

Slippin' And A-Slidin', California Style Part One

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How many programs have completed a cost analysis?



Cost Analysis

- ❖ Programs must **demonstrate** they have done a cost analysis on which their fees are based.
- ❖ There are a number of different cost analyses that can be used.
- ❖ Many provide information based on traditional visit types.



Cost Analysis

- ❖ It is important to know the “unbundled” costs.
- ❖ This means knowing the cost of, and charging for, every service an agency provides.
- ❖ The airlines are now doing this for pillows, blankets, aisle seats, etc.



Why Do A Cost Analysis?

1. The Federal Guidelines require it.
2. Individual programs need to know the cost of providing services.
3. To assist in negotiating rates with various rate payers (including Medicaid).

FINALLY,

It is GOOD business!



Knowing The Cost of Providing Services Is an Important Business Practice

- ❖ The cost analysis:
 - provides knowledge to analyze efficiencies;
 - helps the program control costs;
 - Insures we remain financially viable.



The Cost Analysis

The information required to determine costs should be available from your accounting system and reports from your Patient Management/ Clinic Visit Record (CVR) system.



The Cost Analysis

To complete a cost analysis you need:

1. Total expenditures (cash or accrual) for the Cost Analysis period (calendar year, fiscal year).
 - This should include in-kind and volunteer contributions.
2. Utilization data for every procedure, lab, and pharmaceutical provided by the program for the same time frame.



The Cost Analysis

- ❖ What do you want to know?
 - The total cost to the program for putting each and every service provided (medical, counseling, laboratory, pharmacy, community education) “out the door”.



The Cost Analysis

- ❖ The following slides provide a BRIEF overview of one cost analysis (CA) methodology.
- ❖ This system requires you to allocate all expenses from the study timeframe into a number of cost centers.



The Cost Analysis

- ❖ The methodology uses CPT and HCPCS codes and is based on the RBRVS established for setting physician reimbursement for Medicare.
- ❖ This provides a single set of relative values by which all services are scaled.



The Cost Analysis

- ❖ The Cost Analysis is grounded in the former BCRR system and compares, in many ways, to the UDS reports completed by programs funded through the BPHC of HRSA.



COST CENTER REPORT
Allocation and distribution of costs

| FUNCTIONAL COST CENTER | (1) | (2) | (3) | (4) | Distribution of Facilities | | (7) | (8) |
|------------------------|-----------|-------------|------------------|--------------------|----------------------------|------------|--------------------|----------------------------|
| | Personnel | Other Costs | Donated Services | Total Before Dist. | Square Foot | % of Total | Cost of Facilities | TOTAL After Facility Dist. |
| Medical | 0 | 0 | 0 | 0 | | #DIV/0! | #DIV/0! | #DIV/0! |
| Counseling | 0 | 0 | 0 | 0 | | #DIV/0! | #DIV/0! | #DIV/0! |
| Laboratory | 0 | 0 | 0 | 0 | | #DIV/0! | #DIV/0! | #DIV/0! |
| Pharmacy | 0 | 0 | 0 | 0 | | #DIV/0! | #DIV/0! | #DIV/0! |
| Community Outreach | 0 | 0 | 0 | 0 | | #DIV/0! | #DIV/0! | #DIV/0! |
| Administration | 0 | 0 | 0 | 0 | | #DIV/0! | #DIV/0! | #DIV/0! |
| Facility | 0 | 0 | 0 | 0 | | | #DIV/0! | |
| Total | 0 | 0 | 0 | 0 | 0 | #DIV/0! | | #DIV/0! |

Consistency Check: Column E:Row 17; Column I:Row 17; Column B: Row 34 and Column E:Row 34 MUST be the same.

| | Distribution of Administration | | | |
|--------------------|--------------------------------|---------------------------|------------------------|--------------------------|
| | (9) | (10) | (11) | (12) |
| | Total After Dist.(Col.(8)) | Percent Health Care Costs | Cost of Administration | TOTAL After Admin. Dist. |
| Medical | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| Counseling | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| Laboratory | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| Pharmacy | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| Community Outreach | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| Sub-Total | #DIV/0! | #DIV/0! | | |
| Administration | #DIV/0! | | | |
| Total | #DIV/0! | | #DIV/0! | #DIV/0! |

| Amounts For Fee Determination Worksheets | |
|--|---------|
| Medical | #DIV/0! |
| Counseling | #DIV/0! |
| Laboratory | #DIV/0! |
| Pharmacy | #DIV/0! |
| Community Outreach | #DIV/0! |

Allocating Expenses

- ❖ Allocating expenses, including salaries, wages and fringe benefits is **the most important element** in determining the cost of providing services.
- ❖ The allocation must be done carefully and consistently to capture the real costs that occur in each cost center.



Allocation of Staff

- ❖ Allocate *each and every person* who has worked during the reporting period into one or more functional cost center(s).
- ❖ Allocate an individual into as many functional cost centers as are appropriate.



Allocation of Staff

- ❖ A nurse practitioner may not be providing nurse practitioner functions at all times.
- ❖ She may variously provide support for the laboratory, for the pharmacy, for counseling, and as an administrator.



SHELL PART A

Personnel by Cost Center - Spreadsheet 1

Percent

DIRECTIONS: Allocate the percent of time spent by each staff into each cost center. The total for each staff MUST equal 1.00.

| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | |
|----------|--------------|-------|------------------|------------|---------|-----------|------------|-------|--------|--------------------|--------|----------|-------------|
| Name | Job Title | Phys | Mid Level Pract. | RN Medical | Med Sup | Follow Up | Counseling | Lab | Pharm. | Community Outreach | Admin. | Facility | Check Total |
| Janet | Phy | 50.0% | | | | | | | | | 50.0% | | 100.0% |
| Pauline | NP | | 80.0% | | | | | 10.0% | 10.0% | | | | 100.0% |
| Marilyn | NP | | 50.0% | | | 12.5% | | 25.0% | 12.5% | | | | 100.0% |
| Phyllis | NP | | 50.0% | | | | | 12.5% | 12.5% | | 25.0% | | 100.0% |
| Diane | RN | | | 40.0% | 20.0% | | | 20.0% | | 20.0% | | | 100.0% |
| Robin | RN | | | 40.0% | 20.0% | | | 20.0% | | 20.0% | | | 100.0% |
| Judy | APP | | | | 80.0% | | | 20.0% | | | | | 100.0% |
| Ruth | APP | | | | 100.0% | | | | | | | | 100.0% |
| Laura | Clerk | | | | 100.0% | | | | | | | | 100.0% |
| Debbie | Secretary | | | | 100.0% | | | | | | | | 100.0% |
| Lillian | Nutritionist | | | | | | 100.0% | | | | | | 100.0% |
| Sandy | Health ED. | | | | 25.0% | | | | | 75.0% | | | 100.0% |
| Prudence | Exec Sec. | | | | | | | | | 20.0% | 80.0% | | 100.0% |
| Pat | Admin. | | | | | | | | | 10.0% | 90.0% | | 100.0% |
| TOTAL | | 0.50 | 1.80 | 0.80 | 4.45 | 0.13 | 1.00 | 1.08 | 0.35 | 1.45 | 2.45 | 0.00 | 14.00 |

SHELL PART B

Salary

Allocates the Salary paid
(including fringe, FICA) based
on the percent of time spent in
each cost center from spreadsheet 1.

Personnel by Cost Center-

Allocation of Salaries and Wages

| Name | Job Title | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | Total Paid Salary and FB | |
|----------------------|--------------|----------|-------------------|---------------|----------|-----------|------------|----------|----------|-----------------------|----------|----------|--------------------------------|-------------|
| | | Phys | Midlevel Pract | RN Medical | Med Sup | Follow Up | Counseling | Lab | Pharm. | Community Outreach | Admin. | Facility | | Check Total |
| Janet | Phy | \$15,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$15,000 | \$0 | \$30,000 | \$30,000 |
| Pauline | NP | \$0 | \$12,663 | \$0 | \$0 | \$0 | \$0 | \$1,583 | \$1,583 | \$0 | \$0 | \$0 | \$15,829 | \$15,829 |
| Marilyn | NP | \$0 | \$17,813 | \$0 | \$0 | \$4,453 | \$0 | \$8,906 | \$4,453 | \$0 | \$0 | \$0 | \$35,625 | \$35,625 |
| Phyllis | NP | \$0 | \$21,563 | \$0 | \$0 | \$0 | \$0 | \$5,391 | \$5,391 | \$0 | \$10,781 | \$0 | \$43,125 | \$43,125 |
| Diane | RN | \$0 | \$0 | \$7,750 | \$3,875 | \$0 | \$0 | \$3,875 | \$0 | \$3,875 | \$0 | \$0 | \$19,375 | \$19,375 |
| Robin | RN | \$0 | \$0 | \$3,275 | \$1,638 | \$0 | \$0 | \$1,638 | \$0 | \$1,638 | \$0 | \$0 | \$8,188 | \$8,188 |
| Judy | APP | \$0 | \$0 | \$0 | \$19,208 | \$0 | \$0 | \$4,802 | \$0 | \$0 | \$0 | \$0 | \$24,010 | \$24,010 |
| Ruth | APP | \$0 | \$0 | \$0 | \$11,250 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$11,250 | \$11,250 |
| Laura | Clerk | \$0 | \$0 | \$0 | \$21,875 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$21,875 | \$21,875 |
| Debbie | Secretary | \$0 | \$0 | \$0 | \$25,275 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$25,275 | \$25,275 |
| Lillian | Nutritionist | \$0 | \$0 | \$0 | \$0 | \$0 | \$17,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$17,000 | \$17,000 |
| Sandy | Health ED. | \$0 | \$0 | \$0 | \$3,822 | \$0 | \$0 | \$0 | \$0 | \$11,466 | \$0 | \$0 | \$15,288 | \$15,288 |
| Prudence | Exec Sec. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$5,390 | \$21,560 | \$0 | \$26,950 | \$26,950 |
| Pat | Admin. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$5,663 | \$50,963 | \$0 | \$56,625 | \$56,625 |
| TOTAL | | \$15,000 | \$52,038 | \$11,025 | \$86,942 | \$4,453 | \$17,000 | \$26,194 | \$11,427 | \$28,031 | \$98,304 | \$0 | \$350,414 | \$350,414 |
| Percent Total | | 0.04 | 0.15 | 0.03 | 0.25 | 0.01 | 0.05 | 0.07 | 0.03 | 0.08 | 0.28 | 0.00 | \$350,414 | |

Allocation of Other Expenses

- ❖ Of equal importance is the allocation of “other than personnel expenditures” incurred by the program.
- ❖ Some of these expenses may be allocated 100% into a single cost center while others will be spread over two or more cost centers depending on their use and function.



Allocation of Donated Goods and Services

- ❖ Includes personnel that are donated or volunteers that provide services to the agency.
 - Be sure to include fringe benefits in determining the “fair market value”.



| SHELL | | Allocates the Donated goods and services | | | | | | | | |
|----------------------------|----------------------|--|------------|------------|------------|------------|-------------------|------------|------------|-----------------|
| Donated Goods and Services | | spent in each cost center. | | | | | | | | |
| | | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | |
| Cost | Amount to Distribute | Med Sup | Follow Up | Counseling | Lab | Pharm. | Community Ed./Out | Admin. | Facility | Check Total |
| Lynn | 2600 | \$2,600 | | | | | | | | \$2,600 |
| Marcie | 20225 | \$20,225 | | | | | | | | \$20,225 |
| Bryce | 11016 | | | | | | \$11,016 | | | \$11,016 |
| Marsha | 5720 | | | | | | \$5,720 | | | \$5,720 |
| Pt. Ed Materials | 800 | \$800 | | | | | | | | \$800 |
| Exam Room Equip | 1350 | \$1,350 | | | | | | | | \$1,350 |
| Printing for Recruitment | 2500 | | | | | | \$2,500 | | | \$2,500 |
| TOTAL | \$44,211 | \$24,975 | \$0 | \$0 | \$0 | \$0 | \$19,236 | \$0 | \$0 | \$44,211 |

The Cost Center Report

- ❖ Once the allocation sheets are completed, the results go automatically to the proper columns on the cost center report.
- ❖ Then facilities and administration costs are allocated.



