

Healthcare Costing



ERP

B I Z T E C H

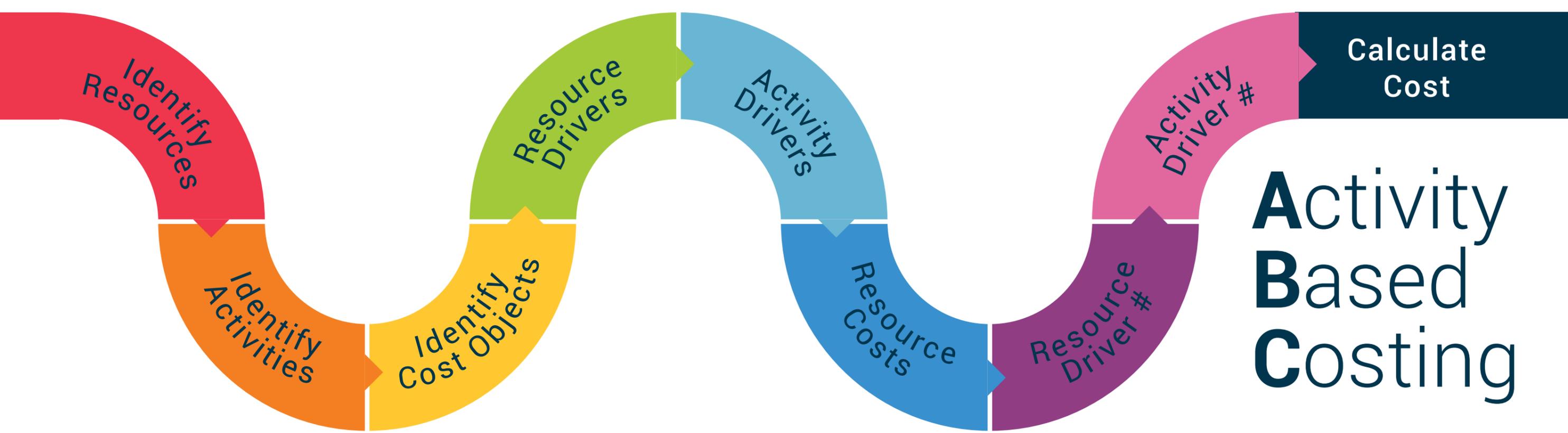


COSTS



imeusbiz
B I Z T E C H
www.imeusbiz.com

“ ... a dollar saved is a dollar earned ... ”
ABC activity based costing • VBC volume based costing



COSTING AS IMPACTING PROFIT MARGINS

Activity-based costing (ABC) and **Volume-based costing (VBC)** are two different methods of determining the cost of providing services.

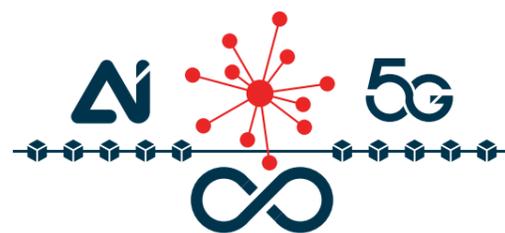
ABC assigns costs to specific activities or procedures, rather than to departments or units, and then assigns those costs to the customer or procedures that consume those activities. This allows for a more accurate assessment of the cost of providing a specific service or procedure, and can help identify inefficiencies and areas for cost savings.

VBC, on the other hand, assigns costs based on the volume of services provided, such as the number of customer served or procedures performed. This method can be useful for determining the cost of providing a general category of services, but may not provide as detailed or accurate a picture of the costs associated with specific procedures or customer segments.

Both ABC and VBC can impact company profitability by providing a better understanding of the costs associated with providing specific services and procedures, which can help identify areas for cost savings or revenue growth. However, ABC may be more effective in identifying specific areas of inefficiency, while VBC may be more useful for understanding overall trends in costs and volume.

Enterprise & Healthcare ABC & VBC versions

"... reduce business & healthcare delivery costs using embedded Activity Based Costing & Volume Based Costing ..."



