Internship Report
on
Revenue Cycle Management and Its Impact on Financial Performance of Bangladesh Specialized Hospital PLC

Submitted by:

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Submitted to:

Department of Business Administration
Faculty of Business
Sonargaon University (SU)

Submitted for the partial fulfillment of the degree
of Bachelor of Business Administration



Sonargaon University (SU)
147/1 Green Road, Panthapath, Tejgaon, Dhaka

Date of Submission: September 05, 2026

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Sonargaon University (SU)
147/1 Green Road, Panthapath, Tejgaon, Dhaka

Date of Submission: September 05, 2026

Letter of Transmittal

September 05, 2026
Mst. Marium Akter
Lecturer
Department of Business Administration
Faculty of Business
Sonargaon University (SU)

Subject: Submission of internship report titled **"Revenue Cycle Management and Its Impact on Financial Performance of Bangladesh Specialized Hospital PLC".**

Dear Madam,
I am hereby submitting my internship report entitled **"Revenue Cycle Management and Its Impact on Financial Performance of Bangladesh Specialized Hospital PLC"** which was assigned to me as a requirement for the completion of the BBA Program. I have discovered this report very interesting, beneficial, and insightful. The entire report is based on my practical experience in the Accounting Department of Bangladesh Specialized Hospital PLC. I expect this report to be informative as well as comprehensive. This internship report will help me a lot in my future career life.
Greatly appreciated for your guidance and cooperation during the course without which this internship report cannot be completed. Moreover, if you have any further inquiries concerning any Additional information, I would be very pleased to clarify that.

Sincerely,

_____
Mamunur Rashid
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Program:Bachelor of Business Administration
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Declaration of Student

This is to notify you that, the internship report on titled **"Revenue Cycle Management and Its Impact on Financial Performance of Bangladesh Specialized Hospital PLC",** has been prepared as a part of my dissertation formalities. It is an obligatory part of me. BBA program to submit a internship report. Moreover, I was inspired and instructed by **Mst. Marium Akter**, Lecturer, Department of Business Administration, Sonargaon University (SU). I am further declaring that I did not submit this report anywhere for awarding any degree or certificate.

Sincerely,

_____

Mamunur Rashid
ID: BBA2203027095
Program: Bachelor of Business Administration
Major: Accounting
Sonargaon University (SU)

Letter of Authorization

This is to certify that the internship report **"Revenue Cycle Management and Its Impact on Financial Performance of Bangladesh Specialized Hospital PLC"** has been prepared as a part of completion of the BBA program from Department of Business Administration, Sonargaon University (SU), carried out by **Mamunur Rashid,** bearing **ID: BBA2203027095,** under my supervision. The report or the information will not be used for any other purposes.

_____

Mst. Marium Akter
Lecturer
Department of Business Administration
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Sonargaon University (SU)

Acknowledgment

In the beginning, I would like to convey my sincere appreciation to the Almighty Allah for giving me the strength and ability to finish the task.

I want to thank my academic supervisor **Mst. Marium Akter,** Lecturer, Department of Business Administration, Sonargaon University (SU), for providing me with all the necessary help for the completion of this report. I want to give the greatest thanks to her for guiding me as an advisor to start and complete this report successfully. The opportunity I had with **Bangladesh Specialized Hospital PLC** is a great chance for deep learning and professional development. I consider myself a very lucky individual as I was provided with an opportunity to be a part of it. I am also grateful for having a chance to meet so many wonderful people and professionals who led me through this period.

I would like to express my deep sense of thankfulness to the honorable AGM & HOD Finance & Accounts, **Md. Ashraful Alam,** Deputy Manager of Finance & Accounts, **Md. Rafiqul Islam,** for his enormous help and endless support throughout the dissertation period. And last but not the least; thanks to all my office colleagues working Bangladesh Specialized Hospital PLC The opportunity I had with Bangladesh Specialized Hospital PLC is a great chance for deep learning and professional development. I consider myself a very lucky individual as I was provided with an opportunity to be a part of it. I am also grateful for having a chance to meet so many wonderful people and professionals who led me through this period.

Executive Summary

This report examines Revenue Cycle Management (RCM) and its impact on the financial performance of Bangladesh Specialized Hospital PLC (BSH), based on an internship in the hospital's Accounting Department. RCM at BSH spans patient registration, billing, payment collection, revenue recognition, and internal control, operating under the accrual basis of accounting in line with IFRS 15. The study's broad objective is to assess how these processes have influenced the hospital's financial performance over the three-year period from FY 2023–24 to FY 2025–26, using secondary data drawn from financial statements, internal reports, and billing and collection records.

The findings show that BSH achieved strong and accelerating revenue growth, rising from BDT 2,112 million in FY 2023–24 to BDT 3,082 million in FY 2025–26 — a cumulative increase of 45.93%, with the annual growth rate climbing from 19.13% to 22.50%. Collection efficiency improved steadily from 95.43% to 99.03% over the same period, cutting uncollected billings from BDT 101 million to just BDT 30 million. Profitability also strengthened, with net profit margin rising from 1.89% to 3.18% and return on assets increasing from 4.13% to 7.52%, indicating more effective conversion of revenue into profit and more productive use of hospital assets.

However, the analysis identifies an important caution: operating cash flow declined from BDT 394 million to BDT 193 million even as net profit rose from BDT 40 million to BDT 98 million, driving the cash-flow-to-profit ratio down sharply from 9.85 to 1.97. This divergence suggests that the quality of reported earnings may be weakening, and it is compounded by operational challenges identified in the study — registration and billing errors, delayed payments, insurance claim rejections, technology limitations, and revenue-leakage risk.

The report concludes that BSH's revenue cycle management has supported sustained revenue growth and improving profitability, but that strengthening cash-flow monitoring, cost control, and internal control together with the specific recommendations set out in Chapter Six, including rolling cash-flow forecasting, departmental cost reviews, receivables ageing management, staff training, and greater automation of revenue recognition — would help the hospital sustain this performance while improving the reliability and cash-backed quality of its earnings going forward.

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List of Acronyms

Acronyms	Full Forms
BSH	Bangladesh Specialized Hospital
SU	Sonargaon University
BBA	Bachelor of Business Administration
PLC	Public Limited Company
FA	Financial Analysis
FY	Fiscal Year
FMS	Financial Management System
FPR	Financial Performance Ratio
VIP	Very Important Person
EHR	Electronic Health Records
ERP	Enterprise Resource Planning
IPD	Inpatient Department
OPD	Outpatient Department
ISO	International Organization for Standardization
MRI	Magnetic Resonance Imaging
EMR	Electronic Medical Record
EEG	Electroencephalogram
EMG	Electromyography
CCTV	Closed-circuit television
ICT	Information and Communication Technology
ICU	Intensive Care Unit
HDU	High Dependency Unit
CCU	Critical Care Unit
CSSD	Central Sterilization Supply Facilities
ENT	Ear, Nose, and Throat
IHIS	Integrated Hospital Information System
IFRS	International Financial Reporting Standards
IAS	International Accounting Standards
COGS	Cost of Goods Sold
IHIS	Integrated Health Information Systems
EBIT	Earnings Before Interest And Taxes
CRM	Customer Relationship Management
BDT	Bangladeshi Taka
KPI	Key Performance Indicator

Chapter One

Introduction

1.1 Background of Study

The healthcare sector in Bangladesh has grown significantly in recent years, with private hospitals playing a crucial role in delivering specialized medical services. Efficient financial management is essential for sustainability and growth in this competitive environment. Revenue Cycle Management (RCM) is a critical function that encompasses all administrative and clinical processes related to patient service, billing, and payment collection.

Bangladesh Specialized Hospital PLC (BSH), a leading private hospital in Dhaka, operates with a vision to provide quality healthcare and maintain financial viability. In this context, understanding how RCM practices influence financial performance is vital for improving operational efficiency and profitability. This study focuses on BSH's Accounting Department to analyze RCM workflows and their financial implications.

1.2 Scope of the Study

The scope of the study defines the areas, activities, departments, financial information, and analytical dimensions covered by the internship report. This study concentrates primarily on Revenue Cycle Management and its impact on the financial performance of Bangladesh Specialized Hospital PLC**,** with particular emphasis on the accounting and finance-related aspects of the hospital.

The report will specifically explore the following aspects:

End-to-end Revenue Cycle processes: Examining the end-to-end revenue cycle processes at BSH, from initial patient registration and insurance verification to clinical charge capture and final claim collections.

Financial Performance: An examination of the key performance indicators (KPIs) that measure the hospital's overall performance, such as revenue growth, profitability, customer satisfaction, and operational efficiency.

Impact Analysis: It thorough investigations of the causal relationships between RCM practices and financial performance. This will involve identifying the specific ways in which effective RCM practices contribute to improved performance metrics.

Internal control mechanisms: To ensure fiscal integrity, the research evaluates internal control mechanisms such as the segregation of staff duties, digital access security, and rigorous audit protocols.

1.3 Objective of the Study

Broad Objective:

The broad objective of this study is to assess the impact of Revenue Cycle Management on the financial performance of Bangladesh Specialized Hospital PLC.

Specific Objectives:

- To describe the RCM processes and workflows at BSH.
- To evaluate the efficiency of accounts receivable management and cash collection.
- To analyze trends in revenue, cash flow, and profitability.
- To identify key challenges in RCM and suggest improvements.

1.4 Research methodology

To achieve the objectives, this study will utilize a comprehensive research methodology combining both qualitative and quantitative approaches:

Secondary Sources of Data

Secondary information is collected from existing documents and published sources, where available and authorized. These are includes:

- Financial statements
- Internal financial reports
- Revenue statements
- Hospital Records
- Collection reports
- Billing-related reports
- Annual reports
- Relevant accounting records
- Official website information
- Relevant websites and databases

1.5 Significance of the Study

This study is important because it highlights how effective Revenue Cycle management practices improve the performance of the Bangladesh private hospital sector. It provides insights into RCM bottlenecks and opportunities to enhance cash flow and profitability. It highlights areas for process improvement, staff training, and system upgrades. Bridges theoretical knowledge from BBA studies with real-world accounting and financial management practices. The findings will assist accounts managers, billing officers, and healthcare organization researchers in developing strategies to strengthen the healthcare revenue cycle management and enhance the sector's global competitiveness.

1.6 Limitations of the Study

- **Information and Data Constraints**: Much of the hospital's financial and operational data is confidential, restricting access to specific details like department-level revenue or internal financial controls. Additionally, patient privacy prevents the use of individual-level data, forcing the study to rely on aggregated information.
- **Time and Access Limitations:** The researcher's limited internship period makes it difficult to observe the entire revenue cycle or identify periodic issues that may only occur at certain times of the year.
- **Operational and Analytical Challenges:** The study is highly dependent on the reliability of internal information provided by employees and existing departmental records. It is also difficult to isolate the exact financial impact of a single RCM activity because many factors, such as patient volume and price changes, simultaneously influence revenue.
- **Scope and Control:** The researcher lacks control over the hospital's reporting systems, meaning some data may not be in a format suitable for direct analysis.
- **Operational Complexity:** The findings are specific to Bangladesh Specialized Hospital PLC, they may not be generalize to all private hospitals in Bangladesh due to differences in organizational structures and accounting systems.
- **Changes in hospital policies:** Hospital policies, service prices, discount structures, software systems, and payment procedures may change during or after the internship period. Such changes may affect the comparability of data between different periods.
- **Technical limitations:** The researcher may not have complete access to the hospital's software, database, dashboards, or financial reporting system. In some cases, the researcher may be permitted to observe the process but not download or analyze the original data.