COST CENTER REPORT
Allocation and distribution of costs

| FUNCTIONAL COST CENTER | (1) | (2) | (3) | (4) | Distribution of Facilities | | (7) | (8) |
|------------------------|----------------|----------------|------------------|--------------------|----------------------------|-------------|--------------------|----------------------------|
| | Personnel | Other Costs | Donated Services | Total Before Dist. | Square Foot | % of Total | Cost of Facilities | TOTAL After Facility Dist. |
| Medical | 169459 | 19638 | 24975 | 214071 | 1,860 | 69% | 13,316 | 227,387 |
| Counseling | 17000 | 591 | 0 | 17591 | 100 | 4% | 716 | 18,307 |
| Laboratory | 26194 | 47083 | 0 | 73277 | 80 | 3% | 573 | 73,850 |
| Pharmacy | 11427 | 54798 | 0 | 66225 | 60 | 2% | 430 | 66,654 |
| Community Outreach | 28031 | 10024 | 19236 | 57291 | 300 | 11% | 2,148 | 59,438 |
| Administration | 98304 | 16166 | 0 | 114469 | 300 | 11% | 2,148 | 116,617 |
| Facility | 0 | 19330 | 0 | 19330 | | | (19,330) | |
| Total | 350,414 | 167,629 | 44,211 | 562,254 | 2,700 | 100% | | 562,254 |

Consistency Check: Column E:Row 17; Column I:Row 17; Column B: Row 34 and Column E:Row 34 MUST be the same.

| | Distribution of Administration | | | |
|--------------------|--------------------------------|---------------------------|------------------------|--------------------------|
| | (9) | (10) | (11) | |
| | Total After Dist.(Col.(8)) | Percent Health Care Costs | Cost of Administration | TOTAL After Admin. Dist. |
| Medical | | #DIV/0! | #DIV/0! | #DIV/0! |
| Counseling | | #DIV/0! | #DIV/0! | #DIV/0! |
| Laboratory | | #DIV/0! | #DIV/0! | #DIV/0! |
| Pharmacy | | #DIV/0! | #DIV/0! | #DIV/0! |
| Community Outreach | | #DIV/0! | #DIV/0! | #DIV/0! |
| Sub-Total | | #DIV/0! | | |
| Administration | | | | |
| Total | 0 | | #DIV/0! | #DIV/0! |

| Amounts For Fee Determination Worksheets | |
|--|---------|
| Medical | #DIV/0! |
| Counseling | #DIV/0! |
| Laboratory | #DIV/0! |
| Pharmacy | #DIV/0! |
| Community Outreach | #DIV/0! |

COST CENTER REPORT
Allocation and distribution of costs

| FUNCTIONAL COST CENTER | (1) Personnel | (2) Other Costs | (3) Donated Services | (4) Total Before Dist. | Distribution of Facilities | | (7) Cost of Facilities | (8) TOTAL After Facility Dist. |
|------------------------|------------------|--------------------|-------------------------|---------------------------|----------------------------|-------------------|---------------------------|-----------------------------------|
| | | | | | (5) Square Foot | (6) % of Total | | |
| Medical | 169459 | 19638 | 24975 | 214071 | 1,860 | 69% | 13,316 | 227,387 |
| Counseling | 17000 | 591 | 0 | 17591 | 100 | 4% | 716 | 18,307 |
| Laboratory | 26194 | 47083 | 0 | 73277 | 80 | 3% | 573 | 73,850 |
| Pharmacy | 11427 | 54798 | 0 | 66225 | 60 | 2% | 430 | 66,654 |
| Community Outreach | 28031 | 10024 | 19236 | 57291 | 300 | 11% | 2,148 | 59,438 |
| Administration | 98304 | 16166 | 0 | 114469 | 300 | 11% | 2,148 | 116,617 |
| Facility | 0 | 19330 | 0 | 19330 | | | (19,330) | |
| Total | 350,414 | 167,629 | 44,211 | 562,254 | 2,700 | 100% | | 562,254 |

Consistency Check: Column E:Row 17; Column I:Row 17; Column B: Row 34 and Column E:Row 34 MUST be the same.

| | Distribution of Administration | | | (12) TOTAL After Admin. Dist. |
|--------------------|-----------------------------------|-----------------------------------|--------------------------------|----------------------------------|
| | (9) Total After Dist.(Col.(8)) | (10) Percent Health Care Costs | (11) Cost of Administration | |
| Medical | 227,387 | 51% | 59,504 | 286,892 |
| Counseling | 18,307 | 4% | 4,791 | 23,097 |
| Laboratory | 73,850 | 17% | 19,326 | 93,176 |
| Pharmacy | 66,654 | 15% | 17,442 | 84,097 |
| Community Outreach | 59,438 | 13% | 15,554 | 74,993 |
| Sub-Total | 445,637 | 100% | | |
| Administration | 116,617 | | | |
| Total | 562,254 | | (116,617) | 562,254 |

| Amounts For Fee Determination Worksheets | |
|--|---------|
| Medical | 286,892 |
| Counseling | 23,097 |
| Laboratory | 93,176 |
| Pharmacy | 84,097 |
| Community Outreach | 74,993 |

Determining The Cost Of Procedures

- ❖ Relative Value Units (RVU's) are established for each clinic procedure, lab service, and pharmaceutical.
 - For Clinic services, CPT Codes are used;
 - For Lab services, HCPCS Codes are used;
 - For Pharmacy, the average cost of each pharmacy item is used.



