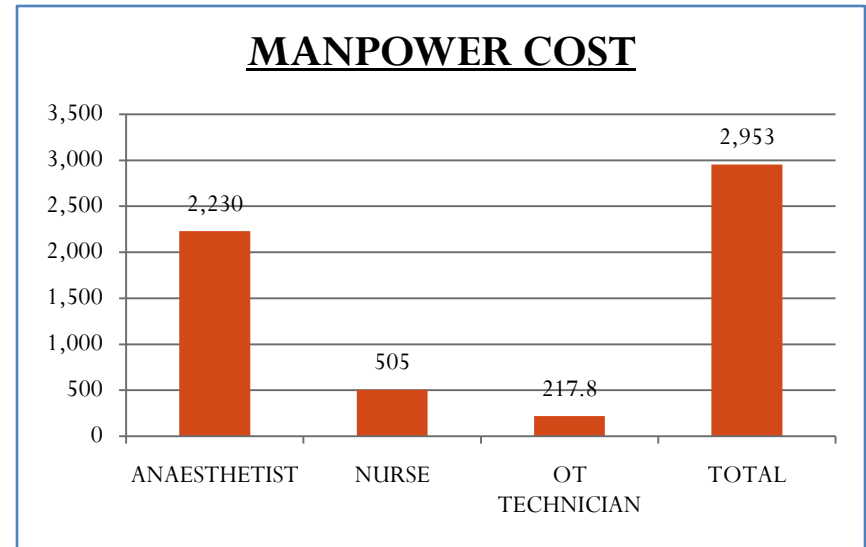
CONCLUSION:

ESWL is found to be highly profitable and is recommended to be started under the scheme.

6) URETEROSCOPIC LITHOTRIPSY

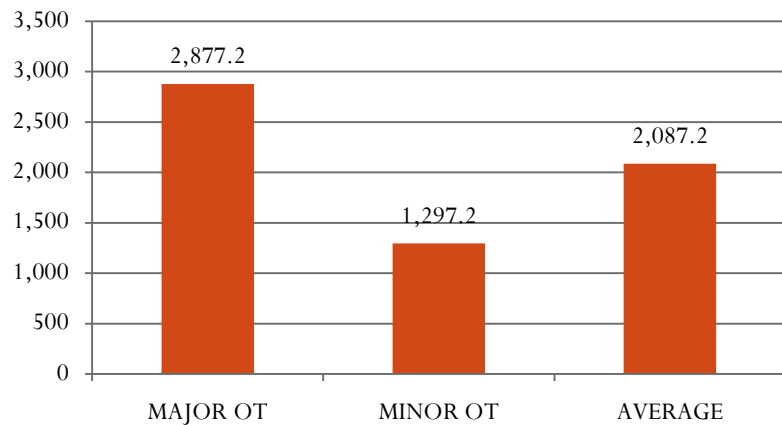
Observation and analysis

S.NO.	DRUGS & CONSUMABLES	AVERAGE COST
1	CANNULAS AND CATHETERS	268
2	STENTING MATERIALS	573
3	OTHER CONSUMABLES	521
4	IV FLUIDS	184
5	ANAESTHESIA DRUGS	111
6	ANTIBIOTICS	227
7	IV DRUGS	173
8	ORAL DRUGS	24
	TOTAL	1141

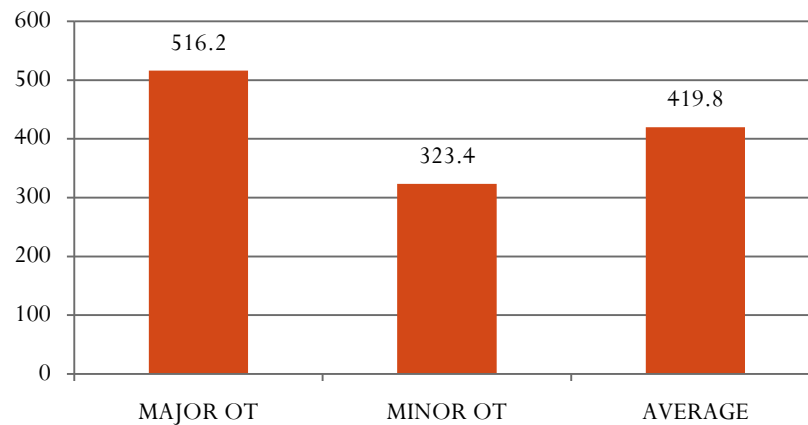


(n= 7)

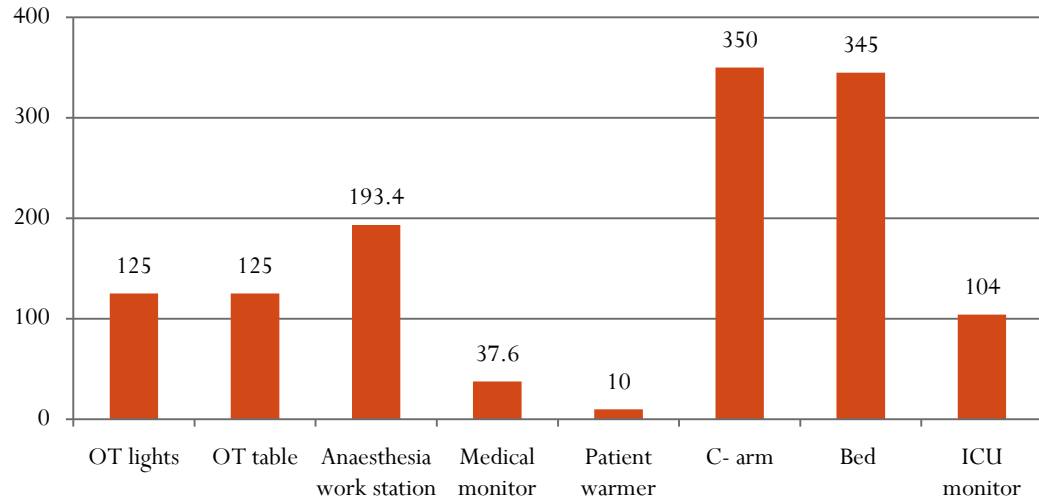
INFRASTRUCTURE COST



ELECTRICITY COST



EQUIPMENT COST



Total equipment cost = Rs 1,290

RESULTS:

CGHS tariff	2002
Package tariff	16350
Direct cost	8191
Surgeon's cost	3270
Indirect cost	2453
Margin	2436
Margin percentage	14.9%

CONCLUSION:

URSL is found to be marginally profitable and is recommended to be started under the scheme.

Thank You