1.7 Structure of the Internship

The internship report is structured into seven primary chapters that guide the reader from the study's foundation to its final conclusions and recommendations:

Chapter 1: Introduction – This chapter establishes the foundation of the study, including the background, scope, and objectives. It also outlines the significance of the research and the limitations faced during the internship.

Chapter 2: Organizational Overview – Provides a detailed profile of Bangladesh Specialized Hospital PLC, covering its history, mission, vision, and organizational structure. It specifically focuses on the functions and responsibilities of the Accounting Department.

Chapter 3: Research Methodology – Explains the study's design and how data was collected using secondary sources. (Note: Some parts of the document also include a Literature Review in the early chapters to provide a framework for RCM and financial performance).

Chapter 4: Revenue Cycle Management (RCM) Practices – Offers an in-depth look at the hospital's operational workflows, from patient registration and billing to payment collection and internal controls.

Chapter 5: Data Analysis & Findings– Analyzes the relationship between RCM practices and the hospital's financial performance, focusing on revenue trends, collection efficiency, and profitability Summarizes the core results of the research, highlighting specific metrics like revenue growth, net profit margins, and collection efficiency.

Chapter 6: Recommendations and Conclusion – Concludes the report by offering strategic suggestions for improving RCM systems and providing final closing remarks.

The report is supplemented by a list of **References** and **Appendices** following the final chapter.

Chapter Two

Organizational Overview

2.1 About of Bangladesh Specialized Hospital PLC

Bangladesh Specialized Hospital PLC is a modern 250-bed multi-specialty healthcare facility located at 21 Shyamoli, Mirpur Road, Dhaka-1207. It operates 24/7 to provide international-standard medical services with reportless ICT-driven health records. It provides multi-disciplinary medical services with modern diagnostic and treatment facilities for patients from different parts of the country. The hospital is a showcase of synergy of medical technology and advances in ICT Division through reportless medical records. The skilled nurses, technologists and administrators of Bangladesh Specialized Hospital, aided by state-of-the-art equipments, provide a congenial infrastructure for the medical professionals in providing healthcare of international standards.

Bangladesh Specialized Hospital PLC was established to meet the growing demand for quality specialized healthcare in Bangladesh. Over time, the hospital has expanded its services, facilities, and professional team to serve a larger number of patients with improved medical support. Its development reflects the increasing need for modern diagnostic, treatment, and inpatient services in Dhaka and beyond. The hospital has built its reputation through continuous service improvement, specialization, and attention to patient care.

2.2 Vision

To be a renowned organization at the leading edge of medicine, providing quality healthcare to meet our nation's aspirations.

2.3 Mission

They are dedicated to meeting the needs of:

- To provide excellent and cost-effective healthcare to patients.
- To ensure continuing development and welfare of staff.
- To partner in promoting health in Bangladesh.
- To extend health awareness and preventive care programs to the wider community.
- To invest continuously in modern diagnostic and treatment technology.
- To foster a culture of research, learning, and training for healthcare professionals.
- To uphold transparent governance and financial accountability toward all stakeholders.

2.4 Core Values



Figure 2.4: Core Value of BSH

2.5 Management and Focus

Board of Directors of Bangladesh Specialized Hospital PLC

Name	Post
Prof. Dr. Zahidul Haq	Chairman
Dr. Ahmed Zahid Hossain	Managing Director
Prof. Dr. S. A. Khan	Director
Engr. M. A. Kabir	Director
Prof. Dr. M. S. Arfin	Director
Dr. Mahbubur Rahman Chowdhury	Director
Engr. Mohammad Ali Jinnah	Director
Prof. Dr. Abdullah Al Shafi Majumdar	Director
Prof. Dr. Md. Raziul Haque	Director
Prof. Dr. Hosne Ara Baby	Director
Prof. Dr. Tapan Kumar Saha	Director
Dr. A.K.M Akramul Haque	Director
Dr. Khalifa Mahmud Tarik	Director
Prof. Dr. Ishrat Jahan Lucky	Director
Dr. Abu Saleh Ahmed	Director
Dr. Abul Hasan Muhammad Bashar	Director
Dr. Mohammad Ullah Firoze	Director
Prof. Dr. Md. Rokon Uddin	Director
Dr. Mohiuddin Ahmed	Director
Dr. Md. Javed Rasheed	Director
Dr. Mahmud Chowdhury	Director
Dr. Mahbuba Nargis	Director
Rumana Kabir	Director
Fahim Kabir	Director

Table 2.5: Board of Directors of BSH

2.6 Organizational Structure and Hierarchy of BSH

Bangladesh Specialized Hospital PLC follows a hierarchical organizational structure with a Board of Directors at the top, followed by the Managing Director, Chief Executive Officer, and departmental heads. The Accounting Department operates under the Finance Division, reporting to the Chief Financial Officer (CFO) or Assistant General Manager (Finance and Accounts).

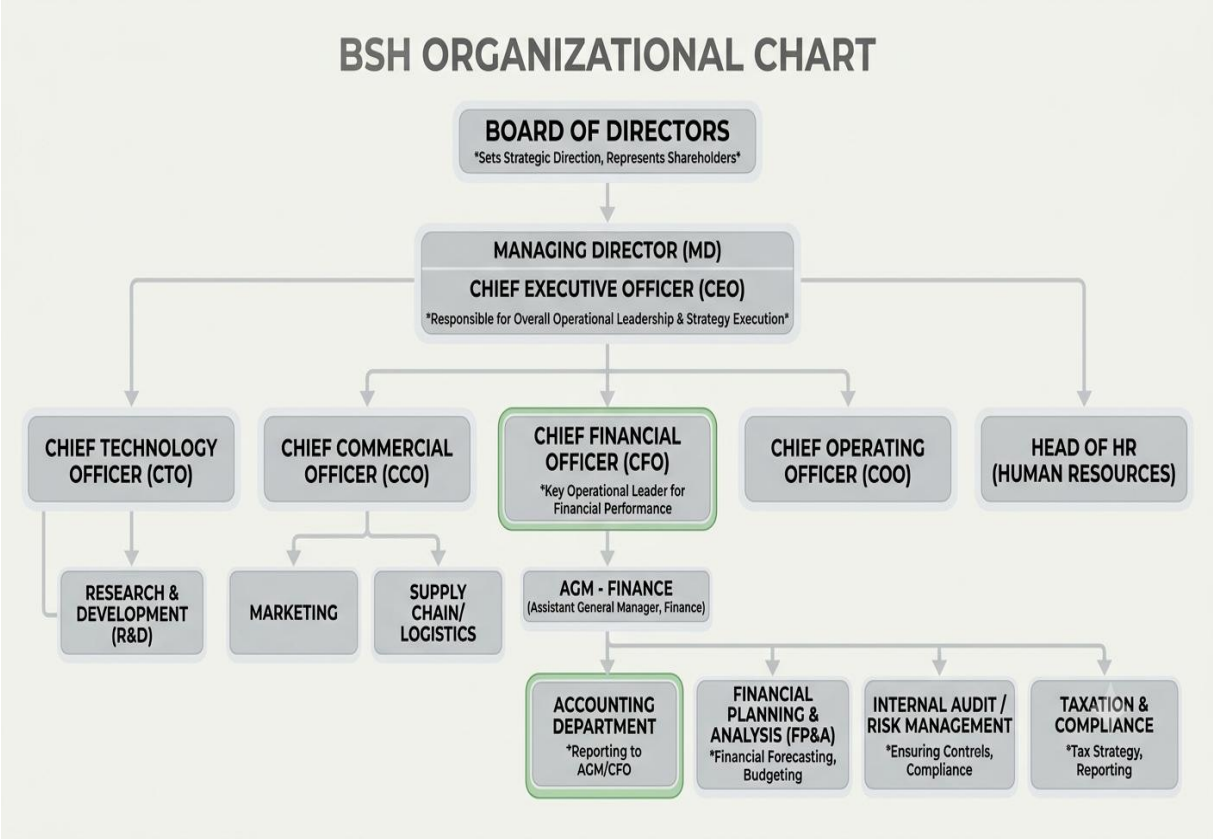


Figure 2.6: Organizational Chart of BSH

BSH are established a clear chain of command that supports effective management, coordination, and accountability. By defining the roles and responsibilities of each department and management level, the hospital ensures smooth operations, efficient resource utilization, and high-quality patient care. This structured framework enables different departments to work collaboratively, enhances decision-making, and contributes to the hospital's overall operational excellence and long-term success.

2.7 Operational Activities of BSH

The operational activities of Bangladesh Specialized Hospital PLC (BSH) encompass round-the-clock clinical care, diagnostic and emergency support, and facility management. Located in Dhaka, it runs continuous inpatient and outpatient medical services supported by specialized departments, a 24/7 pharmacy, laboratory testing, and an emergency response system

Service Line:

They value (i) quality, (ii) efficiency, (iii) integration, (iv) community service, (v) employee care, and (vi) research and training. Their primary goal is to deliver best-quality healthcare in a welcoming and friendly environment. The hospital has constructed the following major pieces of technology and made these services and facilities available to patients in order to provide "better than the best" care.

The cutting-edge Integrated Hospital Information System was created by Bangladesh Specialized Hospital to track and monitor all activities as well as save patient data in digital format for convenient access and long-term preservation.

○ 24/7 Ambulance Service ○ 24/7 Angioplasty for Heart attack patients ○ Cardiac Surgeries ○ Kidney Transplant ○ Brain and Spinal Surgeries ○ Endoscopy Facility ○ Digital Mammography ○ Mobile X-Rays ○ MRI System ○ CCTV monitoring for the entire hospital ○ Blood Bank Facility	○ Flat Panel Digital Cath lab ○ Modular Operation Theatres ○ All Important Care Unit like ICU/CCU ○ Fresenius 4008S Dialysis Units ○ CRRT for critical patients ○ PET-CT Scan ○ Medical Cyclotron ○ Linear Accelerator ○ 500 Slice CT Scanner ○ Central Sterilization Supply Facilities (CSSD) ○ 24/7 Emergency Service ○ 4D Portable Ultrasound

Table 2.7: Service Line of BSH

They are sincere to provide:

- **Quality:** Maintaining the highest standards of ethics and safety while showing daily improvement.
- **Effectiveness:** Choosing the best services to achieve the optimal health results.
- **Integration:** Clear paths can be formed by confirming cooperation, advice, and fruitful communication with healthcare specialists.
- **Community Service:** Fostering health and treating patients with a commitment to their welfare.
- **Employee Care:** Personal development training, as well as looking after our employees' health and creating a trustworthy environment.
- **Research and Training:** Establishing a setting that encourages individual growth, learning, and research.

Commitment to Excellence in Healthcare and Patient Care

Bangladesh Specialized Hospital is proud to have established the standards for medical care and patient care service in Bangladesh in such a short space of time. They intend to keep working to better serve their community and won't stop at this point. Patients should go to Bangladesh Specialized Hospital and expect the highest level of care and regard if they want the best treatment possible from the best specialists. Considering this, the hospital believes that "preserving your health today may have an impact on how fantastic you feel future."