Worksheet to determine RVU's For Family Planning Procedures

| RBRVU | | | | | | GAF | GAF | GAF | | |
|----------|---|------------------|--------------|-----------------|-------|----------|--------------|-----------------|--------------------|-----------|
| CPT Code | Service | Federal Register | | | TOTAL | Adjusted | Adjusted | Adjusted | TOTAL Adjusted RVU | FINAL RVS |
| | | Work RVU | Overhead RVU | Malpractice RVU | RVU | Work RVU | Overhead RVU | Malpractice RVU | | |
| 99201 | NEW PATIENT-BRIEF | 0.45 | 0.49 | 0.03 | 0.97 | 0.45 | 0.43 | 0.02 | 0.90 | 34.18 |
| 99202 | NEW PATIENT-LIMITED EXAM | 0.88 | 0.79 | 0.05 | 1.72 | 0.88 | 0.69 | 0.04 | 1.61 | 61.00 |
| 99203 | NEW PATIENT-INTERMEDIATE EXAM | 1.34 | 1.13 | 0.09 | 2.56 | 1.34 | 0.99 | 0.06 | 2.40 | 90.84 |
| 99204 | NEW PATIENT-COMPREHENSIVE | 2.00 | 1.50 | 0.12 | 3.62 | 2.00 | 1.32 | 0.09 | 3.40 | 128.98 |
| 99205 | NEW PATIENT-COMPLETE | 2.67 | 1.77 | 0.14 | 4.58 | 2.67 | 1.55 | 0.10 | 4.33 | 163.91 |
| 99211 | CONTINUING PATIENT-BRIEF | 0.17 | 0.39 | 0.01 | 0.57 | 0.17 | 0.34 | 0.01 | 0.52 | 19.69 |
| 99212 | CONTINUING PATIENT-LIMITED | 0.45 | 0.54 | 0.03 | 1.02 | 0.45 | 0.47 | 0.02 | 0.95 | 35.84 |
| 99213 | CONTINUING PATIENT-INTERMEDIATE | 0.67 | 0.69 | 0.03 | 1.39 | 0.67 | 0.61 | 0.02 | 1.30 | 49.17 |
| 99214 | CONTINUING PATIENT-COMPREHENSIVE | 1.10 | 1.03 | 0.05 | 2.18 | 1.10 | 0.90 | 0.04 | 2.04 | 77.33 |
| 99215 | CONTINUING PATIENT-COMPLETE | 1.77 | 1.32 | 0.08 | 3.17 | 1.77 | 1.16 | 0.06 | 2.99 | 113.19 |
| 99384 | Preventive visit, new, 12-17 | 1.53 | 1.55 | 0.06 | 3.14 | 1.53 | 1.36 | 0.04 | 2.93 | 111.20 |
| 99385 | Preventive visit, new, 18-39 | 1.53 | 1.55 | 0.06 | 3.14 | 1.53 | 1.36 | 0.04 | 2.93 | 111.20 |
| 99386 | Preventive visit, new, 40-64 | 1.88 | 1.74 | 0.07 | 3.69 | 1.88 | 1.53 | 0.05 | 3.46 | 131.06 |
| 99394 | Preventive visit, est, 12-17 | 1.36 | 1.13 | 0.05 | 2.54 | 1.36 | 0.99 | 0.04 | 2.39 | 90.51 |
| 99395 | Preventive visit, est, 18-39 | 1.36 | 1.16 | 0.05 | 2.57 | 1.36 | 1.02 | 0.04 | 2.41 | 91.50 |
| 99396 | Preventive visit, est, 40-64 | 1.53 | 1.25 | 0.06 | 2.84 | 1.53 | 1.10 | 0.04 | 2.67 | 101.22 |
| 58300 | IUD INSERTION | 1.01 | 1.42 | 0.12 | 2.55 | 1.01 | 1.25 | 0.09 | 2.34 | 88.80 |
| 58301 | IUD REMOVAL | 1.27 | 1.32 | 0.15 | 2.74 | 1.27 | 1.16 | 0.11 | 2.54 | 96.15 |
| 57170 | DIAPHRAGM/CERVICAL CAP FIT | 0.91 | 1.48 | 0.11 | 2.50 | 0.91 | 1.30 | 0.08 | 2.29 | 86.74 |
| 90782 | Depo/Lunell INJECTION | 0.17 | 0.32 | 0.01 | 0.50 | 0.17 | 0.28 | 0.01 | 0.46 | 17.36 |
| 11975 | HORMONE IMPLANT | 1.48 | 1.42 | 0.17 | 3.07 | 1.48 | 1.25 | 0.12 | 2.85 | 107.98 |
| 11976 | HORMONE IMPLANT REMOVAL | 1.78 | 1.72 | 0.21 | 3.71 | 1.78 | 1.51 | 0.15 | 3.44 | 130.43 |
| 56501 | Condyloma Treatment(Destru vulva lesion(s) ≤14) | 1.53 | 1.78 | 0.17 | 3.48 | 1.53 | 1.56 | 0.12 | 3.22 | 121.86 |
| 54050 | Condyloma Treatment(Destru penis lesion(s)) | 1.24 | 1.66 | 0.08 | 2.98 | 1.24 | 1.46 | 0.06 | 2.76 | 104.41 |
| 57452 | COLPOSCOPY | 1.50 | 1.28 | 0.17 | 2.95 | 1.50 | 1.12 | 0.12 | 2.75 | 104.08 |
| 57454 | COLPOSCOPY AND BIOPSY | 2.33 | 1.64 | 0.28 | 4.25 | 2.33 | 1.44 | 0.20 | 3.97 | 150.52 |
| 57511 | CRYOSURGERY | 1.90 | 1.82 | 0.22 | 3.94 | 1.90 | 1.60 | 0.16 | 3.66 | 138.58 |
| 99401 | Individual Counseling: Approx.15 minutes | 0.48 | 0.62 | 0.01 | 1.11 | 0.48 | 0.54 | 0.01 | 1.03 | 39.09 |
| 99402 | Individual Counseling: Approx. 30 minutes | 0.98 | 0.87 | 0.02 | 1.87 | 0.98 | 0.76 | 0.01 | 1.76 | 66.63 |
| 99403 | Individual Counseling: Approx. 45 minutes | 1.46 | 1.09 | 0.04 | 2.59 | 1.46 | 0.96 | 0.03 | 2.45 | 92.69 |
| 99404 | Individual Counseling: Approx. 60 minutes | 1.95 | 1.32 | 0.05 | 3.32 | 1.95 | 1.16 | 0.04 | 3.15 | 119.19 |

2006 Conversion Factor = 37.90 (Factor determined as the base by the medicare program.
This is multiplied by the Final RVU to obtain the unit cost.)

| | | | |
|--|-------|----------|-------------|
| GEOGRAPHIC PRACTICE COST INDEX (GPCI) Adjustment | Work | Overhead | Malpractice |
| | 1.000 | 0.878 | 0.721 |

(This factor adjusts the Work, Overhead and Malpractice components of the RVU to the local experience. Published by Medicare.)

Completion of Medical Form

- ❖ Insert utilization numbers for each of the CPT codes for the time frame under analysis.
- ❖ The spreadsheet automatically calculates the rest of the columns.
- ❖ Agencies can estimate the potential costs in the coming year by adding a percent in the “COLA/Margin”.



