

The logo consists of a circle with a white-to-red gradient border. Inside the circle, the text "Red Circle Healthcare Advisory" is written in white, stacked in three lines.

Red Circle
Healthcare
Advisory

What sort of PLICS system do you really have?

If you cannot answer YES to every one of these questions, your costing software may not be giving you bottom-up, **ACTIVITY BASED COSTING**

- | | |
|--|-----------|
| 1. Do you feed in patient level activity data (master & auxiliary) into your costing model? | Critical |
| 2. Does your system match or join patient level auxiliary data to master data for your BAU model? | Critical |
| 3. Is the matching done within the system? or does it use an external process that links to the system? | Important |
| 4. Does your system create volume drivers from the activity data (wards/theatres/drugs/path/imaging) as the vehicles to drive expenditure from your ledger? or does it use driver splits based on PAS episode demographics (POD/TFC/HRG?) | Critical |
| 5. Can your reporting itemise clinical transactions in a patient bill at a level below the episode cost? | Important |
| 6. Is your patient bill an itemised list of clinical transactions by date/time (drug, ward, path test)? or is it merely a split of cost into resource categories by £ or %? | Critical |
| 7. Does your homogenous day case activity have different episode costs? ie. Activity under the same TFC/POD/HRG | Critical |
| 8. Can you trace the cost of a single clinical event (x-ray, path test, theatre minutes, drug) back to the originating ledger codes (and vice-versa)? | Important |
| 9. Is your system open, transparent and under your control? or is it a “black-box” where you must trust the costing output on faith? | Important |

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