

Cost-benefit analysis report examples

[Economics](#), [Money](#)



\n[[toc title="Table of Contents"](#)]\n

\n \t

1. [Introduction](#) \n \t
2. [Component with the greatest impact](#) \n \t
3. [Recommendations](#) \n \t
4. [References](#) \n

\n[/toc]\n \n

Introduction

According to the works of Martin et al. (2007), Øvretveit and Tolf. (2009), it is imperative to note that the cost of healthcare has been on an upward trend reaching such a point that most individuals can no longer afford. In as much as healthcare is a necessity in all families, it is emergent that this ever-rising cost of medical attention is not only increasing at an alarming rate, but also it is becoming increasingly, a luxury, affordable by a select few. One would therefore anticipate that since the cost of healthcare is high, high quality service is provided. However, the contrary seems applicable from calculations attached alongside in an excel sheet.

Component with the greatest impact

Center of focus to reduce cost

Nolan and Bisognano (2006) would concur with the fact that healthcare budgets have been fashioned in such a way that there is a higher proclivity towards excessive spending towards contract labor. Given the complexity that comes with contract labor and other things related to such ventures, it is vital to note that their associated costs and declining levels of

responsibility tends to affect monthly costs adversely.

This cost may also be associated with unwarranted overtime, in addition to, other related payments that drain on the hospital's institutional base (Nolan & Bisognano, 2006; Bodenheimer, 2008). From the look of things, it is apparent that there are far much less working hours per individual. This means that, despite the high payment, their services are late and this makes sustainability in hospital settings.

Recommendations

First, the hospital needs to momentarily shift its focus as a group that needs revitalization of their stance. In this case, Øvretveit and Tolf (2009) would concur with the fact that higher quality demands higher monetary investment that can come from a harnessed and harmonized salary package. Martin and others (2007, 2009) connote that creation of a strategic arena that includes modalities for reinvestment in areas that include clinical care, IT and human resource centers, service provisions and systems set, in addition to, an improved working environment. This will aid in creating an employee satisfaction stance even in the wake of reduced salary perquisites.

Nolan and Bisognano (2006) would concur with the fact that value-driven care provides a level of satisfaction to both the patient and the care-giver such that even with slashed salary package, it is still possible to not only retain these professionals, but also actively engage the community in decision-making. Therefore, it is possible to keep track interactively of all the savings (Nolan & Bisognano, 2006). Finally, from the savings collected, it is

crucial to purposefully, and transparently allocate the savings; thus improving the quality of services provision.

References

Bodenheimer, T. (2008). Coordinating care – a perilous journey through the health care system. *The New England Journal of Medicine*, 358(10), 1064-1071.

Martin, L. A., Neumann, C. W., Mountford, J., Bisognano, M., Nolan, T. W. (2007). Establishing the business case for quality in health care – reducing waste to achieve a 1% to 3% savings in operating costs per year. Institute for Healthcare Improvement.

Martin, L. A., Neumann, C. W., Mountford, J., Bisognano, M., Nolan, T. W. (2009). Increasing efficiency and enhancing value in health care: Ways to achieve savings in operating costs per year. IHI Innovation Series white paper. Cambridge, Massachusetts: Institute for Healthcare Improvement.

Nolan, T., & Bisognano, M. (2006). Finding the balance between quality and cost. *Healthcare Financial Management*, 60(4), 67-72.

Øvretveit, J., & Tolf, S. (2009). The cost of poor quality and adverse events in health care – A review for the Swedish healthcare compensation insurance company (Landstingens Omsesidiga Forsakringsbolag (LoF)), The Medical Management Centre, The Karolinska Institute, Stockholm.