MEDICAL COST CENTER

INSTRUCTIONS:

Complete the cost analysis using annual (CY or FY) financial and utilization data.

For Period:

| (A) SERVICE / PROCEDURE | (B) CPT CODE | (C) SERVICE UTILIZATION (FREQUENCY) | (D) RVS VALUE | (E) TOTAL SERVICE UNITS | (F) ADJUSTED TOTAL COST/ COST CENTER | (G) AVERAGE COST/SERVICE UNIT | (H) SERVICE COST | For Period: | | |
|---|-----------------|--|------------------|----------------------------|---|----------------------------------|---------------------|---------------------------------|----------------------|------------|
| | | | | | | | | (I) COST OF LIVING ALLOWANCE | (J) ADJUSTED COST | (K) FEE |
| NEW PATIENT-BRIEF | 99201 | 50 | 34.18 | 1709 | | 0.89 | 30.43 | 0.00 | 30.43 | |
| NEW PATIENT-LIMITED EXAM | 99202 | | 61.00 | 0 | | 0.89 | 54.32 | 0.00 | 54.32 | |
| NEW PATIENT-INTERMEDIATE EXAM | 99203 | 250 | 90.84 | 22710 | | 0.89 | 80.88 | 0.00 | | |
| NEW PATIENT-COMPREHENSIVE | 99204 | | 128.98 | 0 | | 0.89 | 114.85 | 0.00 | | |
| NEW PATIENT-COMPLETE | 99205 | | 163.91 | 0 | | 0.89 | 145.94 | 0.00 | | |
| CONTINUING PATIENT-BRIEF | 99211 | 680 | 19.69 | 13391 | | 0.89 | 17.53 | | | |
| CONTINUING PATIENT-LIMITED | 99212 | 80 | 35.84 | 2867 | | 0.89 | 31.87 | 0.00 | 31.87 | |
| CONTINUING PATIENT-INTERMEDIATE | 99213 | 60 | 49.17 | 2950 | | 0.89 | 43.78 | 0.00 | 43.78 | |
| CONTINUING PATIENT-COMPREHENSIVE | 99214 | 40 | 77.33 | 3093 | | 0.89 | 68.85 | 0.00 | 68.85 | |
| CONTINUING PATIENT-COMPLETE | 99215 | | 113.19 | 0 | | 0.89 | 100.78 | 0.00 | 100.78 | |
| Preventive visit, new, 12-17 | 99384 | 30 | 111.20 | 3336 | | 0.89 | 99.01 | 0.00 | 99.01 | |
| Preventive visit, new, 18-39 | 99385 | 845 | 111.20 | 93962 | | 0.89 | 99.01 | 0.00 | 99.01 | |
| Preventive visit, new, 40-64 | 99386 | | 131.06 | 0 | | 0.89 | 116.69 | 0.00 | 116.69 | |
| Preventive visit, est, 12-17 | 99394 | 15 | 90.51 | 1358 | | 0.89 | 80.59 | 0.00 | 80.59 | |
| Preventive visit, est, 18-39 | 99395 | 1750 | 91.50 | 160133 | | 0.89 | 81.47 | 0.00 | 81.47 | |
| Preventive visit, est, 40-64 | 99396 | | 101.22 | 0 | | 0.89 | 90.12 | 0.00 | 90.12 | |
| IUD INSERTION | 58300 | 5 | 88.80 | 444 | | 0.89 | 79.07 | 0.00 | 79.07 | |
| IUD REMOVAL | 58301 | 2 | 96.15 | 192 | | 0.89 | 85.61 | 0.00 | 85.61 | |
| DIAPHRAGM/CERVICAL CAP FIT | 57170 | 40 | 86.74 | 3470 | | 0.89 | 77.23 | 0.00 | 77.23 | |
| DEPO PROVERA/LUNELL INJECTION | 90782 | 550 | 17.36 | 9550 | | 0.89 | 15.46 | 0.00 | 15.46 | |
| HORMONE IMPLANT | 11975 | | 107.98 | 0 | | 0.89 | 96.15 | 0.00 | 96.15 | |
| HORMONE IMPLANT REMOVAL | 11976 | | 130.43 | 0 | | 0.89 | 116.13 | 0.00 | 116.13 | |
| Condyloma Treatment(Destruction, vulva lesion(s)) | 56501 | 25 | 121.86 | 3046 | | 0.89 | 108.50 | 0.00 | 108.50 | |
| Condyloma Treatment(Destru penis lesion(s)) | 54050 | | 104.41 | 0 | | 0.89 | 92.97 | 0.00 | 92.97 | |
| COLPOSCOPY | 57452 | | 104.08 | 0 | | 0.89 | 92.67 | 0.00 | 92.67 | |
| COLPOSCOPY AND BIOPSY | 57454 | | 150.52 | 0 | | 0.89 | 134.02 | 0.00 | 134.02 | |
| CRYOSURGERY | 57511 | | 138.58 | 0 | | 0.89 | 123.39 | 0.00 | 123.39 | |
| TOTAL | | | | 322211 | 286892 | | | | | |

Average cost of a unit of service

Completion of Laboratory Form

- ❖ Most relative values are available through the Clinical Diagnostic Laboratory Fee Schedule.
- ❖ The “National Limit” value is used as the relative value for labs.
- ❖ When no “National Limit” is available, the rate for the state is used, if there is one.



