 <p>B.S. Aquino Drive, Bacolod City, Negros Occidental, 6100</p> <p>DR. PABLO O. TORRE MEMORIAL HOSPITAL</p>	Document Code:	DPOTMH-B-8-P04
	Effective Date:	03-30-2022
	Document Type:	Policy
	Page Number:	1 of 4
	Department/Section:	Budget and Cost
	Document Title:	STANDARD MARK-UP PRICING ON THE NEW HOSPITAL SERVICES OR PROCEDURES

PURPOSE:

1. To establish a standard mark-up for the new hospital services or procedures.
2. To serve as a guide in determining the selling price of the new hospital services or procedures.
3. To take into consideration the Republic Act No. 9994 and 10754 granting of 20% discount to Persons with Disability (PWD). Senior Citizen and PWD discounts are considered in determining the selling price and profit margin of hospital services or procedures.

LEVEL:


Corporate Finance Officer, Controller, Budget & Cost Manager, Budget & Cost Supervisor, Department and /or Section Head concerned, Cost Researcher, Budget Staff

DEFINITION OF TERM:

Mark-Up Pricing- is the method of adding a certain percentage of a mark-up to the cost of the product or service to determine the selling price.¹


POLICY:

1. The standard mark-up shall be applicable in computing the selling price of a hospital service or procedure submitted by the department and/or section head concerned for costing.
2. The standard mark-up is set-up as a guide for the computation of a new hospital service or procedure, in determining the selling price.

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3. To take into consideration the 20% Senior Citizen and Person with Disability Discounts in computing the selling price and profit margin of a new hospital service or procedure.
4. The recommended rates based on the standard mark-up shall be verified by the Controller. Changes are recommended, if deemed necessary.
5. The recommended rate for a new hospital service or procedure shall be coordinated and confirmed with the department and/or section head concerned, before the approval of the Corporate Finance Officer.
6. The official memo regarding the rate of the new hospital service or procedure shall be signed by the department and/or section head concerned, noted by the Controller and approved by the Corporate Finance Officer.
7. The approved new rate for a hospital service or procedure shall be encoded in the system.
8. The following are the basis of mark-up according to the cost of the new hospital service or procedure:

Range of Cost	Standard Mark-Up	Mark-Up Value	Recommended Selling Price
1.00 - 300.00	100%	300.00	600.00
400.00 - 700.00	95%	665.00	1,365.00
800.00 - 1,100.00	90%	990.00	2,090.00
1,200.00 - 1,500.00	85%	1,275.00	2,775.00
1,600.00 - 1,900.00	80%	1,520.00	3,420.00
2,000.00 - 2,300.00	75%	1,725.00	4,025.00
2,400.00 - 2,700.00	70%	1,890.00	4,590.00

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2,800.00 - 3,100.00	65%	2,015.00	5,115.00
3,200.00 - 3,500.00	60%	2,100.00	5,600.00
3,600.00 - 3,900.00	55%	2,145.00	6,045.00
4,000.00 - 4,300.00	50%	2,150.00	6,450.00
4,400.00 - 4,700.00	45%	2,115.00	6,815.00
4,800.00 - 5,100.00	45%	2,295.00	7,395.00
5,200.00 and above	45%		

DOCUMENTATION:


Revised Policy

DISSEMINATION:

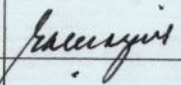
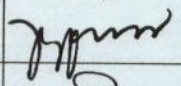
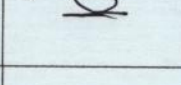
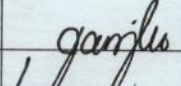
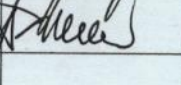
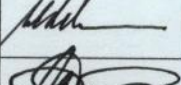

Approved memo to the different departments and sections concerned
Policies and Procedure Manual


REFERENCE:

M, M. (2016, June 13). *What is Mark-up Pricing? definition and meaning*. Business Jargons. Retrieved March 14, 2022, from <https://businessjargons.com/mark-up-pricing.html>

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	Document Title:	STANDARD MARK-UP PRICING ON THE NEW HOSPITAL SERVICES OR PROCEDURES

APPROVAL:

	Name/Title	Signature	Date
Prepared by:	MA. LIZA A. LESAGUIS, MBA, FPCHA Budget & Cost Manager		4/4/22
Verified:	JEMELYN G FERRER, CPA, MBA, FPCHA Controller - DA		4/5/22
Reviewed:	DENNIS C. ESCALONA, MN, FPSQua Quality Assurance Supervisor		4/5/22
Recommending Approval:	JULIE ANNE CHRISTINE J. KO, CPA, MBA, FPCHA Chief Finance Officer - DA		4/7/2022
	HENRY F. ALAVAREN, MD, FPSMID Total Quality Division Officer		5/19/2022
	SOCORRO VICTORIA L. DE LEON, CPA, MBA, FPCHA, PhD Vice President - Chief Operating Officer		06/30/2022
Approved:	GENESIS GOLDI D. GOLINGAN President and CEO		7/21/22

