

R1 R2 R3 PG0 PG1 Estagiário Tecnólogo
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Service (sector) Administration N° CEP

Financial results analysis of indirect ophthalmoscopy in 3 different eye clinics in the city of São Paulo. A comparative cost price study.

Purpose: Indirect ophthalmoscopy is considered a high-volume test among ophthalmological clinics. The present study aims at arriving at a true cost per test in 3 eye clinics in São Paulo, identify the break-even level in volume terms, and also the unit profit and contribution margin.

Methodology: The methodology discriminates procedure cost as fixed and variable and applies the direct costing and absorption costing approach. Costa data covered the period September to November 2003 from 3 clinics in São Paulo city. Having identified the fixed and variable components of total cost the criteria for appropriating indirect cost such as utilities' costs (electric, telephone and water), outsourced and support services. An average procedure billing was applied for revenue instead of billing broken down by payer type or patient classification.

Results: The initial results indicate that Clinics 1 & 3, obtained a profit margin of R\$ 3,91 per test or 19% and R\$ 13,31 or 55%, respectively. Clinic 2 suffered a unit loss of R\$ -2,23 (-6%). Clinic 1 has a break-even level of 312 monthly tests, compared to 252 tests for Clinic 2 and 109 tests for Clinic 3. The 3 unit contribution margins were in the order of 59%, 43% (the Clinic 2 that suffered a loss) and 99% for Clinic 3.

Conclusions: Preliminary results indicate that Clinic 2 best pays the attending physician per test and Clinic 3 has the best financial performance despite attending exclusively public patients (SUS) and with a relatively better charge to cost ratio offered by the public health service as compared to Clinic 1. We may conclude that Indirect ophthalmoscopy receive, on average, fair prices from the health plans as well as the public health sector. Tests have a high probability of achieving break-even levels in terms of volume. Unit costs are highly variable between clinics owing to different operating structures, different demand levels, and different physician remuneration ranging from a low of R\$ 7,92 per test (Clinic 1) to a high of R\$ 18,03 per test (Clinic 2).b