

Implementing Zero-Based Budgeting in Hospitals: A Strategic Approach to Cost Containment in Nigeria's Health Sector

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ABSTRACT

In the face of escalating operational costs and limited financial resources, hospitals in Nigeria must adopt innovative budgeting strategies to ensure sustainability and efficiency. This study presents an original investigation into the application of Zero-Based Budgeting (ZBB) within the hospital finance framework, assessing its viability as a strategic tool for cost containment. Drawing on financial data, stakeholder interviews, and case analysis from selected tertiary hospitals, the research demonstrates how ZBB facilitates a systematic evaluation of expenditures, promotes accountability, and enhances alignment between funding and institutional priorities. Preliminary results indicate notable reductions in unnecessary spending, improved budget transparency, and strengthened fiscal discipline. However, implementation challenges, such as resistance to change and capacity limitations, are also addressed. The study concludes by proposing actionable recommendations for integrating ZBB into public healthcare financial systems to support long-term sustainability in Nigeria's health sector.

Keywords: Hospital-Finance, Cost Optimization, Healthcare, Sustainability, Fiscal-discipline