 <p>B.S. Aquino Drive, Bacolod City, Negros Occidental, 6100</p> <p>DR. PABLO O. TORRE MEMORIAL HOSPITAL</p>	Document Code:	DPOTMH-B-8-P04-S01
	Effective Date:	06-30-2022
	Document Type:	Standard Operating Procedure
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	Department/Section:	Budget and Cost
	Document Title:	STANDARD MARK-UP PRICING ON THE NEW HOSPITAL SERVICES OR PROCEDURES

PURPOSE:

This is to establish a documented procedure on the standard mark-up pricing for the new services or procedures offered by the hospital.

SCOPE:


Applies to all Budget and Cost Section Staff of Dr. Pablo O. Torre Memorial Hospital (DPOTMH)

PERSON RESPONSIBLE:


Department/Section Head concerned, Cost Researcher, Budget & Cost Supervisor, Budget and Cost Manager, Controller, Chief Finance Officer, MANCOM

PROCEDURE:

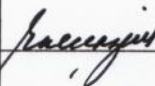
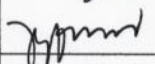

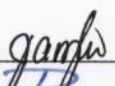

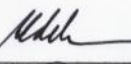
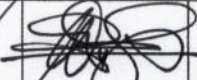
1. The department and/or section head concerned submits the data/document to the Budget & Cost Department for costing.
2. The Cost Researcher computes the Activity-Based Costing of the new hospital service or procedure.
3. The Cost Researcher submits the Activity-Based Costing to the Budget & Costing Manager for checking.
4. The Budget & Cost Manager checks the accuracy and completeness of the computation done by the Cost Researcher.
5. The Budget & Cost Manager sets the selling price based on the standard mark-up scheme and coordinates with the Controller regarding the computation.
6. The Budget & Cost Manager sends the costing to the department and/or section head concerned for confirmation of the new recommended selling price.
7. The department and/or section head concerned confirms and signs the recommended selling price of the new hospital service or procedure.


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8. The department head and/or section head sends back the document to the Budget & Cost Department for the issuance of the official memo.
9. The Budget & Cost Manager issues an official memo for the new selling price of the new hospital service or procedure and distributes it for signature to the following:
 - 9.1. Budget & Cost Manager
 - 9.2. Department and/or Section Head concerned
 - 9.3. Department Chair/Medical Director, if needed
 - 9.4. Controller
 - 9.5. Corporate Finance Officer, for approval
10. The Budget Staff or the Cost Researcher routes the approved memo to the different departments and/or sections concerned.
11. The Budget & Cost Supervisor and/or the Cost Researcher encodes the new hospital service or procedure in the system.


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APPROVAL:


	Name/Title	Signature	Date
Prepared by:	MA. LIZA A. LESAGUIS, MBA, FPCHA Budget and Cost Manager		6/15/22
Verified:	JEMELYN G. FERRER, CPA, MBA, FPCHA Controller		6/20/22
Reviewed by:	DENNIS C. ESCALONA, MN, FPCHA, FPSQua Quality Assurance Supervisor		6/21/2022
Recommending Approval:	JULIE ANNE CHRISTINE J. KO, CPA, MBA, FPCHA Chief Finance Officer		6/21/2022
	FREDERIC IVAN L. TING, MD OIC- Total Quality Division		6/22/22
	SOCORRO VICTORIA L. DE LEON, CPA, MBA, PhD, FPCHA Vice President- Chief Operating Officer		06/30/2022
Approved:	GENESIS GOLDI D. GOLINGAN President and CEO		7/2/22

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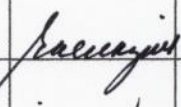
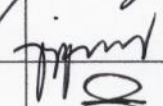
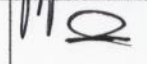
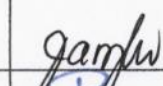



KEY TASKS	PERSON RESPONSIBLE
1. Submits the data/document to the Budget & Cost Department for costing.	Department and/or Section head concerned
2. Computes the Activity-Based Costing of the new hospital service or procedure.	Cost Researcher
3. Submits the Activity-Based Costing to the Budget & Costing Manager for checking.	
4. Checks the accuracy and completeness of the computation done by the Cost Researcher.	Budget & Cost Manager
5. Sets the selling price based on the standard mark-up scheme and coordinates with the Controller regarding the computation.	
6. Sends the costing to the department and/or section head concerned for confirmation of the new recommended selling price.	
7. Confirms and signs the recommended selling price of the new hospital service or procedure.	Department and/or Section head concerned
8. Sends back the document to the Budget & Cost Department for the issuance of the official memo.	
9. Issues an official memo for the new selling price of the new hospital service or procedure and distributes it for signature.	Budget & Cost Manager
10. Routes the approved memo to the different	

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departments and/or sections concerned.	Budget Staff/ Cost Researcher
11. Encodes the new hospital service or procedure in the system.	