The hospital's wards, cabins, crisis rooms, intensive care units, critical care units, and other amenities are all purpose-built structures. There are four patient elevators, one doctors elevator, two staff elevators, and four guest elevator at the hospital. Additionally, they have their own parking lot with more than spaces, which gives visitors confidence when visiting relatives or going to doctor's appointments.

Core Principles of Excellence:

- **Patient-Centered Care:** Focus on individual needs, personal values, and active involvement in treatment choices.
- **Safety and Quality**: Reduce medical errors and maintain high standards across all clinical procedures.
- **Compassionate Communication:** Listen closely to patients to lower anxiety and build mutual trust.
- **Lifelong Learning:** Providers must constantly update their knowledge and procedural skills past medical school.
- **Teamwork:** Coordinated care across different providers prevents medical errors and speeds up recovery times.
- **Accountability:** Regular tracking of patient outcomes and safety measures ensures high standards remain met.

Professional and Medical Services:

Intensive Care Unit: The intensive care unit aims to combine skills, equipment, and resources to provide a convergence of abilities, skill, and resources. Our medical services division's critical care nurses are committed to offering the highest standard of clinical care. They are very talented and well-trained, and they work under the supervision of physicians and with the assistance of other division staff members.

Cardiac Rehabilitation: We can maintain a healthy lifestyle with the aid of the cardiac rehabilitation program. We will have the chance to learn more about the state of our own hearts to understand our risk factors better and discover the most effective forms of exercise after a heart attack or stroke.

Cardiopulmonary: Certified medical professionals can identify and treat respiratory and lung conditions, as well as administer oxygen and breathing medications, and keep an eye on patients who need mechanical ventilation.

Blood Bank: There are a lot of patients who are able to donate blood for their own use (also known as an auto logo us donation; the term refers to blood taken or transferred from the same person's body). To see if we are eligible to donate blood, we might check.

Laboratory: The hospital provides an extensive assistance lab that is staffed seven days a week, twenty-four hours in a day for inpatient administrations. The research facility closes for outpatient administrations on Fridays and other days, with the exception of the emergency room.

Medical Records:

Every person who receives care at the hospital has their medical records stored in both digital and report versions. Medical records are maintained for our benefit, the benefit of the medical team, and the advantage of the institution.

Emergency Services: The Emergency Services Department is committed to providing excellent crisis care and is open twenty-four hours in a day, seven days in a week. In specialist rooms, patients with cardiovascular disease, traumas, muscular wounds, and pediatric patients are also treated. Emergency nurses who have received Advanced Cardiac Life Support (ACLS) training assist our doctor (PALS).

Radiology and Imaging Services: Our patients can receive mammography, diagnostic x-rays, Ultrasonography, CT scans, and MRIs from the Radiology & Imaging Division.

Maternity Centre: An amazing and life-changing experience is becoming a parent. Doctors and nurses at the Maternity Center are ecstatic to be able to provide us with such exceptional care at such a crucial time in our lives.

2.8 Departments and Areas of Specialization

Current Departments for Services	
○ General & Laparoscopic Surgery	○ Physical Medicine
○ Urology	○ Plastic & Aesthetic Surgery
○ Obstetrics & Gynecology	○ Gastroenterology & Hepatology
○ Cardiac Surgery	○ Dermatology
○ Vascular Surgery	○ Neurosurgery
○ Respiratory Medicine	○ Thoracic Surgery
○ Colorectal Surgery	○ ICU
○ Dental and Maxillofacial Surgery	○ Laboratory Medicine
○ Nutrition & Dietetic Department	○ Corporate Affairs Department
○ Rheumatology	○ Pediatric Surgery
○ Anesthesia	○ Hepatobiliary & Pancreatic Surgery
○ Cardiology	○ Pediatric Cardiology
○ Pediatric & Neonatology	○ Oncology
○ MRD Services	○ Nephrology
○ ENT, Head & Neck Surgery	○ Diabetes & Endocrinology
○ Orthopedics, Arthroscopy & Joint Replacement	○ Neurology
○ Clinical Hematology	○ Internal Medicine
○ NICU	○ Radiology & Imaging
○ Blood Bank	○ Psychiatry
○ Emergency	○ Vaccination Center
○ Surgical Oncology	○ Breast, Colorectal & Laparoscopic Surgery

. Table 2.8: Departments of BSH

Brief descriptions of few of the Departments:

Intensive Care Unit (ICU):

Every critical patient receives 1:1 cutting-edge specialized treatment from them, which is overseen by ICU doctors around-the-clock. Their intensive care unit (ICU) services and facilities are:

- Trained nursing staff available 24 hours for each patient.
- A cutting-edge vital sign monitor for each patient.
- A highly qualified consultant with 10 years of ICU experience abroad provides 24-hour supervision.
- The ability to insert a temporary pacemaker.
- An ICU portable X-ray machine.

Nephrology:

To provide high-quality, affordable care to patients with renal disorders, the Bangladesh Specialized Hospital Division of Nephrology works in conjunction with other specialists like cardiologists, endocrinologists, pharmacists, and nurses.

Numerous nephrology diseases are treated by BSH, including:

- Diabetic nephropathy
- Kidney failure
- Kidney stone disease
- Chronic kidney disease
- Critical care nephrology

Cardiology:

The Cardiology Department at Bangladesh Specialized Hospital offers complete care for heart problems, featuring expert doctors, advanced diagnosis tools, and 24/7 emergency support.

Key Services

- Diagnosis: Testing for all types of heart diseases using modern tools.
- Intervention: Treatments like opening blocked heart tubes and fixing valve problems.
- Emergency Care: Round-the-clock help for sudden heart attacks and critical chest pain.

Pediatric Cardiology

The Pediatric Cardiology department at the Bangladesh Specialized Hospital offers expert heart care for children, focusing on conditions like ASD, VSD, and PDA. Key services include clinical cardiology, echocardiography, and non-surgical procedures.

Services and Treatments

- Clinical evaluation for child heart issues
- Echocardiography and foetal echocardiography
- Percutaneous interventional procedures (device closure for ASD, VSD, and PDA)
- Balloon valvuloplasty and pediatric cardiac intensive care

Oncology Department

The Oncology Department at Bangladesh Specialized Hospital offers complete cancer care, featuring adult and pediatric treatment, a chemotherapy unit, and a Surgical Oncology Department.

Services and Care

- Early Diagnosis: Modern tools test and find cancer fast.
- Chemotherapy Unit**:** Safe spaces for adult and child medicine delivery.
- Surgical Care: Operations, screening, and pain relief steps by experts.

2.9 Functions and Responsibilities of the Accounting Department

The Accounting Department of Bangladesh Specialized Hospital PLC performs a wide array of functions that go far beyond simple bookkeeping. It integrates patient billing, payroll, procurement payments, budgeting, cost control, taxation, asset management, and financial reporting into one coordinated system. Because the hospital operates as a large, 24/7, multi-specialty healthcare provider structured as a public limited company, the accounting function must combine speed and accuracy in daily operational billing with the rigor of statutory and regulatory financial reporting. In doing so, the department not only safeguards the hospital's financial health but also supports its broader mission of delivering reliable, high-quality healthcare to patients.

One of the most important administrative departments is accounting department of the hospital. Its main responsibility is to record, classify, summarize, and report all financial transactions

accurately and timely. Bangladesh Specialized Hospital PLC' manages daily cash flow, financial reporting, and regulatory tax compliance. Its core functions include ledger maintenance, payroll processing, and statutory compliance.

Core Functions of the Accounting Department

Financial Accounting and Bookkeeping

- Recording all financial transactions of the hospital systematically — revenue from patient services, purchases, expenses, and capital transactions.
- Maintaining the general ledger, journals, and subsidiary ledgers (accounts receivable, accounts payable, fixed assets).
- Ensuring transactions are recorded in accordance with Bangladesh Financial Reporting Standards (BFRS)/International Financial Reporting Standards (IFRS) and generally accepted accounting principles.

Patient Billing and Revenue Management

- Coordinating with the admission desk and clinical departments to capture charges accurately (bed charges, consultation fees, diagnostic tests, surgery, medicine, and other services).
- Operating hospital billing software for charge posting, invoice generation, and receipt printing.
- Accepting and recording payments through multiple channels — cash, card, mobile financial services (bKash), insurance, and corporate accounts.
- Reconciling daily cash and digital collections with the accounts department to prevent leakage or error.
- Managing **credit billing** for corporate clients and insurance companies, including documentation and follow-up for claim settlement.

Accounts Payable and Procurement Support

- Processing payments to suppliers of medicine, medical equipment, consumables, utilities, and services.
- Verifying purchase orders, invoices, and goods-received notes (three-way matching) before authorizing payment.
- Managing vendor accounts and ensuring timely settlement to maintain a healthy supply chain for critical medical items.

Payroll and Employee Compensation

- Preparing and processing monthly salaries, wages, overtime, and benefits for doctors, nurses, technicians, and administrative staff.
- Calculating and deducting income tax at source, provident fund contributions, and other statutory deductions.
- Maintaining employee financial records including leave encashment, festival bonuses, and gratuity/pension obligations.

Budgeting and Financial Planning

- Preparing annual and periodic budgets for each department (clinical, administrative, capital expenditure).
- Monitoring actual performance against budget and reporting variances to management.
- Forecasting cash flow needs, especially for large capital purchases such as diagnostic and surgical equipment.

Fixed Asset Management

- Maintaining a register of all fixed assets — medical equipment, furniture, vehicles, building infrastructure.
- Recording acquisition, depreciation, revaluation, and disposal of assets in accordance with accounting standards.
- Coordinating periodic physical verification of assets to prevent loss or misuse.

Inventory and Store Accounting

- Recording and valuing inventory of medicines, surgical items, and consumables.
- Reconciling store records with physical stock to control wastage, expiry, and pilferage of medical supplies.
- Supporting the procurement department with reorder-level analysis.

Taxation and Statutory Compliance

- Calculating and depositing Value Added Tax (VAT) and Tax Deducted at Source (TDS) in compliance with National Board of Revenue (NBR) regulations.
- Filing periodic VAT returns and the hospital's annual income tax return.
- Ensuring compliance with the Companies Act, Income Tax Ordinance, and other regulatory requirements applicable to a plc.

Financial Reporting

- Preparing periodic financial statements — Statement of Financial Position (Balance Sheet), Income Statement, Cash Flow Statement — for management and the Board of Directors.
- Preparing daily, weekly, and monthly billing and collection reports for operational review.
- Ensuring statutory financial statements are prepared for shareholders, as required for a public limited company (plc), and are ready for external audit.

Internal Control and Audit Support

- Designing and enforcing internal controls to prevent fraud, error, and misuse of hospital funds.
- Coordinating with internal and external auditors during audits.
- Investigating discrepancies in billing, cash collection, or inventory records.

Record-Keeping and Documentation

- Maintaining systematic digital and hard-copy filing of all financial documents, vouchers, and receipts for audit trail and legal compliance.
- Ensuring data backup of electronic billing and accounting records.

