

**CALIFORNIA MEDICAL BILLING**  
**\*COMPARATIVE COST ANALYSIS WORKSHEET\***  
 "Large Group Practice"

IN-HOUSE BILLING Solo Practice/Individual Provider	MONTHLY IN-HOUSE COST	CALIFORNIA MEDICAL BILLING COST
<u>Employee Salary (per employee)</u> \$16.50 per hour x 40 hours per week = \$660.00 x 52 weeks = \$34,320 ÷ 12 months = \$2,860.00 = one-month gross pay \$15.75 per hour x 40 hours per week = \$630.00 x 52 weeks = \$32,760 12 months = \$2,730.00 = one-month gross pay \$21.00 per hour x 30 hours per week = \$630. x 52 (weeks) = \$32,760. ÷ 12 (months) = \$2,730.00 = one-month gross pay	\$8,320.00	6% on Average of \$175,000  Monthly Net Receivables  \$10,500 per month
<u>Medical Benefits</u> Average PPO plan \$315.00 (26-36 yrs. of age) (50% Employer's portion of dues) Full Time Employee (30 -40 hrs. per week)	\$472.50	NONE
<u>Sick Leave</u> Based on mandatory California 24 hrs. days per year	Paid Sick/ Delayed Revenues/Must Provide Coverage	NONE
<u>Vacation Leave</u> Based on a one-week paid Vacation per year	Paid Vacation/ Delayed Revenues/Must Provide Coverage	NONE
<u>Retirement Plan 401K Safe Harbor</u> Based on a 3% Employer Contribution per month	\$249.60	NONE
<u>Workers Compensation</u> Based on \$0.95 per \$100.00 on payroll California policy minimum \$500.00	\$79.04	NONE
<u>Payroll Taxes (Estimated) 14.5% gross wages</u> 7.25% Employer Tax Due Social Security, Medicare, State Unemployment	\$603.20	NONE
<u>Practice Management/EMR Software</u> Average cost for monthly EHR model \$300.00 per provider per month (4 Provider Practice)	\$1,200.00	\$100.00 (optional)
<u>Electronic Claims/ERA Submission Fee</u> @ \$0.42 per claim line Based on 80% of the total monthly claims (est. 1,700 claims/ERA)	NONE	NONE
<u>Paper Claims (Cost of Supplies &amp; Postage)</u> @ \$0.75 per claim Based on 20% of the total monthly claims (est. 365 claims)	\$273.75	NONE
<u>Patient Statements (Cost of Supplies &amp; Postage)</u> @ \$0.75 per statement Estimate 365 per month	\$273.75	\$273.75
<b><u>TOTAL COST PER MONTH</u></b>	<b>\$11,471.84</b>	<b>\$10,773.75</b>

**ADDITIONAL COSTS FOR IN-HOUSE BILLING RANGE FROM 2-5%**

Office Space Lease - Office Equipment (Computer System, Phone, Fax, Scanner, Copier, Filing System) -  
 Billing Software & IT Support - Coding Books - Updates - Training - File Storage Space - Electricity -  
 Phone/Internet Charges - Copy Charges - Office Supplies (Claim Forms, Statement Forms, Envelopes) -  
 Business Liability and Property Ins- Printer & Copier Ink- Postage

**EMPLOYEE SALARY INCREASES & YEARLY BONUS-THIS COULD ADD UP TO THOUSANDS!!**