Completion of Laboratory Form

- ❖ The *first step* for the completion of this form is entering the average cost of outside labs (purchase price).
- ❖ The *second step* for the completion of this form is entering the utilization data on Column “C”.



| OUTSIDE LABORATORY TESTS | | | |
|--------------------------------------|------------------------------------|---------------------------------|--------------|
| | Utilization <i>from</i> col (B) | x Purchase <i>to</i> col (H) | Exp = |
| Chem Profile | 0 | | 0 |
| Chlamydia Test | 0 | | 0 |
| Chlamydia/Gonorrhea (DNA) Together | 750 | 22.30 | 16725 |
| CBC | 0 | | 0 |
| Gonorrhea Culture | 0 | | 0 |
| HCG (Quant) | 5 | 20.00 | 100 |
| Hepatitis B | 0 | 25.00 | 0 |
| Herpes Culture | 0 | 37.00 | 0 |
| HIV Test | 0 | 22.00 | 0 |
| HPV Typing | 5 | 28.30 | 141.5 |
| Pap Smear | 2150 | 8.50 | 18275 |
| Prolactin | 0 | 39.00 | 0 |
| Rubella | 0 | 45.00 | 0 |
| Thin Prep | 480 | 21.20 | 10176 |
| Urine C&S | 25 | 12.50 | 312.5 |
| VDRL / RPR | 30 | 2.75 | 82.5 |
| Physician Read | 48 | 21.35 | 1024.8 |
| Additional Test 2 | 0 | | 0 |
| Additional Test 3 | 0 | | 0 |
| Total Outside Laboratory Cost | | | 46837 |

Average
cost of
outside
lab



LABORATORY COST CENTER

Agency Name: 0.00

2005 Clinical Diagnostic Laboratory Fee Schedule

INSTRUCTIONS:

Complete the cost analysis using annual (CY or FY) financial data.

For Period:

| | (B) CPT HCPCS Code | (C) SERVICE UTILIZATION (FREQUENCY) | (D) RVS VALUE | (E) TOTAL SERVICE UNITS | (F) ADJUSTED TOTAL COST/ COST/CENTER | (G) AVERAGE COST/SERVICE UNIT | (H) COST SERVICE ADJUSTED | (I) PER UNIT PURCHASE EXPENSE | (J) TOTAL BASE COST | (K) COST OF LIVING ALLOWANCE | (L) ADJUSTED COST | (M) FEE |
|--|-----------------------------|--|---------------------|----------------------------------|---|--|------------------------------------|--|------------------------------|---------------------------------------|-------------------------|------------|
| Chem Profile | 80053 | | 14.77 | 0 | | 0.54 | 7.98 | 0.00 | 7.98 | 0.00 | 7.98 | |
| Chlamydia Test (DNA) | 87490 | | 28.02 | 0 | | 0.54 | 15.14 | 0.00 | 15.14 | 0.00 | 15.14 | |
| Chlamydia/Gonorrhea (Amplified) combin | 87491/87531 | 750 | 49.04 | 36780 | | 0.54 | 26.50 | 22.30 | 48.80 | 0.00 | 48.80 | |
| CBC (Complete) | 85027 | | 9.04 | 0 | | 0.54 | 4.89 | 0.00 | 4.89 | 0.00 | 4.89 | |
| Gonorrhea Culture (DNA) | 87590 | | 28.02 | 0 | | 0.54 | 15.14 | 0.00 | 15.14 | 0.00 | 15.14 | |
| HCG (Quant) | 84703 | 5 | 10.49 | 52 | | 0.54 | 5.67 | 20.00 | 25.67 | 0.00 | 25.67 | |
| Hematocrit or Hemaglobin | 85018 | 2500 | 3.31 | 8275 | | 0.54 | 1.79 | | 1.79 | 0.00 | 1.79 | |
| Hepatitis B (surface ag) | 87340 | | 14.43 | 0 | | 0.54 | 7.80 | 25.00 | 32.80 | 0.00 | 32.80 | |
| Herpes Culture | 87207 | | 8.37 | 0 | | 0.54 | 4.52 | 37.00 | 41.52 | 0.00 | 41.52 | |
| HIV Test | 86703 | | 19.17 | 0 | | 0.54 | 10.36 | 22.00 | 32.36 | 0.00 | 32.36 | |
| HPV Typing | 87621 | 5 | 49.04 | 245 | | 0.54 | 26.50 | 28.30 | 54.80 | 0.00 | 54.80 | |
| Pap Smear (conventional) | 88155 | 2150 | 8.37 | 17996 | | 0.54 | 4.52 | 8.50 | 13.02 | 0.00 | 13.02 | |
| Pregnancy Test-Urine | 81025 | 240 | 8.84 | 2122 | | 0.54 | 4.78 | | 4.78 | 0.00 | 4.78 | |
| Prolactin | 84146 | | 27.08 | 0 | | 0.54 | 14.64 | 39.00 | 53.64 | 0.00 | 53.64 | |
| Rubella | 86762 | | 20.11 | 0 | | 0.54 | 10.87 | 45.00 | 55.87 | 0.00 | 55.87 | |
| Thin Prep | 88142 | 480 | 28.31 | 13589 | | 0.54 | 15.30 | 21.20 | 36.50 | 0.00 | 36.50 | |
| Urinalysis-dip stick | 81003 | 1500 | 3.14 | 4710 | | 0.54 | 1.70 | | 1.70 | 0.00 | 1.70 | |
| Urine C&S | 87086 | 25 | 11.28 | 282 | | 0.54 | 6.10 | 12.50 | 18.60 | 0.00 | 18.60 | |
| VDRL / RPR | 86593 | 30 | 6.16 | 185 | | 0.54 | 3.33 | 2.75 | 6.08 | 0.00 | 6.08 | |
| Wet Mount | 87210 | 80 | 5.96 | 477 | | 0.54 | 3.22 | | 3.22 | 0.00 | 3.22 | |
| Physician Read | 88141 | 48 | 21.35 | 1025 | | 0.54 | 11.54 | 21.35 | 32.89 | 0.00 | 32.89 | |
| Additional Test 2 | | | 0.00 | 0 | | 0.54 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| Additional Test 3 | | | 0.00 | 0 | | 0.54 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| TOTAL | | | | 85737 | 46338 | | | | | | | |

FROM COST CENTER REPORT (Lab)

93,176

MINUS Total Outside Lab Tests cost

46837

Total for Column E

46,338

OUTSIDE LABORATORY TESTS

| | | |
|----------------------------|-------------------------|----------|
| Utilization from col(B) | x Purchase to col(H) | Exp = |
|----------------------------|-------------------------|----------|

Completion of Pharmacy Form

- ❖ Relative values for pharmacy are based on the cost, or average cost, of the pharmacy supplies.
- ❖ The “supplies” spreadsheet is used to develop the average cost.



Determine RVS based on the cost of the pharmaceuticals used by the agency.