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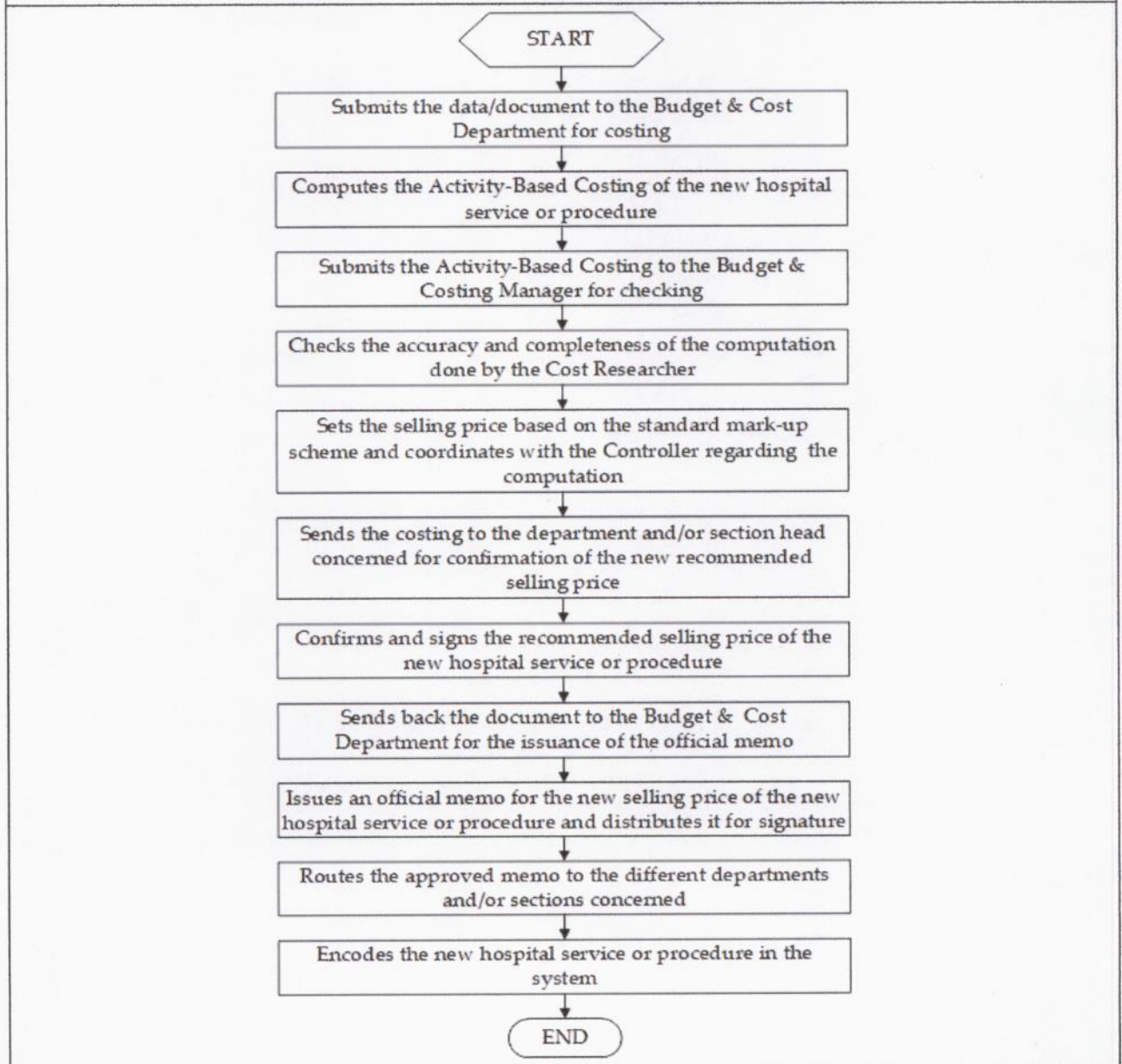



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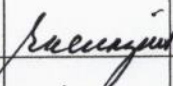
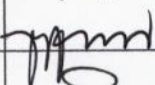
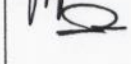
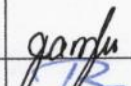
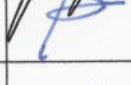

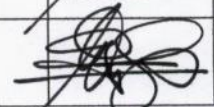
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FLOWCHART



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Verified:	JEMELYN G. FERRER, CPA, MBA, FPCHA Controller		6/15/22
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