

CALIFORNIA MEDICAL BILLING
COMPARATIVE COST ANALYSIS WORKSHEET
 "Solo 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	\$2,860.00	7% on Average of \$40,000. Monthly Net Receivables \$2,800.
<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)	\$157.50	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	\$85.80	NONE
<u>Workers Compensation</u> Based on \$0.95 per \$100.00 on payroll California policy minimum \$500.00	\$27.17	NONE
<u>Payroll Taxes (Estimated) 14.5% gross wages</u> 7.25% Employer Tax Due Social Security, Medicare, State Unemployment	\$207.35	NONE
<u>Practice Management/EMR Software</u> Average cost for monthly Basic EHR model \$300.00 per provider per month	\$300.00	\$100.00 (optional)
<u>Electronic Claims/ERA Submission Fee</u> @ \$0.42 per claim line Based on 80% of the total monthly claims (est.540 claims/ERA)	\$0.00	\$181.44
<u>Paper Claims (Cost of Supplies & Postage)</u> @ \$0.76 per claim Based on 20% of the total monthly claims (est. 540 claims)	\$82.08	NONE
<u>Patient Statements (Cost of Supplies & Postage)</u> @ \$0.76 per statement Estimate 108 per month	\$82.08	\$82.08
<u>TOTAL COST PER MONTH</u>	\$3,801.98	\$3,063.52

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!!