Place zero (0) in cost on column "b" for those items not provided by the agency.

| Supplies | Unit Cost | | | | | | | | | | | | | | | | Cost | RVS | |
|-------------------------|----------------------------------|----------|----------|-----------|--------------------------------------|----------|-----------|----------|---------|----------|--------|----------|---------|--------|-----------|----------|-----------|--------|--------|
| JRALS* (high cost) | Alesse | Brevicon | Demulen | Estrostep | Lo/Ovral | Loestrin | Loestrin1 | Micronor | Modicon | Nordette | O Cept | O Cyclen | ON 1/35 | ON 777 | Ortho Tri | TriLevel | TriPhasil | 6.50 | 6.50 |
| cost | | | | | | | | | | | | | | | | | | | |
| JRALS* (low cost) | | | | | | | | | | | | | | | | | | 2.06 | 2.06 |
| cost | | | | | | | | | | | | | | | | | | | |
| CREAMS (Contra) | Ortho | | | | | | | | | | | | | | | | | 5.50 | 5.50 |
| cost | 5.50 | | | | | | | | | | | | | | | | | | |
| PELLIES | Ortho | Koroflex | | | | | | | | | | | | | | | | 5.04 | 5.04 |
| cost | 5.28 | 4.79 | | | | | | | | | | | | | | | | | |
| SUPPOSITORIES | Semicid | | | | | | | | | | | | | | | | | 0.30 | 0.30 |
| cost | 0.30 | | | | | | | | | | | | | | | | | | |
| FOAMS | Delfen | Koro | | | | | | | | | | | | | | | | 4.60 | 4.60 |
| cost | 5.72 | 3.48 | | | | | | | | | | | | | | | | | |
| DIAPHRAGMS | All flex | Flat | Koroflex | | | | | | | | | | | | | | | 13.57 | 13.57 |
| cost | 13.67 | 14.10 | 12.95 | | | | | | | | | | | | | | | | |
| JDS | Para | Progest | | | | | | | | | | | | | | | | 196.00 | 196.00 |
| cost | 196.00 | | | | | | | | | | | | | | | | | | |
| MIRENA IUD | | | | | | | | | | | | | | | | | | 425.00 | 425.00 |
| cost | 425.00 | | | | | | | | | | | | | | | | | | |
| 3ASAL T&C | | | | | | | | | | | | | | | | | | 15.00 | 15.00 |
| cost | 15.00 | | | | | | | | | | | | | | | | | | |
| CONDOMS (each) | Ansell | | Barnett | | | Parkdale | | | Other | | | Other | | | | | | | |
| | Non-lub | Lub | special | Non-lub | Lub | special | Non-lub | Lub | special | Non-lub | Lub | special | Non-lub | Lub | special | | | | |
| cost | 0.10 | 0.08 | 0.11 | 0.07 | 0.06 | 0.09 | 0.06 | 0.07 | | | | | | | | | | 0.08 | 0.08 |
| VEDS / VAG INFECT.cream | Sultrin | Terazol | Mycolog | Monistat | Femstat | Betadine | | | | | | | | | | | | 14.88 | 14.88 |
| cost | | | 17.50 | 8.85 | 14.20 | 18.95 | | | | | | | | | | | | | |
| VEDS / VAG INFECT. Oral | Metron | Doxy | Eryth | Ampi | | | | | | | | | | | | | | 2.43 | 2.43 |
| cost | 2.25 | 2.80 | 2.25 | | | | | | | | | | | | | | | | |
| VEDS / STD | Zithro | Doxy | Eryth | Ampi | Amoxy | Acyclov | Oflox | | | | | | | | | | | 0.00 | 0.00 |
| cost | 0.00 | | | | | | | | | | | | | | | | | | |
| CONTRACEPTIVE FILM | Vaginal Contraceptive Film (VCF) | | | | | | | | | | | | | | | | | | |
| cost | 2.00 | | | | | | | | | | | | | | | | | 2.00 | 2.00 |
| SERVICAL CAP | | | | | | | | | | | | | | | | | | 0.00 | 0.00 |
| cost | 0.00 | | | | | | | | | | | | | | | | | | |
| FEMALE CONDOM | | | | | | | | | | | | | | | | | | 1.50 | 1.50 |
| cost | 1.50 | | | | | | | | | | | | | | | | | | |
| HORMONE IMPLANT KIT | | | | | | | | | | | | | | | | | | 360.00 | 360.00 |
| cost | 360.00 | | | | | | | | | | | | | | | | | | |
| DEPO | | | | | | | | | | | | | | | | | | 16.25 | 16.25 |
| cost | 21.67 | 21.67 | 21.67 | 0.00 | (Represents 1 free with 3 purchased) | | | | | | | | | | | | | | |

Inkto EVA Patch

FORMA (5) / FORMA (6) / FORMA / Supplies / Supplies (2) / Orth / Orth (2) / Supplies (4) / Supplies (5) / FORMA (1)

Calculation of average cost based on weighted utilization.

- 1) Place average cost in column B. (Change names in Col. A, if needed.)
- 2) Put total utilization for EACH type of oral in Col. C
- 3) Put "Total Value" in Column s; Row 5 on "Supplies" sheet.

Total or use for "High" cost orals. (i.e. >\$4.00)

| ORALS * | Average Cost | Utilization | Weight | Value |
|-----------------|--------------|-------------|---------------|-------------|
| Alesse | | 0 | 0.00 | 0.00 |
| Brevicon | 10.59 | 515 | 22.75 | 240.89 |
| Demulen | | 0 | 0.00 | 0.00 |
| Estrostep | | 0 | 0.00 | 0.00 |
| Lo/Ovral | | 0 | 0.00 | 0.00 |
| Loestrin 1/20 | | | 0.00 | 0.00 |
| Loestrin1.5/30 | | 0 | 0.00 | 0.00 |
| Micronor | 9.00 | 354 | 15.64 | 140.72 |
| Modicon | | 0 | 0.00 | 0.00 |
| Nordette | | 0 | 0.00 | 0.00 |
| O Cept | 4.35 | 1395 | 61.62 | 268.03 |
| O Cyclen | | 0 | 0.00 | 0.00 |
| ON 1/35 | | 0 | 0.00 | 0.00 |
| ON 777 | | 0 | 0.00 | 0.00 |
| Ortho Tricyclen | | 0 | 0.00 | 0.00 |
| TriLevelen | | 0 | 0.00 | 0.00 |
| TriPhasil | | 0 | 0.00 | 0.00 |
| TOTAL | 7.98 | 2264 | 100.00 | 6.50 |

Use this number for orals cost on the "supplies" sheet.

