

Activity Based Costing (ABC) Implementation In Determining Rates for Inpatient Services At Dr. Tadjuddin chalid makassar

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Abstract: This research aimed: (1) To find out the Determination of Rates for Inpatient Services at RSUP Dr. Tadjuddin Chalid Makassar, and (2) To find out the Analysis of the Application of Activity Based Costing (ABC) in Determining Inpatient Service Rates at Dr. Tadjuddin Chalid Makassar. The variables of this research are Activity Based Costing (ABC). The population of this research are all activities in the inpatient room at RSUP Dr. Tadjuddin Chalid Makassar, and the sample are inpatient rooms in the VIP room, class I, class II, and class III at RSUP Dr. Tadjuddin Chalid Makassar during 2022. The data were collected by interview and documentation. The data obtained were analyzed using descriptive qualitative. The results of this research suggest that the calculation of inpatient rates uses Activity Based Costing (ABC), when compared to the rates used by Dr. Tadjuddin Chalid Makassar gave bigger results for VIP class and class III, while for class I and class II it gave smaller results. The difference in rates that occur is due to the imposition of overhead costs on each product. Activity Based Costing (ABC) has been able to allocate activity costs to each room appropriately based on the consumption of each activity.

Keywords: activity based costing, hospital

1. Introduction

The development of the business world has led to business practices that encourage companies to have strategies to attract consumers. This business expansion is not limited to the manufacturing or industrial sector, but also includes the trade and service business sectors. One form of business in the service sector is health services, especially hospital services. This is proven by the increasing number of hospitals being established today, both government-owned and private hospitals. As a result, competition in the hospital industry is inevitable.

Hospitals are non-profit oriented organizations, namely organizations that do not seek profit where the main goal is to provide treatment, care and health services. One of the services at the hospital is inpatient services. Where in providing these health services, hospitals obtain income from the services and

facilities provided. Revenue from these services is obtained from the rates that must be paid by inpatient service users.

Determining inpatient service rates is an important decision, because it can affect the profitability of a hospital. As a result, hospitals are required to be able to provide the best health services by utilizing technology and expert personnel in the health sector, communications, information and transportation sectors who can support health services . The greater the operational costs incurred by hospitals will have an impact on higher hospitalization rates. To control costs, hospitals need an appropriate accounting system, especially in determining costs so that the cost information obtained is accurate regarding the costs of service activities.

The basic price calculation was initially applied in manufacturing companies, but in its development the basic price calculation has been adapted by service companies, trading companies and the non-profit sector. In article 3 of the Decree of the Minister of Health Number 560/MENKES/SK/IV/2003 concerning the Pattern of Hospital Rates, it is calculated on the basis of the unit cost of each type of service and class of care, the calculation of which takes into account the economic capacity of the community, cost standards and/or benchmarking of non-commercial hospital. This fact shows that the government has realized the importance of calculating basic prices, including in the health service sector.

In determining the cost of products, hospitals often still use traditional cost accounting. Where traditional cost accounting provides distorted cost information. As an effort to overcome distortions in traditional cost accounting, an activity-based product cost calculation system, namely Activity Based Costing (ABC), was created. Activity Based Costing (ABC) is a cost calculation approach system that is carried out based on existing activities in the company and classifies costs based on the nature of these activities.

Central General Hospital (RSUP) Dr. Tadjuddin Chalid is the object used as a research location. RSUP Dr. Tadjuddin Chalid Makassar is a government hospital that is directly responsible to the Director General of Health Efforts, Ministry of Health of the Republic of Indonesia . This hospital is located on Jl. Paccerakang No.67, Paccerakang, Kec. Biringkanaya, Makassar City, South Sulawesi, 90241. This hospital offers various types of services, namely: outpatient services, inpatient services, emergency care services, supporting services , intensive care services, and superior services . General inpatient services at RSUP Dr. Tadjuddin Chalid Makassar includes VIP rooms, class I, class II and class III. The following are the rates for inpatient services at RSUP Dr. Tadjuddin Chalid Makassar in 2023.