Responsibilities Toward Stakeholders

Stakeholder	**Responsibility of the Accounting Department**
Hospital Management/Board	Timely, accurate financial reports for decision-making
Patients	Transparent, correct billing and receipts
Employees	Accurate and timely salary/benefit disbursement
Suppliers/Vendors	Timely payment as per agreed terms
Government (NBR, RJSC)	Accurate tax, VAT, and statutory filings
Shareholders (as a plc)	Fair presentation of financial statements and dividends information

Chapter Three

Research Methodology

3.1 Research Design

To eventually analyze data regarding a certain issue, research methods use a variety of techniques. The process may involve gathering data from primary or secondary sources, and the final analysis may be qualitative or quantitative. I used primary and secondary sources together to compile the data for the research. This report is being created to provide a general overview of United Hospital's operations, divisions, and roles.

3.2 Types of Data

Bangladesh Specialized Hospital PLC provides the information that is required in the right order to correctly and effectively justify the diagnostic, treatment, and outcome. Beside computerized provider order entry, they want to keep hard copy and electronic health records (EHR). In order to protect patient privacy and advance actual patient care, the Medical Records Department is in charge of maintaining, storing, and ensuring the efficient flow of patients' medical records. Some types of data that BSH PLC used is given below-

- Administrative data.
- Patient's data.
- Claims data.
- Patient disease registries.
- Hospital resource data.
- Clinical trials.
- Health surveys.
- Employees and Staff data.

3.3 Research Methodology

To achieve the objectives, this study will utilize a comprehensive both methodology approach-

Quantitative methodology: The core of the study relies on numerical financial data (revenue figures, receivables, claim denial rates, collection periods) that can be statistically analyzed to test the relationship between RCM and financial performance.

Qualitative supplement: Semi-structured with hospital finance managers, billing officers, and administrators are used to contextualize the quantitative findings and Internal information has been collected at the hospital.

3.4 Data Collection Method

Secondary sources of data refer to existing information that was originally compiled, collected, or published by someone else for a different purpose**,** but which researchers repurpose to address new research questions. Unlike primary data (gathered firsthand through surveys, experiments, or interviews), secondary data is accessed through published or archived materials making it cost-effective, time-efficient, and ideal for contextualizing findings, establishing baselines, or conducting longitudinal analysis. These are—

Books and Manuals: Textbooks on healthcare financial management, revenue cycle management, and hospital administration provide the theoretical foundation for study definitions, models, and established frameworks (e.g., agency theory, working capital theory). Manuals refer to operational or policy documents such as hospital billing manuals, standard operating procedures (SOPs), or accounting policy manuals that describe how RCM processes are formally supposed to work within the organization.

Journals: Academic and professional journals (e.g., Journal of Healthcare Management, Health Care Financial Management, International Journal of Healthcare Management) publish peer-reviewed research on RCM practices, hospital financial performance, and healthcare economics. These give empirical evidence and prior findings to compare against results and to build literature review.

Official Publications: These are documents issued by government bodies or regulatory authorities such as Bangladesh's Ministry of Health and Family Welfare, the Directorate General of Health Services (DGHS). They provide regulatory context, healthcare policy frameworks, and sometimes sector-wide statistics relevant to hospital financing in Bangladesh.

Websites: Official websites of Bangladesh Specialized Hospital PLC, healthcare regulatory bodies, and reputable health-sector organizations (WHO, World Bank health data) offer up-to-date figures, announcements, and reports not always available in print. Care to be taken to use only credible, verifiable web sources.

Relevant Industry Reports: Reports from organizations like the Healthcare Financial Management Association (HFMA), healthcare consulting firms, or Bangladesh-specific industry bodies provide benchmarking data — such as average claim denial rates, days in accounts receivable, or collection efficiency standards against which are compare the hospital's performance.

Scholarly Articles: Peer-reviewed research articles (often overlapping with journals but also including conference reports and dissertations) that specifically examine RCM, hospital profitability, or healthcare financial management in similar contexts (developing countries, private hospitals) help position study within existing academic discourse and support hypotheses with prior empirical evidence.

3.5 Limitations of the Research Methodology

While the chosen methodology is designed to rigorously address the research objectives, several limitations should be acknowledged:

- **Single-organization focus:** The study is confined to Bangladesh Specialized Hospital PLC alone, which limits the generalizability of findings to other hospitals or the broader healthcare sector in Bangladesh.
- **Data access constraints:** Access to detailed internal financial and operational records (e.g., granular claims data, internal audit reports) restricted due to confidentiality policies, potentially limiting the depth of financial analysis.
- **Sample size and respondent bias:** The purposive sampling technique, while relevant, introduce selection bias, and a relatively small number of eligible finance/billing staff limit statistical power.
- **Time-bound financial snapshot:** Although a multi-year period is used, the financial data still be affected by short-term anomalies (e.g., a pandemic-related disruption, a change in accounting policy, or a regulatory shift) that do not reflect the hospital's typical RCM–financial performance relationship.
- **Causality vs. correlation:** While regression analysis can indicate statistical association, establishing definitive causality between RCM practices and financial performance is inherently difficult given the presence of confounding variables (e.g., patient volume changes, macroeconomic conditions, changes in national health insurance policy).
- **Resource and time constraints:** The academic timeframe and resource limitations of the researcher restrict the scope of data collection (e.g., number of interviews conducted) and the depth of longitudinal analysis possible.

Chapter Four

Revenue Cycle Management Practices at Bangladesh Specialized Hospital PLC

4.1 Patient Registration Process

Patient registration is the first stage of the revenue cycle. It creates the patient's identity in the hospital information system and establishes the basic record to which all medical services and charges will subsequently be linked. The patient registration process at Bangladesh Specialized Hospital PLC is designed to be comprehensive and is facilitated through both physical and digital channels to ensure accurate data capture.

When a new patient comes to Bangladesh Specialized Hospital PLC for treatment, they usually come to the reception, registration counter, appointment desk or emergency desk. The registration officer collects and records basic information such as the patient's name, age, gender, address, mobile number, national identification details where applicable, emergency contact information, and previous hospital identification number. If the patient has visited the hospital previously, the registration staff may search for the existing record instead of creating a duplicate account. Avoiding duplicate patient records is important because duplicate registration can result in incorrect billing, difficulty in tracking medical history, and errors in revenue reporting.

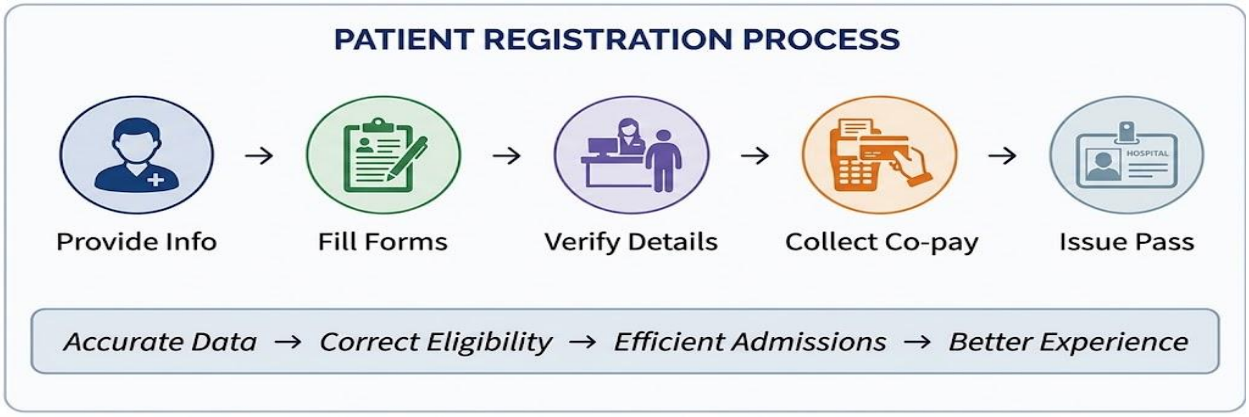


Figure 4.1: Patient registration process

For an outpatient patient, the registration desk records the selected department or consultant and prepares an outpatient registration or consultation entry in the hospital information system. The patient is then directed to the relevant doctor or department. According to the hospital's published patient information, outpatient patients register at the reception and are generally seen on a first-come, first-served basis. Patients may consult the doctor or consultant of their choice. During the consultation, the physician may provide treatment advice and prescribe laboratory or diagnostic tests.

In the case of an inpatient admission, the admission desk verifies the doctor's admission advice, patient information, emergency contact, selected room or bed category, and initial deposit. The hospital provides several categories of accommodation, including cabins, general wards, HDU, CCU, ICU, PICU, and NICU. The publicly available hospital information shows that these categories carry different charges, meaning that the selected accommodation directly affects the patient's bill.

After completing registration, the patient receives an identification number, registration slip, appointment information, admission document, or billing account. This identification number is used by different departments to post services to the correct patient account. For example, the laboratory, radiology, pharmacy, nursing station, operating theatre, and billing department need to use the same patient identity so that every service is recorded accurately.

Registration therefore has both clinical and financial importance. Clinically, it allows the hospital to identify the patient and organize treatment. Financially, it creates the account against which all services, payments, discounts, refunds, and outstanding balances are recorded. Any error at the registration stage can continue throughout the entire revenue cycle. For this reason, registration data should be verified carefully, and changes to patient information should be made only by authorized personnel.

4.2 Patient Billing Process

The patient billing process involves recording all services used by a patient and converting those services into a formal invoice. At Bangladesh Specialized Hospital PLC, billing may be divided into outpatient billing, inpatient billing, admission billing, diagnostic billing, emergency billing, procedure billing, and pharmacy-related billing.

For outpatient patients, the billing process normally begins with the consultation charge. If the doctor recommends diagnostic tests, the patient proceeds to the relevant service counter, where the prescribed tests are entered into the hospital software and a bill is generated. The charges may include pathology tests, radiology, imaging, cardiology investigations, or other diagnostic services. The patient pays the required amount before or after receiving the service according to the hospital's policy. A receipt is then issued as evidence of payment.

Inpatient billing is more complex because the bill accumulates throughout the patient's stay. The patient account may include room or bed charges, doctor's visits, nursing charges, laboratory tests, radiology, medicines, surgical procedures, operating theatre charges, blood-related services, medical supplies, meals, ambulance services, and other consumables.

Every department that provides a service must send the relevant charge to the central billing system or billing department.