© IMEUSbiz

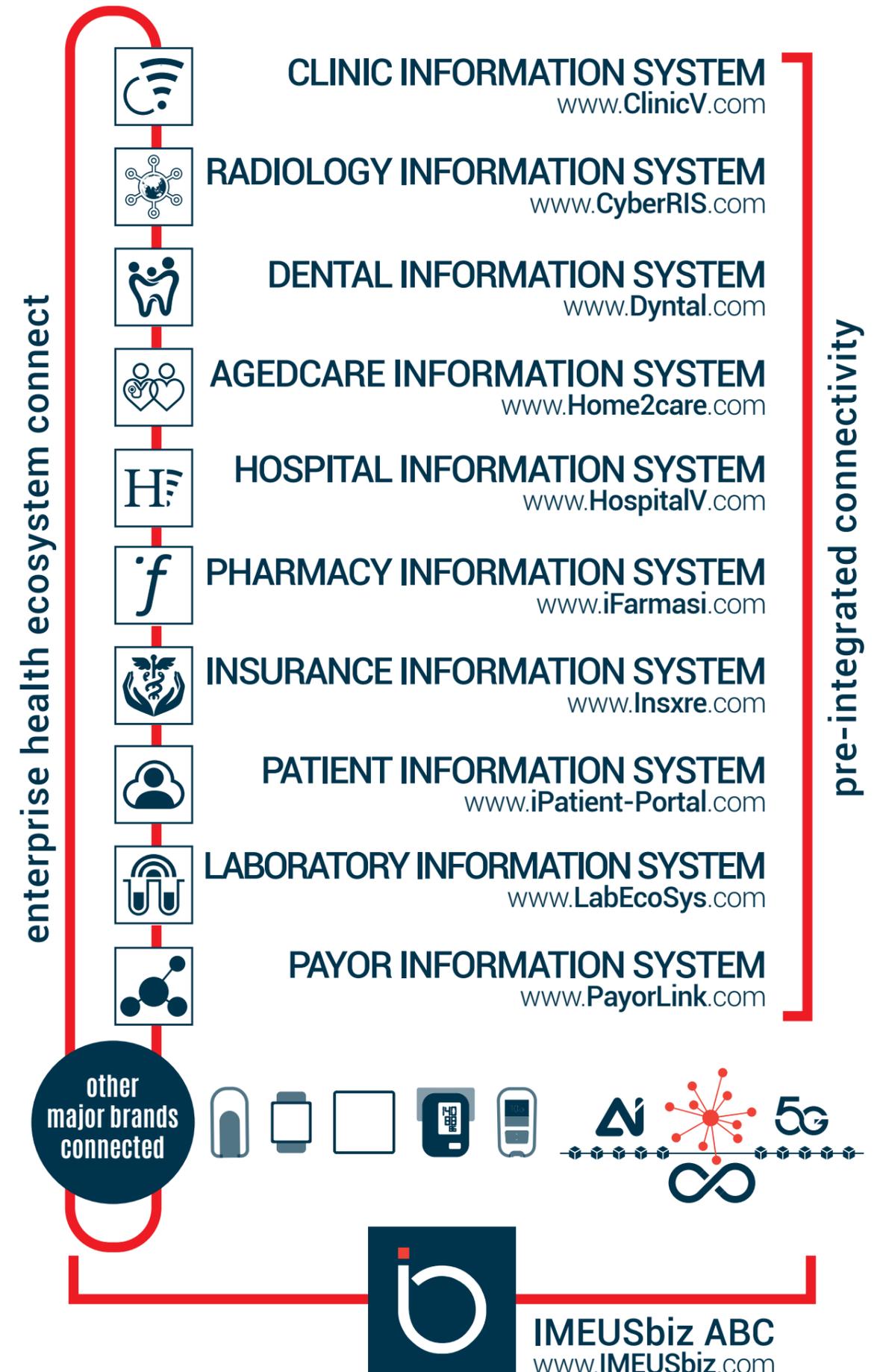
ABC in healthcare

Studies have found that healthcare organizations that have implemented Activity-Based Costing (ABC) have improved their profit margins by an average of 6-10%. This is due to ABC helping organizations identify inefficiencies in the supply chain and reduce costs, as well as make informed decisions about pricing. The impact of ABC on profit margins can vary depending on the industry and the complexity of the product/service being offered.

Reference

Activity-Based Costing in Healthcare.

<https://www.healthcatalyst.com/activity-based-costing-in-healthcare>



www.IMEUSbiz.com