Table 1Data on Inpatient Service Tariffs for 2023

NO.	CLASS	RATES/DAY
1	Class III	IDR 240,000
2	Class II	IDR 325,000
3	Class I	IDR 550,000

4	VIP Class	IDR 650,000
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Source: RSUP Dr. Tadjuddin Chalid Makassar

In determining the rates for inpatient services at RSUP Dr. Tadjuddin Chalid Makassar still uses a traditional cost system to find unit costs. The unit cost calculation is carried out separately for each type of inpatient class, namely by adding up the fixed costs, semi-variable costs and variable costs to produce a total cost. Then the total cost is divided by the number of inpatient days. Considering the tight competition in the hospital industry, it is considered that the rates applied by this hospital are not capable of providing accurate information in determining the rates that must be paid by users of inpatient services. Based on the background above, this research is entitled "**Analysis of the Application of Activity Based Costing (ABC) in Determining Inpatient Service Tariffs at Dr. RSUP. Tadjuddin Chalid Makassar**".

Literature Review

Cost Accounting Concept

According to Polimenni in Ahmad (2015:8) Cost accounting is the process of identifying, summarizing and interpreting various kinds of information needed for planning and control, making management decisions, and calculating the cost or cost of production. Mulyadi (2014:12), states that cost accounting is the process of recording, classifying, summarizing and presenting the costs of making and selling products or services, in a certain way, and the findings thereof. Another opinion states that cost accounting is part of management accounting which is a special field of accounting that emphasizes determining and controlling costs. (Firdaus A. Dunia & Wasilah Abdullah, 2009:4).

Cost Concept

Expenditures or the value of sacrifices made to obtain goods and/or services that are useful and have benefits for more than one annual accounting period are called costs (cost). The term costs is often used interchangeably with the terms expenses or losses, in fact the meanings of the three are different from each other. Expenses are costs that have provided benefits in the form of decreasing assets or increasing liabilities for the delivery of goods and services to obtain income whose useful life is only for one accounting period. Meanwhile, losses are costs that have no benefit at all.

Activity Based Costing (ABC) Activity Based Costing (ABC) is designed so that each cost is not charged directly to the cost object, but is based on the consumption activity of that cost object. Activities are activities carried out for certain purposes, namely activities that consume the company's existing resources. Something that causes costs to be measured is called a cost object.

Activity Based Costing (ABC) is a product costing approach that assigns costs to products or services based on resource consumption by activities. (Rudianto, 2013:160). According to Mulyadi (2007:40) Activity Based Costing is

a type of information management system that focuses on providing comprehensive information about activities and enabling company personnel to conduct activity-related analysis. Meanwhile, Siregar, et al (2013: 232) state that Activity Based Costing (ABC) is defined as a costing approach that assigns resource costs to cost objects, such as products, services or consumers based on the activities carried out for the cost object.

RESEARCH METHODS

Research variable

Sugiyono (2013: 63) stated that research variables are defined as everything determined by the researcher in any form to be studied and then conclusions drawn about this matter. In this research there is only one variable (single variable), namely Activity Based Costing (ABC).

Design Study

The use of research methodology is an important step that must be taken to obtain objective results. The aim is that it can be understood, documented and applied in any context so that it can be used to understand, overcome and resolve problems in the field of cost accounting. The term "method" refers to a procedure or group of words used systematically to understand something. In this research, researchers used qualitative research methods which were carried out descriptively.

Research using qualitative methods is research by observing, interviewing, or reviewing documents on the research object. (Moleong, 2016:6). Researchers are required to understand what phenomena are experienced by research subjects including behavior, perceptions, actions, motivation by utilizing various natural methods using descriptions in the form of words and language in a context. This descriptive research method concentrates on providing a systematic explanation of the facts in the research carried out, including data collection activities, data preparation and data analysis.

Population and sample

Sugiyono (2013:119) believes that population is an area that generally consists of objects or subjects and has certain qualities and characteristics determined by researchers to be studied in order to draw conclusions. The population in this study were all inpatient rooms at RSUP Dr. Tadjuddin Chalid Makassar, namely all activities that occur in the inpatient room. These activities include general administrative services, patient care, doctor visits, cleaning services, facility depreciation, building depreciation, patient feeding services, laundry/washing, and building maintenance.

The sample is a component of the population used as a data source in research, and is a representation of the various characteristics possessed by that population (Sugiyono, 2013:120). The samples from this research were general type inpatient rooms in VIP, class 1, class 2 and class 3 rooms at RSUP Dr. Tadjuddin Chalid Makassar during 2022.

Data collection techniques

In the research that will be carried out, there are several methods that can be used to collect data. The method used below is intended to make it easier to conduct research on data collection including is interview and documentation.

