

Study on Analysis of Operating Costs for Primary Care Clusters (PCC)

Summary

Analysis of operating costs for Primary Care Clusters (PCC) is conducted by gathering data from four PCCs in four targeted provinces, divided into two urban clusters and two rural clusters. The analysis of operating costs is a retrospective study carried out in 2016. The data gathered include accrued accounts of contracting units for primary care (CUP), data on sponsoring primary care units by the host agents, data on primary care units' activities, data on survey of staff's activities (full time equivalent - FTE per activity), data on survey of area sizes and operational hours of contracting units. All the data gathered are used to calculate activity-based costing and cost per contracting unit.

This study found that the largest operating cost for PCC was on labour, followed by materials while investment was the lowest. It should be noted that higher material costs were found in urban PCCs, compared to rural PCCs due to more advanced treatments. Detail shows in Table 1.

Table 1: Overview operation costs of PCC

PCC	Direct Costs			Indirect Costs	Total
	Labour	Material	Investment		
Urban:Trang Hospital	10,387,762.78	8,429,097.66	350,11,.77	333,110.61	19,499,971.82
Urban:Petchaboon Hospital, Klong Sala	6,169,093.82	6,397,556.64	159.780.91	979,024.85	13,705,456.22
Rural: Nong Yang Don Feak, Chiang Mai 's Sarapee	10,198,225.45	2,810,569.46	332,095.36	4,140,493.08	17,481,383.35
Rural:Kud Tapetch, Lopburi's Lamsonthi	5,234,279.29	1,214,479.72	425,256.64	2,144,787.62	9,018,803.27
Average	7,997,340.34	4,712,925.87	316,783.42	1,899,354.04	14,926,403.66

The average operating cost for a PCC is 824.58 baht per capita, divided into direct and indirect costs of 714.37 baht and 110.21 baht per capita, respectively. Currently, all the PCCs receive a budget from local administrative organizations. When paired with the additional operating cost, the total average operating cost for PCCs is 858.14 baht per capita, as shown in Table 2.

Table 2: PCC's operating cost per capita

PCC	Population	Cost per capita (1)	Expense from other organizations (2)	Medical fee (3)	Cost per Capita +(2)+(3)
Urban:Trang Hospital	16,857	1,156.79	778,220.00	441,555.00	1,229.15
Urban:Petchaboon Hospital, Klong Sala	26,022	526.69	316,645.00	5,024,376.00	731.94
Rural: Nong Yang Don Feak, Chiang Mai 's Sarapee	29,976	583.18	1,323,153.00	7,326,285.58	871.72
Rural:Kud Tapetch, Lopburi's Lamsonthi	8,742	1,031.66	277,860.00	1,788,285.00	1,268.01
Average		824.58	673,969.50	14,580,501.58	1,025.21

Another point worth noting is that the service systems of all the PCCs surveyed are currently undergoing improvements to provide full services to the public. The operating costs identified in this study do not reflect the costs of the future full operation, which is very likely to be higher. At this initial stage, the author finds that costs certain to be higher include labour. The study finds that all the PCCs surveyed have inadequate staff to perform the increased tasks.