

Healthcare cost accounting: the area to reveal SAP BusinessObjects Profitability and Cost Management capacity

Cost accounting in healthcare becomes more and more important, but is often considered too complex or difficult for many healthcare organisations. There are two main reasons why hospitals put cost accounting systems aside: they are focused on other critical applications such as HIS and there is still challenge to agree on “right” methodology what is meant by costs in health sector.

National Health Insurance Fund in Lithuania decided to apply step-by-step approach to develop comprehensive system for hospitals cost accounting and create one centralized cost accounting system to share with all hospitals on SaaS basis.

Implementation of Detailed Patient-Level Cost Accounting Information system was started in October, 2016, it is expected to be fully implemented in March of 2018. Current stage – user acceptance testing (1st stage of three), go live is scheduled for June of 2017.

The goal of the Project is to implement Detailed Patient-Level Cost Accounting Information System for all health care institutions to obtain reliable patient-level cost accounting data necessary for diagnoses-related groups under AR-DRG disease classification system calculation of price. Detailed patient-level cost accounting is prepared to allow calculate treatment cost and the average cost estimates for diagnoses-related groups for each individual patient, analyze them at a health care facility, health care facility group or all health care facilities, which are carrying out detailed patient-level cost accounting, level. It also allows to perform self-comparison with similar health care facilities at different angles.

Data completeness in various hospitals is the major challenge to the project. That’s why the project is split into three stages every of that includes increasing scope of data completeness. Growing users experience, project-based learning and flexibility of software tool are three pillars for project positive results. The Project results create ability to better control of the Health Service Providers cost, set standards for the healthcare service costing, let hospitals perform cost benchmarking and provide the best value to patients.

For the installation of the System the standard SAP PCM – SAP Profitability and Cost Management module and SAP Business Objects Business Intelligence Edge Analytics software product package is used. SAP NW Process Integration platform is invoked to create necessary integrations and management platform.

National Health Insurance Fund of Lithuania acts as an administrator of National Health Insurance Fund which is gathered through the Compulsory Health Insurance Tax. Fund gathers the tax money and then uses it to pay for the health services citizens of Lithuania and other insured persons gets from the Health Service Providers. Most of the Health Service Providers are state owned. The whole system insures that citizens of Lithuania get health care

services. More about the system can be read here: <http://www.vlk.lt/sites/en/health-insurance-in-Lithuania/health-insurance-system>

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