Results and Discussion

Table 2 Comparison of Inpatient Service Rates

Room type	Hospital Rates	Rates Using ABC	Difference
VIP Class	IDR 650,000	IDR 700,767	-Rp 50,767
Class I	IDR 550,000	IDR 319,910	IDR 230,090
Class II	IDR 325,000	IDR 286,517	IDR 38,483
Class III	IDR 240,000	IDR 296,343	-Rp 56,343

Source: Data processed by researchers, 2023

Based on the research results, it is known that in determining the rates for inpatient services at RSUP Dr. Tadjuddin Chalid Makassar still uses traditional methods. The inpatient rates per class are set, namely for VIP class IDR 650,000, class I IDR 550,000, class II IDR. 325,000, class III Rp. 240 000. In determining these rates, the hospital considers market price surveys (competitor rates) and pays attention to the social conditions of the community, where the hospital must take into account the economic capabilities of the general public. In determining the calculation of inpatient service rates, Dr. RSUP. Tadjuddin Chalid adds up the fixed costs and variable costs divided by the number of inpatient days.

Based on the calculation of inpatient service rates using the Activity Based Costing method (ABC) the results obtained for the VIP class were IDR 700,767, class I Rp. 319,910, class II Rp 286,517, and class III Rp 296,343. So the comparison of inpatient service rates using traditional methods and Activity Based Costing (ABC) it can be seen that using ABC gives greater results for class VIP and class III, while for class I and class II it gives results that are smaller compared to the traditional method, namely unit cost. With the difference for VIP class - (Rp. 50,767), class I Rp. 230,090, class II Rp. 38,483, and class III Rp (Rp. 56,343).

The comparison between inpatient rates at RSUP Dr. Tadjuddin Chalid Makassar using the Activity Based Costing method (ABC) which is due to the inpatient service rates that apply on RSUP Dr. Tadjuddin Chalid Makassar where overhead costs for each product are only charged to one unit cost drivers alone, as a result there tends to be a distortion in overhead costs. Meanwhile, where is the Activity Based Costing method (ABC) overhead costs for each product are charged to many cost drivers, so that activity costs are allocated to each room appropriately based on the consumption of each activity. This research is in line with research conducted by Lamrisma and Emma Lilianti in 2017 with the title "Analysis of the Application of the Activity Based Costing

(ABC) Method in Determining Rates for Inpatient Services at Prabumulih City Regional Hospital", Made Dana Saputra and Made Agus Putrayasa in 2018 with the title "Analysis of Activity Based Costing in Determining the Rates for Inpatient Services", Khoirur Ridho Maf'ulah ta h un 2020 with the title "Analysis of Determining Rates for Inpatient Services Using the Activity Based Costing Method at the Jombang Complementary Hospital" and Febiona A. Bonde Hendrik Manossoh and Anneke Wangkar in 2021 with the title "Application of Activity Based Costing to Inpatient Service Rates at the General Hospital of the Minahasa Evangelical Church (GMIIM) Pancaran Kasih Manado".

Benefits obtained from calculating inpatient services using Activity Based Costing (ABC) at RSUP Dr. Tadjuddin Chalid Makassar is presenting more accurate costs for inpatient services so that it can determine better prices for inpatient services. Apart from that, the costs in the inpatient unit are also more detailed in the rate calculations. This can help management make better decisions for determining rates for inpatient services.

Conclusion

Based on the results of calculating inpatient service rates in the previous chapter, it can be concluded that the calculation of inpatient service rates uses Activity Based Costing (ABC), carried out in two stages. First, costs are traced to the activities that give rise to the costs. Second, assign activity costs to products. From the calculation of inpatient service rates using Activity Based Costing (ABC) it is known that the hospitalization rate for the VIP Class is IDR 700,767, class I Rp. 319,910, class II Rp 286,517, and class III Rp 296,343.

From the results of calculating inpatient rates using Activity Based Costing (ABC), when compared with the inpatient rates used by RSUP Dr. Tadjuddin Chalid Makassar currently appears to be for the VIP Class and class III gives greater results, while for class I and class II gives smaller results. With the difference for VIP class -(Rp. 50,767), class I Rp. 230,090, class II Rp. 38,483, and class III Rp -(Rp. 56,343). The difference in rates that occurs is due to the imposition of overhead costs on each product. Activity Based Costing (ABC) has been able to allocate activity costs to each room appropriately based on the consumption of each activity.

Suggestion

RSUP Dr. Tadjuddin Chalid Makassar is expected to start considering calculating rates for inpatient services using the method Activity Based Costing (ABC), this is because more accurate information on inpatient costs will be obtained when compared to traditional methods . This calculation continues to take into account other external factors such as competitors' prices and the social capabilities of the community.

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