Use for "Low" cost orals.

| ORALS * | Average Cost | Utilization | Weight | Value |
|-----------------|--------------|--------------|---------------|-------------|
| Alesse | 0.95 | 1937 | 4.09 | 3.88 |
| Brevicon | | 0 | 0.00 | 0.00 |
| Demulen | 1.35 | 859 | 1.81 | 2.45 |
| Estrostep | 0.92 | 451 | 0.95 | 0.88 |
| Lo/Ovral | 1.20 | 1648 | 3.48 | 4.17 |
| Loestrin 1/20 | 1.05 | 0 | 0.00 | 0.00 |
| Loestrin1.5/30 | 2.14 | 464 | 0.98 | 2.09 |
| Micronor | | 0 | 0.00 | 0.00 |
| Modicon | 3.95 | 395 | 0.83 | 3.29 |
| Nordette | 1.05 | 4562 | 9.62 | 10.10 |
| O Cept | | 0 | 0.00 | 0.00 |
| O Cyclen | 2.60 | 8572 | 18.08 | 47.01 |
| ON 1/35 | 3.95 | 1359 | 2.87 | 11.32 |
| ON 777 | 2.25 | 6058 | 12.78 | 28.75 |
| Ortho Tricyclen | 2.25 | 18051 | 38.08 | 85.67 |
| TriLevelen | 1.46 | 106 | 0.22 | 0.33 |
| TriPhasil | 1.05 | 2946 | 6.21 | 6.52 |
| TOTAL | 1.87 | 47408 | 100.00 | 2.06 |

Use this number for orals "low cost" on the "supplies" sheet.

PHARMACY COST CENTER

INSTRUCTIONS: Complete the cost analysis using annual (CY or FY) financial data.

FYs from "Supplies Sheet" or at cost to program.

For Period:

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) |
|------------------------------------|------------------------------|-----------|---------------------|----------------------------------|---------------------------|-----------------------|--------------------------|---------------|-----|
| SERVICE/PROCEDURE | SERVICE UTILIZATION (AMOUNT) | RVS VALUE | TOTAL SERVICE UNITS | ADJUSTED TOTAL COST/ COST/CENTER | AVERAGE COST/SERVICE UNIT | COST SERVICE ADJUSTED | COST OF LIVING ALLOWANCE | ADJUSTED COST | FEE |
| ORAL CONTRACEPTIVES (High Cost) | 4000 | 6.50 | 26000 | | 1.17 | 7.60 | 0.00 | 7.60 | |
| ORAL CONTRACEPTIVES (Low Cost) | 5600 | 2.06 | 11536 | | 1.17 | 2.41 | 0.00 | 2.41 | |
| CREAMS | 140 | 5.50 | 770 | | 1.17 | 6.43 | 0.00 | 6.43 | |
| JELLIES | 320 | 5.04 | 1611 | | 1.17 | 5.89 | 0.00 | 5.89 | |
| SUPPOSITORIES (each) | 500 | 0.30 | 150 | | 1.17 | 0.35 | 0.00 | 0.35 | |
| FOAMS | 450 | 4.60 | 2070 | | 1.17 | 5.38 | 0.00 | 5.38 | |
| DIAPHRAGMS | 85 | 13.57 | 1154 | | 1.17 | 15.88 | 0.00 | 15.88 | |
| IUD | 3 | 196.00 | 588 | | 1.17 | 229.28 | 0.00 | 229.28 | |
| MIRENA IUD | 2 | 425.00 | 850 | | 1.17 | 497.16 | 0.00 | 497.16 | |
| BASAL T&C | 5 | 15.00 | 75 | | 1.17 | 17.55 | 0.00 | 17.55 | |
| CONDOMS (each) | 45000 | 0.08 | 3544 | | 1.17 | 0.09 | 0.00 | 0.09 | |
| MEDS / VAG. INFECTION - cream/supp | 230 | 14.88 | 3421 | | 1.17 | 17.40 | 0.00 | 17.40 | |
| MEDS / VAG. INFECTION - oral | 340 | 2.43 | 827 | | 1.17 | 2.85 | 0.00 | 2.85 | |
| MEDS / STD | | 0.00 | 0 | | 1.17 | 0.00 | 0.00 | 0.00 | |
| CONTRACEPTIVE FILM | 400 | 2.00 | 800 | | 1.17 | 2.34 | 0.00 | 2.34 | |
| CERVICAL CAP | | 0.00 | 0 | | 1.17 | 0.00 | 0.00 | 0.00 | |
| FEMALE CONDOM | 270 | 1.50 | 405 | | 1.17 | 1.75 | 0.00 | 1.75 | |
| HORMONE IMPLANT KIT | | 360.00 | 0 | | 1.17 | 421.13 | 0.00 | 421.13 | |
| DEPO | 550 | 16.25 | 8939 | | 1.17 | 19.01 | 0.00 | 19.01 | |
| Ortho EVRA Patch | 400 | 11.50 | 4600 | | 1.17 | 13.45 | 0.00 | 13.45 | |
| Nuva Ring | | 21.00 | 0 | | 1.17 | 24.57 | 0.00 | 24.57 | |
| ECP | 1000 | 4.55 | 4550 | | 1.17 | 5.32 | 0.00 | 5.32 | |
| TOTAL | | | 71890 | 84,097 | | | | | |

The Cost Analysis

Based on this Cost Analysis, your program is able to establish the “unbundled” cost for providing all services (for the prior year).

This is the basis to establish the fee schedule for the coming year.



The Cost Analysis

- ❖ The cost per procedure information is useful for managers in establishing charges and for analyzing the benefit of continuing to provide specific services.



The Cost Analysis

- ❖ What if the costs are “too high”?
 - In some instances the cost to an agency to provide a procedure requires a charge substantially above the competitive rate.
 - Either find a way to lower costs in the future or consider phasing out that service.



The Cost Analysis

- ❖ How often should we do a Cost Analysis?
 - Generally once every three years unless major changes occur.
- ❖ This allows the agency to establish appropriate charges (fees).





Questions and Discussion At the End of the Session

THANK YOU!