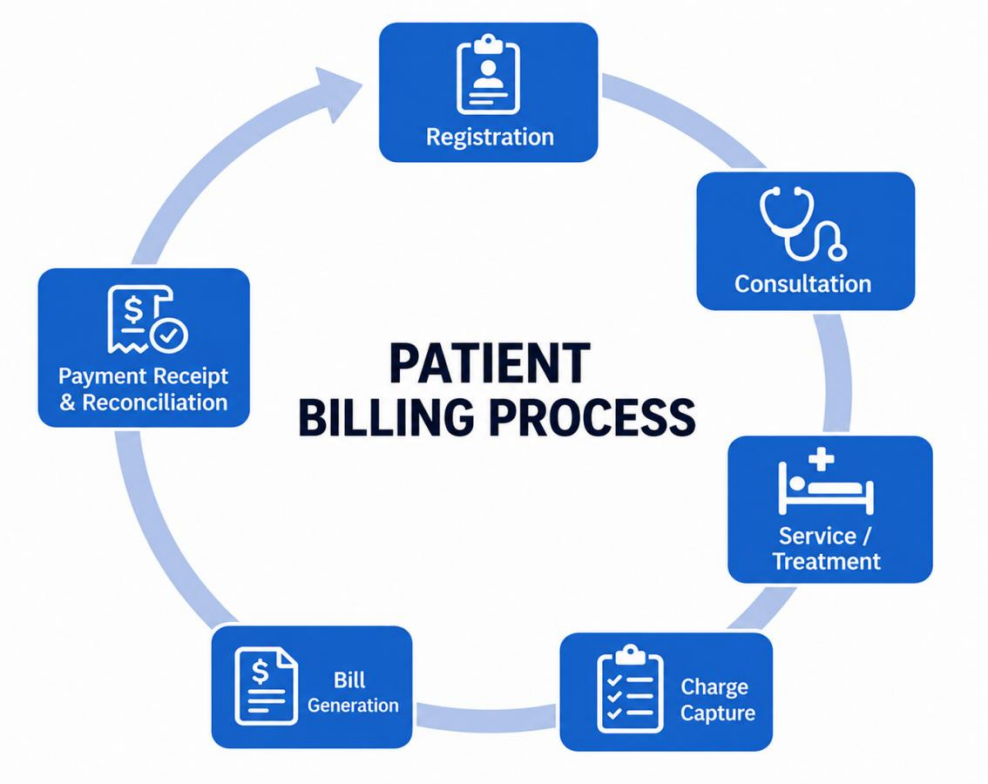


Figure 4.2: Patient Billing Process

The billing officer must ensure that services are posted to the correct patient account. For example, if a patient receives a laboratory test, the laboratory department should record the test under that patient's identification number. If a medicine is issued from the hospital pharmacy, the pharmacy should record the medicine, quantity, price, and issuing date. Similarly, the nursing unit or operating theatre should record applicable procedures and supplies. The purpose is to ensure that no service is omitted and that no service is charged to the wrong patient. During an inpatient stay, the bill should be updated regularly rather than being prepared only at discharge. Regular updating allows the patient or attendant to understand the accumulated cost and allows hospital management to monitor deposits and outstanding balances. It also reduces the risk of a large number of errors at the time of final discharge. The final inpatient bill is prepared when the patient is discharged. Before issuing the final invoice, the billing department should collect information from all relevant departments. The final bill should include the admission date, discharge date, room or bed category, doctor's fees, procedures, tests, medicines, consumables, discounts, deposits, payments already made, and the remaining balance. The billing officer should review the invoice to identify duplicate charges, missing charges, incorrect quantities, cancelled services, or unapproved discounts.

Bangladesh Specialized Hospital's billing operations are associated with IPD, OPD, and admission billing. The billing function includes preparing final inpatient bills, updating accounts for doctor visits, laboratory services, surgical procedures, medicines and consumables, processing outpatient diagnostic bills, and recording admission deposits. The billing process also requires communication with patients and attendants. The billing officer should explain the invoice clearly, particularly when the bill contains expensive procedures, critical-care charges, medicines, or additional services. If the patient has insurance, corporate sponsorship, or credit arrangements, the billing department must identify which amount is payable by the patient and which amount is recoverable from the insurer or corporate organization. A proper billing process is accurate, timely, transparent, and supported by documentation. The invoice show the service description, quantity, unit charge, total amount, discount, tax or other applicable adjustment, previous deposit, amount paid, and outstanding balance. Clear billing improves patient confidence and reduces disputes.

4.3 Payment Collection Procedures

Payment collection is the stage where billed amounts are converted into cash or recognized receivables. BSH's banking arrangement with Southeast Bank PLC, Jamuna Bank PLC, Prime Bank PLC, Eastern Bank PLC includes POS terminal deployment, secure payment-gateway services, corporate payment facilities, and fund-transfer arrangements. These facilities can support more convenient and traceable patient payments. The hospital may receive payment through cash, debit or credit card, mobile financial services, bank transfer, payment gateway, insurance settlement, corporate payment, or other approved methods.

For outpatient services, payment is often collected at the time of registration, consultation, diagnostic booking, or service delivery. After receiving the payment, the cashier or billing officer issues a receipt. The receipt should contain the patient's identification number, invoice number, date, service description, amount paid, payment method, and name or identification of the cashier.

For admitted patients, the hospital may collect an initial deposit at the time of admission. The deposit provides financial security to the hospital and helps cover the expected cost of treatment. During the patient's stay, additional deposits requested when the outstanding balance becomes high or when expensive treatment is planned. The amount of the deposit should be entered into the patient's account and deducted from the final bill. At discharge, the billing officer calculates the final payable amount after adjusting all previous deposits and payments. If the amount paid is lower than the final bill, the patient or attendant must pay the outstanding balance before discharge, subject to hospital policy.

Payment collection for insurance and corporate patients requires additional documentation. The hospital must verify the patient's eligibility, authorization, policy coverage, service limitations, co-payment requirements, and claim documents. The patient may pay the non-covered portion, while the hospital records the covered portion as a receivable from the insurer or corporate client. Supporting documents such as prescriptions, investigation reports, discharge summaries, approvals, invoices, and receipts may be required for reimbursement.

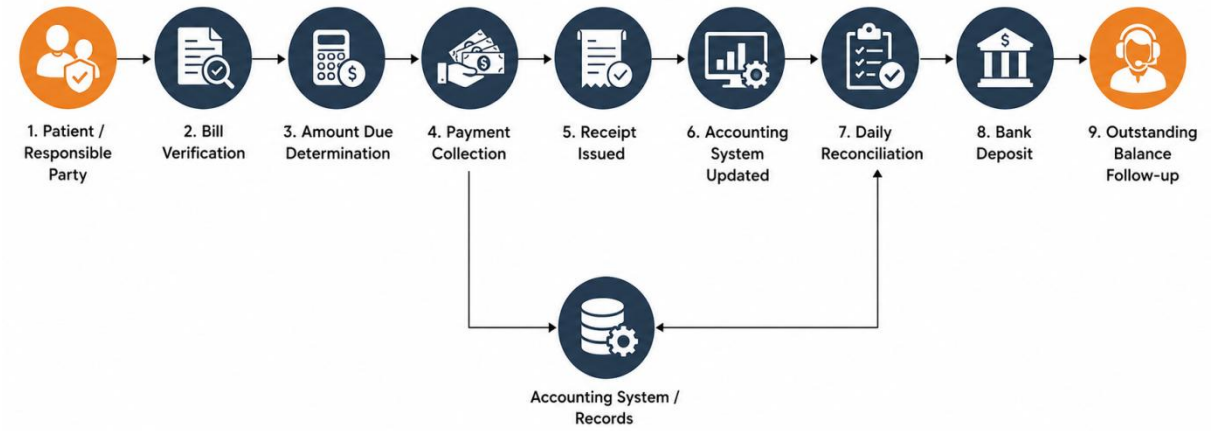


Figure 4.3: Payment Collection Flow

At the end of each working day, the cashier prepares a collection summary. The summary are reconciled the total amount collected according to the billing system with the actual cash, card, mobile payment, and bank receipts. Cash should be counted and deposited according to authorized procedures. Card and electronic payments should be checked against terminal or gateway settlement reports.

Daily reconciliation is important because it can identify cash shortages, excess cash, duplicate receipts, cancelled invoices, incorrect payment entries, and timing differences between the hospital system and the bank. The cashier should not be the only person responsible for receiving money, recording transactions, reconciling collections, and depositing cash. Separating these duties reduces the risk of fraud and error. The billing function at the hospital also includes accepting different forms of payment, issuing receipts, reconciling daily collections with the accounts department, and maintaining documentation for insurance and credit customers. These procedures help ensure that patient payments are properly recorded and transferred into the hospital's accounting records.

4.4 Revenue Recognition Process

According to IFRS 15, revenue is recognized when an entity satisfies a performance obligation by transferring a promised good or service to a customer. Bangladesh Specialized Hospital PLC follows the accrual basis of accounting. Under the accrual basis of accounting, revenue is recognized once the hospital has fulfilled its service obligation, not necessarily when cash is collected. Revenue is recognized when:

- Services are provided to patients.
- Bills are generated and accepted by patients/insurers.
- There is reasonable certainty of payment.

Adjustments are made for discounts, refunds, and bad debts.

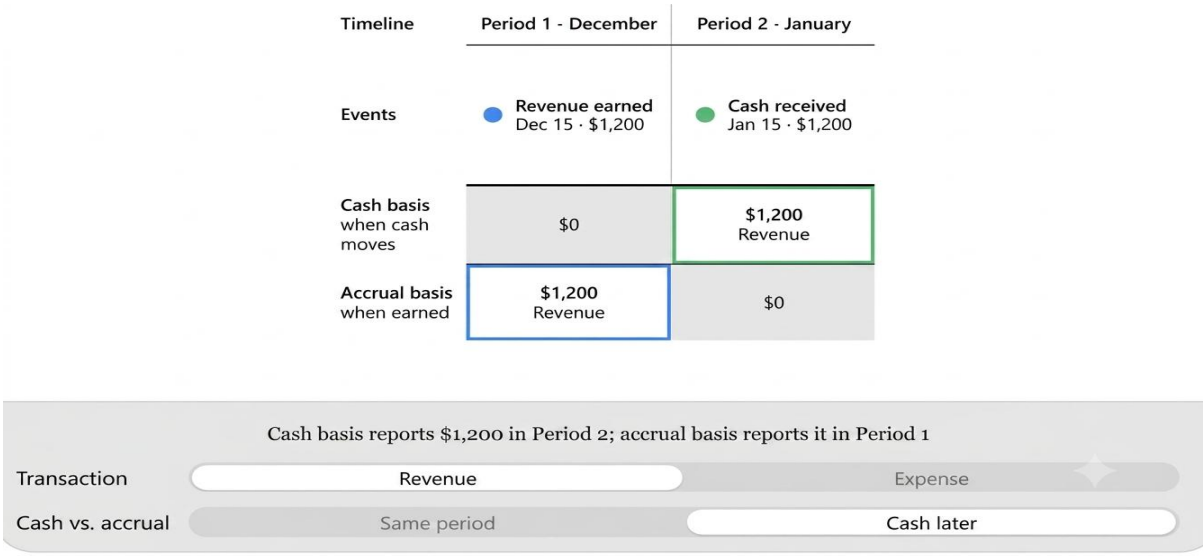


Figure 4.4.1: Cash Basis and Accrual Basis

For outpatient consultation, revenue is generally recognized when the consultation has been provided. If the patient pays in advance for a diagnostic test, the amount may initially be recorded as an advance from the patient. When the test is completed, the relevant amount can be recognized as diagnostic service revenue.

For inpatient treatment, revenue is accumulated as services are delivered. Room charges may be recognized according to the period during which the patient occupies the room. Doctor visits, nursing services, tests, procedures, medicines, and other services are recognized when they are provided or supplied. At discharge, the hospital completes the patient account and recognizes the total earned revenue after considering discounts, refunds, and other adjustments.

