

The the majority of
items, the amount



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The charges for medicines and other supplies dispensed from the pharmacy should at least ensure that the cost and overheads are covered. Determining charges to patients differ among hospital, with several methods in use.

1. Part-inclusive Rate:

Certain specific items of ward stock are administered to the patients without charge, generally ordinary drugs stocked in the ward cabinet. This avoids irritating and time-consuming 'nuisance charges'. All others are charged.

2. Cost Plus a given Percentage:

There can be several formulae. However, it is best to work out the cost as all-out cost, with a nominal profit as percentage of the cost added.

3. Cost Related to Maximum Retail Price (MRP):

Due to bulk purchases, the unit cost to the hospital is much lower than the MRP.

Hospitals can afford to charge less than MRP and still make a profit.

4. For Items Prepared by Pharmacy:

The cost is calculated as the all-inclusive cost of materials with a suitable margin added to cover spoilage, wastage, breakage, etc. In case of the majority of items, the amount at which the hospital will be making the drug available to the patient should be determined. Copies of the approved rate schedule should be given to all members of the medical staff and to all wards and departments. A well-organised pharmacy has proved to be revenue producing even in small hospitals.

The medication cost per patient day can be reduced by proper management even when charges for medication to patients are established on a business-like basis.