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# Hospital Finance Leadership: Budgeting, Costing and Revenue Cycle Course

14 – 18 June 2027  
Vienna





## Hospital Finance Leadership: Budgeting, Costing and Revenue Cycle Course

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### Programme Summary

Hospital finance leadership is a one-week training course for senior finance and executive leaders at strategic level, culminating in a hospital financial improvement plan for their own organisation. Hospitals face rising costs and a shift towards case-based and value-based payment, yet many still budget incrementally and cannot say what a patient episode costs. The approach links budgeting, patient-level costing, the revenue cycle and capital decisions into one management system. Mars Training Centre UK delivers this programme in hospital finance leadership.

### The Business Case

A hospital that does not know its costs by service line cannot negotiate payer contracts with confidence or defend investment requests. Denied and delayed claims tie up cash that clinical services need. Leaders who connect costing, revenue and capital planning give boards decisions grounded in evidence rather than historical averages.

- Operating Margin by Service Line: Improves as patient-level costs reveal where activity loses money.
- Cash Conversion: Strengthens as clean claim rates rise, denials fall and days in accounts receivable shorten.
- Capital Allocation Quality: Rises as investment cases are appraised on discounted cash flow and strategic fit.

### Principles and Evidence Base

- Diagnosis-Related Groups DRG: Provide the case-mix logic for analysing activity, pricing and reimbursement in Sessions 2 and 3.
- Time-Driven Activity-Based Costing TDABC: Underpins the patient-level costing method that participants build for a care pathway in Session 2.
- International Financial Reporting Standards IFRS: Frame the reading of hospital financial statements and the board reporting designed in Session 4.
- Time Value of Money and Net Present Value: Structure the appraisal of equipment, facility and digital investments in Session 4.

### Intended Participants

- Leaders accountable for the financial sustainability of a hospital, hospital group or health system.
- Senior managers who set annual budgets and hold departments to them.
- Executives who negotiate contracts with insurers, purchasers and government payers.
- Directors who approve capital investment and present financial performance to boards.



The programme serves public hospitals, private hospital groups, insurers and health purchasers, and ministries or authorities that fund health services.

## Learning Outcomes

1. Participants will be able to construct a hospital budget that links planned activity, case mix, staffing and cost behaviour.
2. Participants will be able to calculate the cost of a patient episode using time-driven activity-based costing.
3. Participants will be able to diagnose revenue cycle failures from claims, denial and receivables data.
4. Participants will be able to evaluate payer contract terms and value-based payment models against service-line costs.
5. Participants will be able to justify capital investment decisions using net present value and sensitivity analysis.
6. Participants will be able to design a financial performance dashboard for executive and board use.

## Programme Structure

### Day 1: Hospital Finance Leadership and Budgeting

How should a hospital budget reflect activity, case mix and cost behaviour?

- The Hospital Income Statement, Balance Sheet and Cash Flow
- Fixed, Variable and Step Costs in Clinical Services
- Activity-Based and Zero-Based Budgeting Methods
- Workforce Cost Planning and Flexible Budgets
- Budget Variance Analysis and Accountability Reviews

### Day 2: Patient-Level Costing

What does a patient episode truly cost, and where does the cost sit?

- Cost Allocation From Overheads to Service Lines
- DRG-Based Costing and Its Limits
- Time-Driven Activity-Based Costing TDABC Process Maps
- Capacity Cost Rates for Staff, Theatres and Equipment
- Service-Line Profitability Analysis

### Day 3: Revenue Cycle and Payer Contracts

Where is revenue lost between admission and payment, and how are contracts priced?



- End-to-End Revenue Cycle Mapping
- Eligibility, Pre-Authorisation and Clinical Coding Accuracy
- Claim Denial Root Cause Analysis
- Revenue Cycle KPIs: Clean Claim Rate and Days in Accounts Receivable
- Payer Contract Modelling and Value-Based Payment Options

## Day 4: Capital Investment and Financial Reporting

How are investment cases appraised and financial results reported to boards?

- Capital Budgeting and Net Present Value Appraisal
- Lease-or-Buy Decisions for Medical Equipment
- Sensitivity and Scenario Analysis
- Financial Ratio Analysis Under IFRS
- Board Financial Reporting and Narrative

## Day 5: Applying Hospital Finance Leadership

How are costing, revenue and investment choices combined into an improvement plan?

- Financial Diagnostic of a Participant Organisation
- Service-Line Margin Improvement Priorities
- Revenue Cycle Recovery Actions
- Executive Financial Performance Dashboard Design
- Hospital Financial Improvement Plan Presentation

## Methodology

The programme is built around case analysis and data workshops. Participants work with a simulated hospital data set, applying each method to it before turning to figures from their own organisation. Peer review tests each budget, costing model and investment case as a board would.

- Suggested activity: Building a TDABC cost model for a day-surgery pathway.
- Suggested activity: Tracing a month of denied claims to their root causes.
- Suggested activity: Defending a diagnostic imaging investment case before a mock board.

## Capstone Output

Each participant completes a hospital financial improvement plan. It contains a financial diagnostic, service-line margin priorities based on patient-level costs, revenue cycle recovery actions with target KPIs, one appraised capital proposal and an executive dashboard design, ready for the board finance committee.



## **Frequently Asked Questions**

### **Is hospital finance leadership suitable for executives without an accounting background?**

Yes. It suits chief executives and medical directors as well as finance directors. It assumes management experience and builds costing and appraisal methods step by step.

### **Which models underpin hospital finance leadership in budgeting, costing and the revenue cycle?**

It rests on diagnosis-related groups for case mix, time-driven activity-based costing for patient-level costs, IFRS for financial statements and net present value for capital appraisal.

### **How is the hospital financial improvement plan used at work?**

You take back a costed, prioritised plan for margins, claims and investment ready to present to your finance committee.

### **How does hospital finance leadership differ from general corporate finance programmes?**

It applies finance to the economics of care: case-mix payment, clinical cost drivers, insurer claims and hospital capital needs.