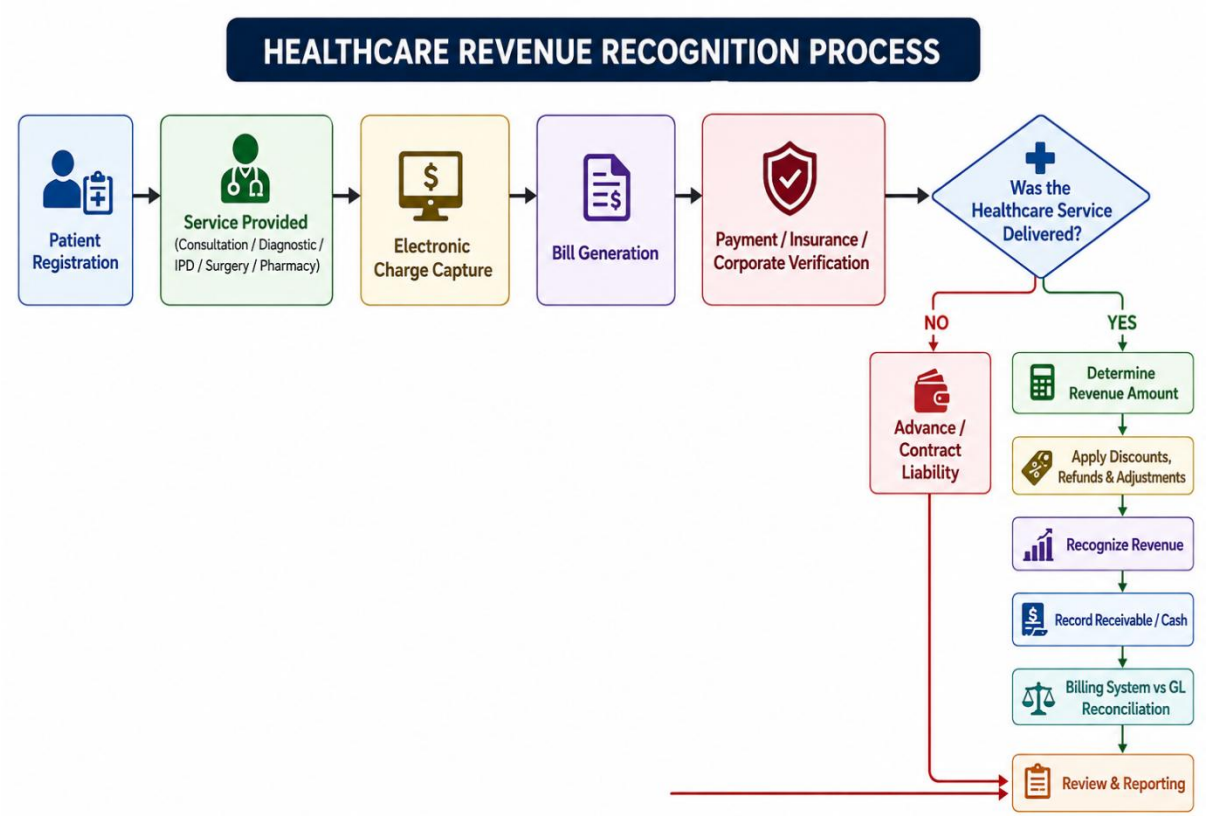


Figure 4.4.2: Revenue Recognition Flow

Patient deposits received before services are provided should be distinguished from earned revenue. For example, if a patient pays BDT 100,000 as an admission deposit but only BDT 70,000 worth of services has been provided at a particular reporting date, the entire BDT 100,000 should not automatically be treated as revenue. The unearned portion remains a patient advance or contract liability until services are delivered or the amount is refunded.

Revenue may be classified into different categories, such as consultation revenue, diagnostic revenue, inpatient accommodation revenue, surgical revenue, critical-care revenue, pharmacy revenue, emergency revenue, ambulance revenue, and other operating revenue. At the reporting date, the finance department should reconcile patient billing records with the general ledger. The total services recorded by the billing system should agree with the revenue recorded in the accounting system, after considering advances, receivables, discounts, refunds, taxes, and other adjustments.

The revenue recognition process should follow the hospital's applicable accounting policies and relevant financial reporting requirements. The central principle is that revenue should reflect services actually delivered, not merely cash received. This distinction is particularly important in healthcare because treatment may continue over several days, patients may make advance deposits, and insurance or corporate payments may be received after the service has been completed.

4.5 Internal Control over Revenue

Internal control over revenue consists of the policies and procedures used to protect hospital income, ensure accurate billing, prevent fraud, and produce reliable financial information. Because a hospital handles a large number of daily transactions across several departments, strong internal controls are essential. The first major control is segregation of duties. Patient registration, service delivery, billing, cash collection, deposit of money, accounting entry, and reconciliation should be performed by different employees or departments wherever possible. If one person controls the entire process, that person could omit a service, alter a bill, retain collected cash, or create unauthorized refunds without immediate detection.

Authorization is another important control. Discounts, bill cancellations, refunds, write-offs, credit facilities, and changes to service charges should require approval from designated officers. The hospital's software should maintain an audit trail showing who created, modified, cancelled, or approved a transaction. User access to the hospital information system should be based on job responsibilities. A registration officer should not have unrestricted authority to change prices or approve refunds. A cashier should record payments but should not be able to alter the underlying service charges without authorization. Finance personnel may review and reconcile transactions, while management may approve exceptional adjustments. The hospital should also use sequentially numbered invoices and receipts. Missing receipt numbers, duplicate invoices, or unexplained cancelled documents should be reviewed. Daily reports should be generated for registrations, admissions, discharges, diagnostic services, pharmacy sales, payments, discounts, refunds, and outstanding balances.

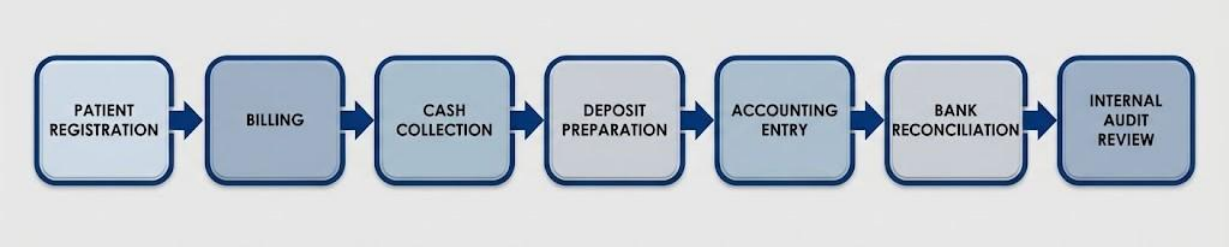


Figure 4.5: Patient registration to audit process flow

Service capture controls are especially important. Each clinical or support department should record services immediately and accurately. Laboratory tests, radiology, pharmacy issues, surgical procedures, room charges, and consumables should be connected to the patient's account. Supervisors should compare departmental service records with billing reports to identify services that were delivered but not billed. Cash control requires daily counting, reconciliation, safe custody, and timely bank deposit. Cash collections should be compared with system-generated reports and receipts. Electronic payments should be reconciled with POS terminals, mobile financial service statements, and bank statements. Differences should be documented and investigated.

Credit and insurance receivables should also be controlled. The hospital should maintain an ageing schedule showing how long each receivable has remained outstanding. Claims are submitted on time, rejected claims are followed up, and doubtful balances should be reviewed. Without proper receivable monitoring, revenue may be recorded in the system but never collected. Physical and logical controls are also required. Internal audit can strengthen the revenue cycle by reviewing selected patient files from registration to payment. An audit may compare the doctor's prescription with billed tests, pharmacy issues with medicine charges, admission records with room charges, and final bills with discharge documents. Such reviews can identify leakage, overbilling, under billing, unauthorized discounts, and weaknesses in departmental coordination.

4.6 Revenue Cycle Workflow

The revenue cycle workflow at Bangladesh Specialized Hospital PLC can be understood as a continuous sequence beginning with patient contact and ending with financial reporting and collection. The process begins when a patient contacts the hospital through the reception, hotline, appointment system, emergency service, or other access point. The patient is registered, an identification number is created or retrieved, and the required service is selected. The patient may then receive outpatient consultation, diagnostic services, emergency treatment, or admission.

After registration, the relevant department provides the healthcare service. The doctor records the consultation or treatment, the laboratory records tests, the pharmacy records medicines, the nursing unit records accommodation and care, and the operating theatre records procedures and consumables. Each department must communicate service information to the billing system.



Figure 4.6: Revenue Cycle Workflow

At discharge, the hospital completes the final bill. All departments confirm that their services have been recorded, the billing officer reviews the invoice, previous deposits are adjusted, and the patient pays the outstanding amount or receives an approved refund. The discharge process should not be completed until the financial obligations have been settled or formally approved credit arrangements have been documented. After collection, daily reconciliation is performed. The billing system, receipts, cash, electronic payment records, bank deposits, and accounting entries are compared. The finance department then records revenue, patient advances, receivables, discounts, refunds, and other relevant transactions in the general ledger.

Finally, management receives periodic reports. These may include daily collection reports, department-wise revenue, inpatient and outpatient revenue, diagnostic income, pharmacy income, outstanding receivables, insurance claims, discounts, refunds, and revenue leakage indicators. These reports support decision-making, budgeting, cash-flow management, and performance evaluation.

4.7 Challenges in Revenue Cycle Management

Bangladesh Specialized Hospital PLC faces several challenges in managing its revenue cycle effectively.

- **Registration Errors:** Incorrect patient information may cause billing delays and claim rejections.
- **Billing Errors:** Missing service charges or incorrect pricing can lead to revenue loss.
- **Delayed Payments:** Patients, insurance companies, or corporate clients may delay payments, affecting cash flow.
- **Insurance Claim Rejections:** Incomplete documentation or coding errors can result in denied insurance claims.
- **Technology Issues:** System downtime or software limitations may interrupt billing and reporting processes.
- **Fraud and Revenue Leakage:** Unauthorized discounts, duplicate billing, or cash misappropriation may reduce revenue.
- **Regulatory Compliance:** Hospitals must continuously comply with accounting standards, tax regulations, and healthcare policies.
- **Staff Training Gaps:** Insufficient knowledge of billing procedures and hospital information systems can reduce efficiency.
- **Rising Healthcare Costs:** Increasing costs of medicines, equipment, and technology place pressure on maintaining profitability.

Chapter Five

Data Analysis and Findings

5.1 Revenue Trend Analysis

Revenue increased consistently during the three-year period. In FY 2023–24, total revenue amounted to BDT 2,112 million. This increased to BDT 2,516 million in FY 2024–25, representing growth of 19.13%. In FY 2025–26, revenue increased further to BDT 3,082 million, producing a growth rate of 22.50%.

