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NARUMOL JAROENKITPAN: COST ANALYSIS OF HERBAL PRODUCTS: A CASE STUDY OF CHAOPHYA ABHAIBHUBEJHR HOSPITAL. THESIS ADVISORS: ARTHORN RIEWPAIBOON, Ph.D., SUPAPORN PITIPORN, M.P.H.M., 138 p. ISBN 974-665-261-3

The objective of this study was to analyze unit costs of herbal products manufactured at ChaoPhya Abhaibhubejhr Hospital in the fiscal year 1999. The unit costs were comprised of unit production costs and unit quality control costs. They included both direct and indirect costs. This study was a descriptive retrospective research. Cost data were collected from financial accounts, annual records and by interviewing practitioners. Full costs of the production unit and the quality control unit were calculated by summation of direct and indirect costs. Then unit production cost of each herbal product was analyzed in terms of a composition of cost of raw material and packaging material per unit, labor cost per unit, and fixed production cost per unit. Similarly, unit quality control cost of each herbal product was a summation of quality control cost of crude herb per unit and quality control cost of finished product per unit. Finally, unit cost of each product was computed by summation of unit production cost and unit quality control cost.

It was found that thirty-six herbal products using 26 herbs were produced in the form of drugs, beverages and cosmetics. Unit costs of the products were different depending on herbs used, dosage form and packaging. They ranged from 10.12 to 109.05 baht. The ratio of direct and indirect costs was in the range of 5.01 and 21.38. The unit production costs accounted for more than 90% of the total cost per unit whereas the unit quality control costs accounted for less than 10% of the total cost per unit. For the unit production costs, the cost of raw material and packaging material per unit accounted for 2.60% – 72.54%. Whereas the labor cost per unit and the fixed production cost per unit accounted for 4.15% – 14.35% and 23.31% – 86.72%, respectively. Regarding the cost of raw material and packaging material, cost of herbs was between 0.65% – 52.39%. Whereas the cost of chemical substance and the cost of packaging material was between 2.69% – 66.81% and 26.11% – 95.29%, respectively. For the unit quality control costs, the quality control cost of crude herb and the quality control cost of finished product accounted for 14.06% – 81.12% and 18.88% – 85.94%, respectively.

The results from this study could be used as a useful financial tool for cost control of the herbal-manufacturing program. Routine cost analysis should be conducted to improve management and maximize the program's efficiency.