



Credit Management in the Private Patients Service (PPS) of Mulago National Referral Hospital (MNRH) Uganda

ABSTRACT

This research study was done on the credit management system of the Private Patients' Service of Mulago National Referral Hospital. The objectives of the survey were: to evaluate the effectiveness of the credit management system of the PPS of MNRH; to identify the challenges affecting credit management in the PPS of MNRH; and to establish strategies to improve the credit management system of the PPS of MNRH. The study adopted the descriptive approach and was concluded using quantitative techniques.

The overall findings indicated that the credit management system of the PPS of MNRH is generally effective. However, the credit policy of the hospital is not clearly explicated. On the other hand, the invoices issued by the hospital are silent on credit terms and conditions of service including sanctions for delinquent payments. Moreover, the findings indicated that the hospital maintains a liberal credit policy and that the pre-prepared credit application forms issued to clients leave out a lot data relevant to credit risk analysis. It was also affirmed that clients' records need to be better maintained to help the debt collection effort.

The study recommends the institution of clearly defined and explained credit policy which should be circulated to all in-house functional areas and to clients in a dedicated credit manual. Clear guidelines should be provided on: credit personnel responsibility lines; the logical structure

for evaluation and assignment of credit; terms of service applied; and milestones for assessing debt collection. This should be followed by building the capacity of credit department staff to enable them to cope with the constantly changing credit management environment. Furthermore, ICT aided credit administration infrastructure also ought to be procured in addition to encouraging senior management to take more active interest in PPS hospital credit affairs.