Fiscal Year	Total Revenue (BDT Million)	Growth Rate (%)
FY 2023-24	2112	-
FY 2024-25	2516	19.13
FY 2025-26	3082	22.50

Table 5.1: Revenue Trend Analysis from FY 2023-25

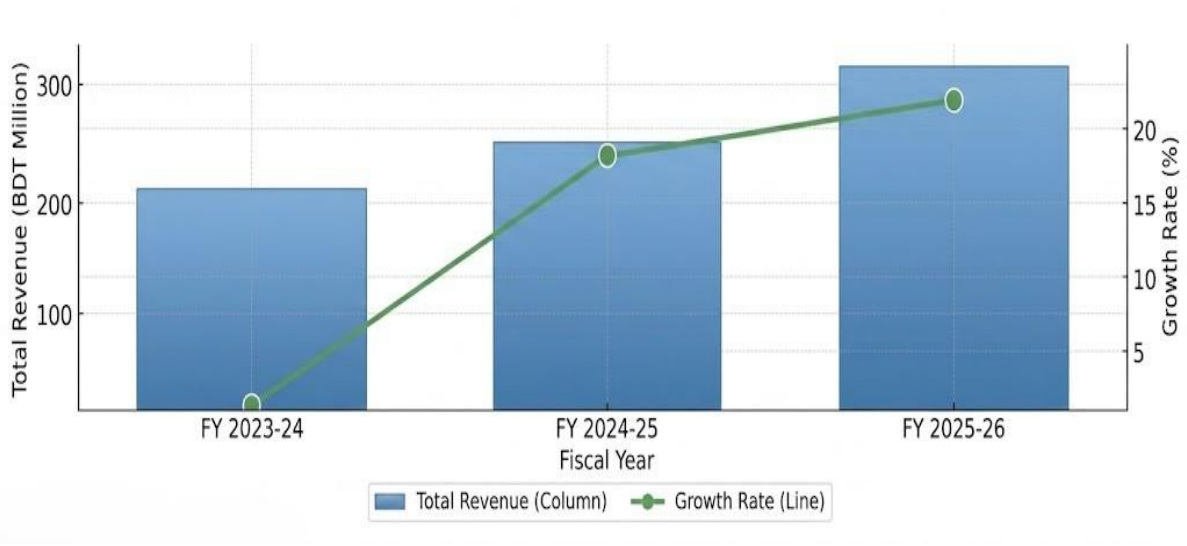


Figure 5.0.1: Revenue Trend Analysis from FY 2023-25

The organization generated an additional BDT 404 million in revenue between FY 2023–24 and FY 2024–25. Revenue then increased by another BDT 566 million between FY 2024–25 and FY 2025–26. Therefore, total revenue increased by BDT 970 million over the entire period, equivalent to approximately 45.93% growth compared with FY 2023–24. The improvement in the growth rate—from 19.13% to 22.50%—suggests that the organization's revenue-generating capacity strengthened in the most recent fiscal year. This may reflect an expansion of operations, an increase in customers or service users, improved billing practices, higher demand, revised pricing, or improved business performance.

5.2 Collection Efficiency Analysis

The organization's collection efficiency improved consistently over the three-year period. Collection efficiency increased from 95.43% in FY 2023–24 to 97.10% in FY 2024–25 and reached 99.03% in FY 2025–26. During the same period, the uncollected amount declined from BDT 101 million to BDT 30 million. This improvement indicates stronger receivables management, more effective collection procedures, and improved conversion of billed revenue into cash. The collection performance in FY 2025–26 is particularly strong because the organization collected nearly the entire amount billed.

Fiscal Year	Total Billed (BDT Mn)	Total Collected (BDT Mn)	Collection Efficiency (%)
FY 2023-24	2213	2112	95.43
FY 2024-25	2591	2516	97.10
FY 2025-26	3112	3082	99.03

Table 5.2: Collection Efficiency Analysis from FY 2023-25

The data shows a significant increase in Collection Efficiency 2023 to 2025.

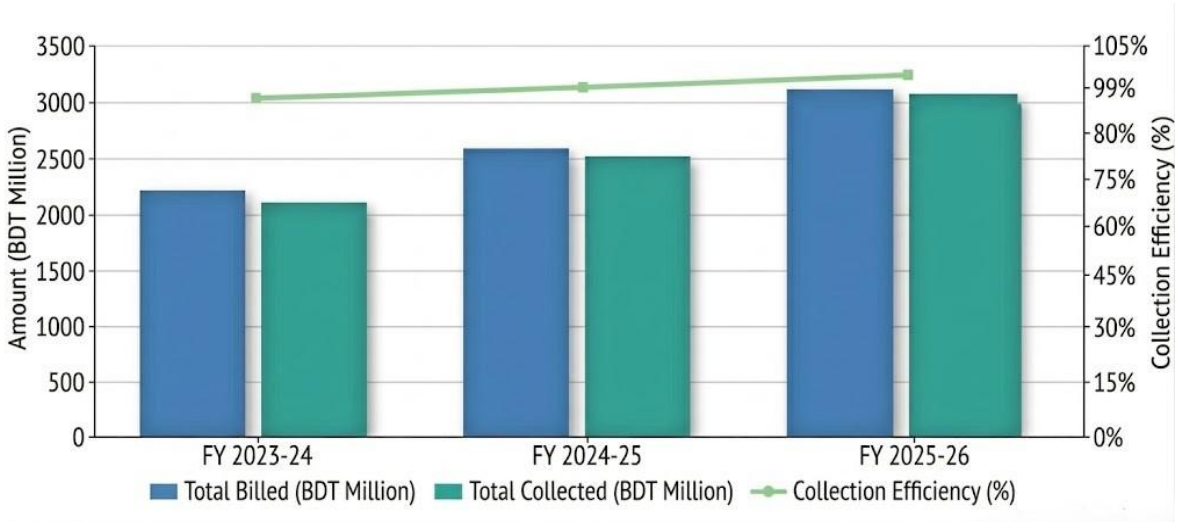


Figure 5.0.2: Collection Efficiency Analysis from FY 2023-25

The increase in collection efficiency indicates substantial improvement in receivables management and cash recovery. A collection rate of 99.03% means that almost the entire amount billed during FY 2025–26 was collected. This is a strong indicator of effective billing, follow-up, customer payment behavior, and internal collection procedures.

5.3 Cash Flow Analysis

The cash flow analysis reveals a contrast between profitability and cash generation. Net profit increased from BDT 40 million in FY 2023–24 to BDT 98 million in FY 2025–26, while cash flow from operations declined from BDT 394 million to BDT 193 million. As a result, the cash flow-to-profit ratio decreased significantly from 9.85 to 1.97. It is shown in the table below-

Fiscal Year	Cash Flow from Operations (BDT Mn)	Net Profit (BDT Mn)	Cash Flow/Profit Ratio
FY 2023-24	394	40	9.85
FY 2024-25	250	75	3.33
FY 2025-26	193	98	1.97

Table 5.3: Cash Flow/Profit ratio analysis from FY 2023-25

The data shows a significant decline in Cash Flow/Profit ratio from 2023 to 2025.

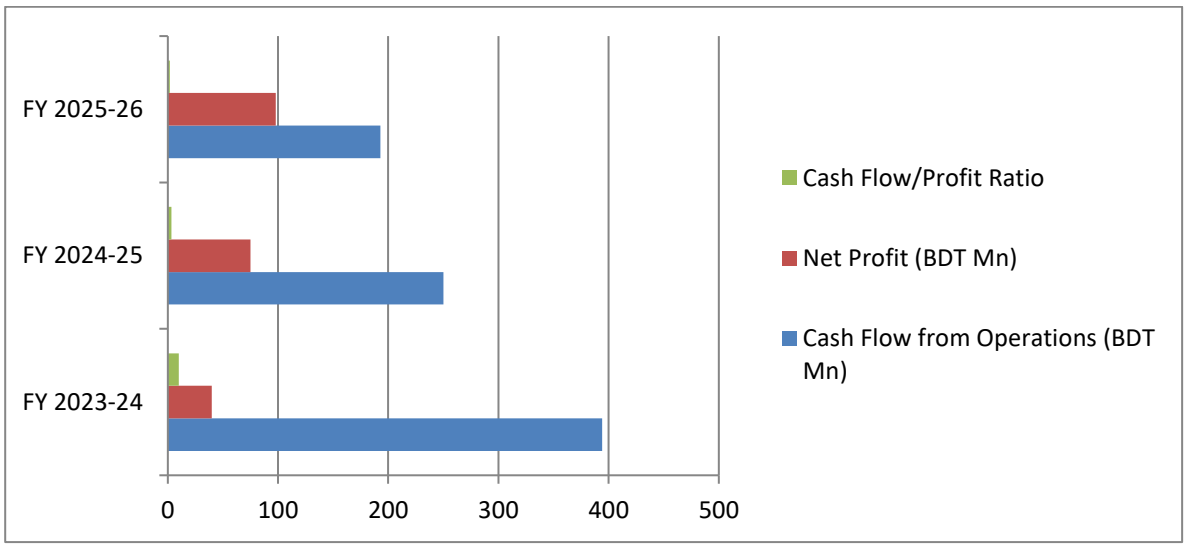


Figure 5.0.3: Cash Flow/Profit ratio analysis from FY 2023-25

Although operating cash flow remained higher than net profit in FY 2025–26, the declining trend indicates that profit growth was not accompanied by equivalent growth in operating cash generation. This situation requires management attention because persistent divergence between accounting profit and operating cash flow may affect liquidity and financial flexibility.

5.4 Profitability Analysis

The profitability indicators show continuous improvement. Net profit margin increased from 1.89% in FY 2023–24 to 2.98% in FY 2024–25 and then to 3.18% in FY 2025–26. This indicates that the organization retained a larger portion of its revenue as profit over time.

Fiscal Year	Net Profit Margin (%)	Return on Assets (%)
FY 2023-24	1.89	4.13
FY 2024-25	2.98	6.37
FY 2025-26	3.18	7.52

Table 5.4: Profitability Analysis from FY 2023-25

The net profit margin improved by 1.29 percentage points between FY 2023–24 and FY 2024–25. It improved by a further 0.20 percentage points in FY 2025–26. Overall, the margin increased by 1.29 percentage points during the three-year period, representing substantial relative improvement compared with the initial level.

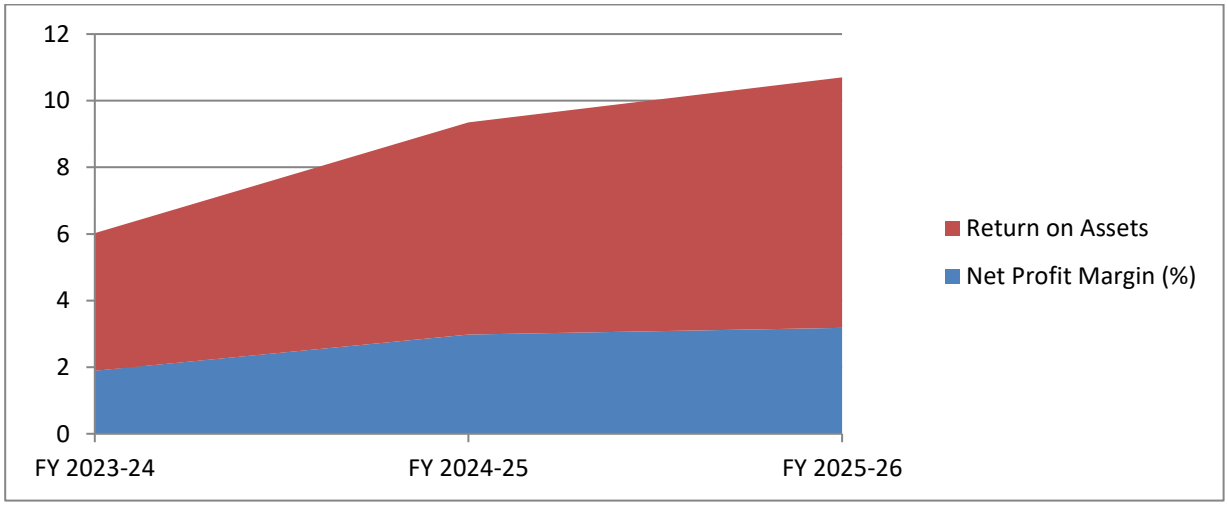


Figure 5.0.4: Profitability Analysis from FY 2023-25

The net profit margin improved by 1.29 percentage points between FY 2023–24 and FY 2024–25. It improved by a further 0.20 percentage points in FY 2025–26. Overall, the margin increased by 1.29 percentage points during the three-year period, representing substantial relative improvement compared with the initial level.

