



## Exercise #2. Understanding Differences in Costs

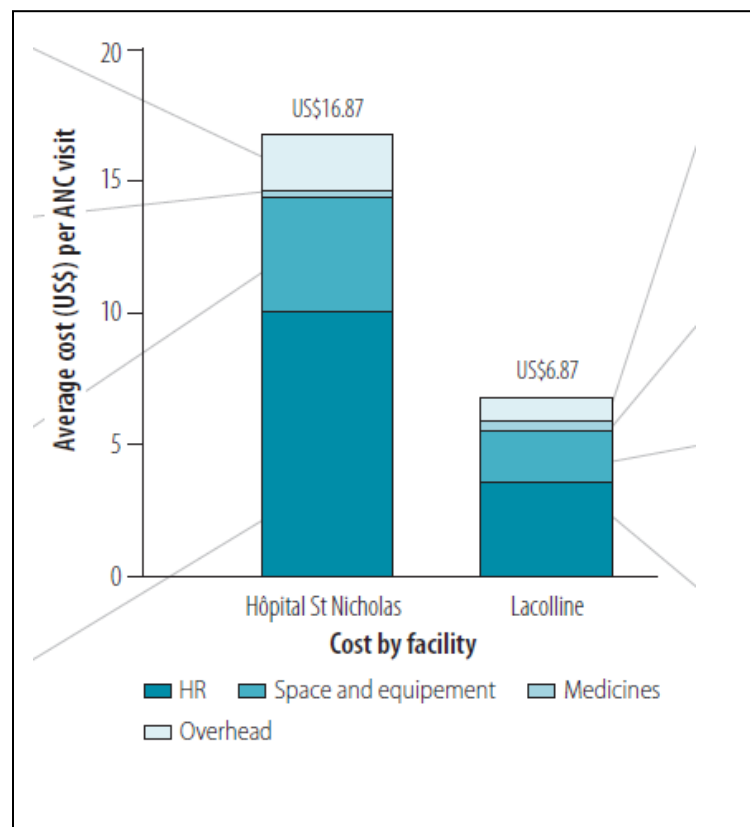


### Solution

Below is a graph showing the average cost per ANC visit at two facilities, Lacolline is a primary-health center with no inpatient ward in Haiti, and Hôpital St Nicolas is a hospital.

**Question #1:** At first glance, what are some of the differences in costs between these two facilities? s

- All costs are higher at the hospital
- All costs are lower at the hospital
- Some costs are higher, some costs are lower at the hospital



**Answer:** Some costs are higher, some costs are lower at the hospital. All cost components are higher at the hospital *except* medicines.

To learn more about Track20 visit <http://www.track20.org/>

This exercise is part of Track20's Family Planning Costing 101 Online Training available at [http://track20.org/pages/track20\\_tools/FP\\_Costing\\_101/](http://track20.org/pages/track20_tools/FP_Costing_101/)

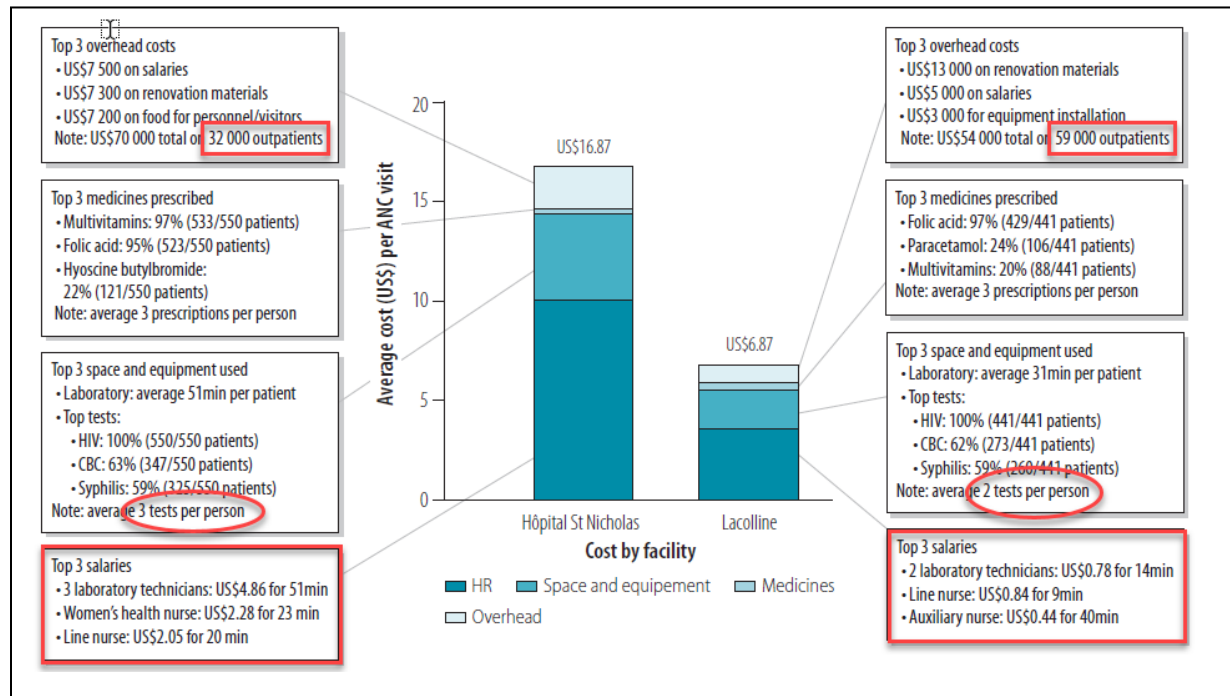


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### Solution

**Question #2:** So why might these differences exist?



- More patients at Lacolline so overhead costs are allocated across a higher number
- Fewer lab tests at Lacolline
- Less time spent/lower-paid cadre with clients at Lacolline
- Some facilities were under-prescribing medications because of stock-outs
- Short consultation times at some facilities due to HR shortage
- Heterogeneity in patients, not captured by the data collection form, could account for some differences in costs

Caveat: Difficulties in following client flows may have resulted in inaccurate results

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