5.5 Average Revenue Growth

The organization experienced strong and accelerating revenue growth, with an average annual growth rate of around 20.82% based on the two reported years, and total revenue increasing by about 45.93% over the three-year period.

- **Consistent revenue increase:** Total revenue increased every year, rising from BDT 2,112 million in FY 2023–24 to BDT 2,516 million in FY 2024–25 and then to BDT 3,082 million in FY 2025–26.
- **Accelerating growth rate:** The annual growth rate increased from 19.13% in FY 2024–25 to 22.50% in FY 2025–26. This indicates that revenue growth not only continued but accelerated in the most recent year.
- **Total growth over the period:** Over the three-year period, revenue increased by BDT 970 million, which represents approximately 45.93% growth compared with the base year (FY 2023–24).
- **Larger absolute increase in the second year:** The absolute increase in revenue was BDT 404 million between FY 2023–24 and FY 2024–25, and BDT 566 million between FY 2024–25 and FY 2025–26. This shows that the organization added more revenue in the second year of the analysis.
- **Implication of strong revenue growth:** The sustained and accelerating revenue growth suggests expansion in operations, higher demand, improved billing, or stronger market performance. It also provides a larger base for generating profit and funding future activities.
- **Average revenue growth (interpretation):** Although the file does not provide a single "average" figure, the two available annual growth rates are 19.13% and 22.50%. The simple average of these two rates is approximately 20.82%. This average indicates that, on average, revenue grew by slightly more than one-fifth per year during the period with available growth data.

5.6 Collection Efficiency

Collection efficiency improved consistently and reached a very high level of 99.03% in FY 2025–26, while the uncollected amount declined from BDT 101 million to BDT 30 million, indicating highly effective receivables management and strong cash recovery.

- **Steady improvement in collection efficiency:** Collection efficiency increased from 95.43% in FY 2023–24 to 97.10% in FY 2024–25 and further to 99.03% in FY 2025–26.

- **Decline in uncollected amounts:** The uncollected portion of billed revenue decreased substantially:
    - FY 2023–24: BDT 101 million uncollected (2,213 – 2,112)
    - FY 2024–25: BDT 75 million uncollected (2,591 – 2,516)
    - FY 2025–26: BDT 30 million uncollected (3,112 – 3,082)

  This represents a reduction of BDT 71 million in uncollected amounts over the period.
- **Near-complete collection in the latest year:** A collection efficiency of 99.03% in FY 2025–26 means that almost the entire amount billed during that year was successfully collected. This is a very strong performance indicator for receivables management.
- **Improvement in percentage terms:** Collection efficiency improved by 3.60 percentage points from FY 2023–24 to FY 2025–26 (from 95.43% to 99.03%).
- **Implications for liquidity and risk:** Higher collection efficiency improves cash availability, reduces the risk of bad debts, and strengthens the organization's ability to meet operating expenses and investment needs from internally generated funds.

5.7 Cash Flow to Profit Ratio

The cash flow to profit ratio declined sharply from 9.85 to 1.97, reflecting a significant reduction in operating cash flow even as net profit increased, highlighting a potential concern about the sustainability and cash-backed quality of earnings.

- **Decline in operating cash flow:** Cash flow from operations decreased from BDT 394 million in FY 2023–24 to BDT 250 million in FY 2024–25 and further to BDT 193 million in FY 2025–26. This represents an overall decline of BDT 201 million, or approximately 51.02%.
- **Increase in net profit:** Net profit increased steadily from BDT 40 million to BDT 75 million and then to BDT 98 million, representing an overall increase of BDT 58 million, or 145%, compared with FY 2023–24.
- **Sharp fall in the cash flow to profit ratio:** The cash flow to profit ratio dropped from 9.85 in FY 2023–24 to 3.33 in FY 2024–25 and 1.97 in FY 2025–26. This means that operating cash flow was 9.85 times net profit in the first year but only 1.97 times net profit in the last year.
- **Divergence between profit and cash generation:** While accounting profit increased, operating cash flow moved in the opposite direction. This divergence suggests that factors such as working capital changes, higher cash operating expenses, timing differences in payments and receipts, or non-cash items may be affecting cash generation.
- **Implications for financial quality:** Although operating cash flow remained higher than net profit in all three years, the declining ratio indicates that the "quality" of earnings may be weakening. If this trend continues, it could create liquidity pressure despite rising reported profits.

5.8 Net Profit Margin

Net profit margin improved steadily from 1.89% to 3.18%, demonstrating enhanced cost efficiency and a stronger ability to convert revenue into profit, although the margin remains at a moderate level.

- **Continuous improvement in profitability:** Net profit margin increased from 1.89% in FY 2023–24 to 2.98% in FY 2024–25 and then to 3.18% in FY 2025–26.
- **Magnitude of improvement:** The margin improved by 1.09 percentage points between FY 2023–24 and FY 2024–25, and by a further 0.20 percentage points in FY 2025–26. Overall, the margin increased by 1.29 percentage points over the three-year period.
- **Relative improvement:** Compared with the initial margin of 1.89%, the final margin of 3.18% represents a relative increase of approximately 68.25%. This indicates a substantial improvement in the organization's ability to convert revenue into profit.
- **Interpretation of margin level:** A net profit margin of 3.18% means that for every BDT 100 of revenue, the organization retained approximately BDT 3.18 as net profit in FY 2025–26. While the trend is positive, the margin remains relatively modest, implying that cost control and operational efficiency are still critical.

5.9 Return on Assets (ROA)

Return on assets increased consistently from 4.13% to 7.52%, indicating that the organization became significantly more effective in using its assets to generate profit and that asset productivity improved markedly over the period.

- **Steady increase in asset productivity**: Return on assets rose from 4.13% in FY 2023–24 to 6.37% in FY 2024–25 and then to 7.52% in FY 2025–26.
- **Overall improvement:** ROA increased by 3.39 percentage points over the three-year period, representing a relative increase of approximately 82.08% compared with the initial level.
- **Interpretation of ROA level:** An ROA of 7.52% in FY 2025–26 indicates that the organization generated approximately BDT 7.52 of net profit for every BDT 100 invested in assets. This reflects improved utilization of the asset base to generate earnings.
- **Implications for investment efficiency:** The rising ROA suggests that the organization's investments in assets—such as infrastructure, equipment, and other resources—are yielding increasingly favorable returns. It also indicates improved operational efficiency and possibly better asset management.

5.10 Key Findings

- The cash flow-to-profit ratio fell sharply from 9.85 in FY 2023-24 to 1.97 in FY 2025-26, even as net profit rose from BDT 40 million to BDT 98 million, signaling a weakening cash-backed quality of earnings.
- Net profit margin improved from 1.89% to 3.18% but remains thin by hospital-industry standards, as rising medicine, consumable and staffing costs keep pace with revenue growth.
- Despite collection efficiency of 99.03% in FY 2025-26, BDT 30 million billed during the year remained uncollected, concentrated mainly in insurance and corporate accounts.
- Incorrect patient information at registration and missing or incorrect service charges at billing continue to cause delays, claim rejections and direct revenue loss.
- Incomplete documentation or coding errors lead to denied insurance claims, delaying cash inflow and adding to the receivables burden noted above.
- System downtime and gaps in staff knowledge of billing procedures and the hospital information system reduce the accuracy and efficiency of the revenue cycle.
- Unauthorized discounts, duplicate billing or cash misappropriation remain possible risks despite existing segregation-of-duties and authorization controls.
- Rising costs of medicines, equipment and technology continue to pressure the hospital's already modest profit margin.
- Revenue recognition remains largely dependent on manual reconciliation, increasing the risk of timing mismatches between recognized revenue and actual cash collection.
- Internal control activities rely heavily on periodic reviews rather than continuous monitoring, leaving gaps between checks where errors or irregularities could go undetected.
- Growth in revenue and profitability has outpaced growth in asset efficiency, indicating that further gains in return on assets will depend more on utilization than on new investment.
- The gap between accounts receivable turnover and revenue growth suggests receivables management has not fully kept pace with the hospital's expanding patient volume.

Chapter Six

Recommendations and Conclusion

6.1 Recommendations

- ➢ Investigate the working capital items absorbing operating cash and introduce rolling cash flow forecasts with monthly cash-versus-profit reconciliation to catch further divergence early.
- ➢ Conduct departmental cost reviews for medicine, consumables and staffing, and benchmark cost ratios against revenue to improve the net profit margin.
- ➢ Expand high-demand service lines such as diagnostics and critical care, review pricing periodically, and monitor patient volume and case-mix to sustain revenue growth.
- ➢ Maintain daily reconciliation and prompt deposit follow-up, and use an ageing schedule for receivables, with particular attention to insurance and corporate balances.
- ➢ Provide targeted training on registration accuracy and billing procedures, and periodically review system reliability to reduce errors and limit downtime impact.
- ➢ Evaluate future investment in infrastructure, equipment and technology against expected productivity and revenue contribution to sustain the improvement in return on assets.
- ➢ Automate revenue recognition and reconciliation processes to reduce manual intervention and align recognized revenue more closely with actual cash inflow.
- ➢ Shift from periodic to continuous internal control monitoring, using exception-based alerts to detect irregularities between formal review cycles.
- ➢ Prioritize utilization-focused initiatives, such as optimizing scheduling and asset turnover, before committing to further capital investment.
- ➢ Strengthen receivables management capacity in line with patient volume growth, including dedicated staff or systems for high-volume periods.

6.2 Conclusion

This study examined the revenue cycle management practices of Bangladesh Specialized Hospital PLC, covering patient registration, billing, payment collection, revenue recognition and internal control, and assessed their relationship with the hospital's financial performance over the FY 2023-24 to FY 2025-26 periods. The hospital's revenue cycle is structured around clearly defined stages, from patient registration through service delivery, billing, collection and discharge, supported by controls intended to safeguard revenue and ensure accurate financial reporting under the accrual basis and IFRS 15.

The financial analysis showed that the hospital achieved strong and accelerating revenue growth, averaging approximately 20.82% per year and total 45.93% growth over the three-year period, alongside a marked improvement in collection efficiency from 95.43% to 99.03%. Profitability also strengthened, with the net profit margin rising from 1.89% to 3.18% and return on assets increasing from 4.13% to 7.52%, indicating more effective conversion of revenue into profit and more productive use of the asset base. These outcomes suggest that the hospital's registration, billing and collection procedures are functioning effectively and are contributing positively to financial performance.

However, the sharp decline in the cash flow to profit ratio, from 9.85 to 1.97, indicates that the growth in reported profit was not matched by an equivalent growth in operating cash generation, which is an important caution for an organization whose day-to-day operations and future investment depend on cash availability. Together with the operational challenges identified in Chapter Four, such as registration and billing errors, delayed payments, insurance claim rejections, technology limitations and revenue leakage risk, this points to specific areas where management attention can convert already-strong revenue and collection performance into more consistently cash-backed profitability.

Overall, the study concludes that Bangladesh Specialized Hospital PLC's revenue cycle management has supported sustained revenue growth and improving profitability, but that strengthening cash flow monitoring, cost control and internal control, alongside the specific recommendations set out in section 7.1, would help the organization sustain this performance while improving the quality and reliability of its earnings going forward.

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