

Budgeting For Your Practice

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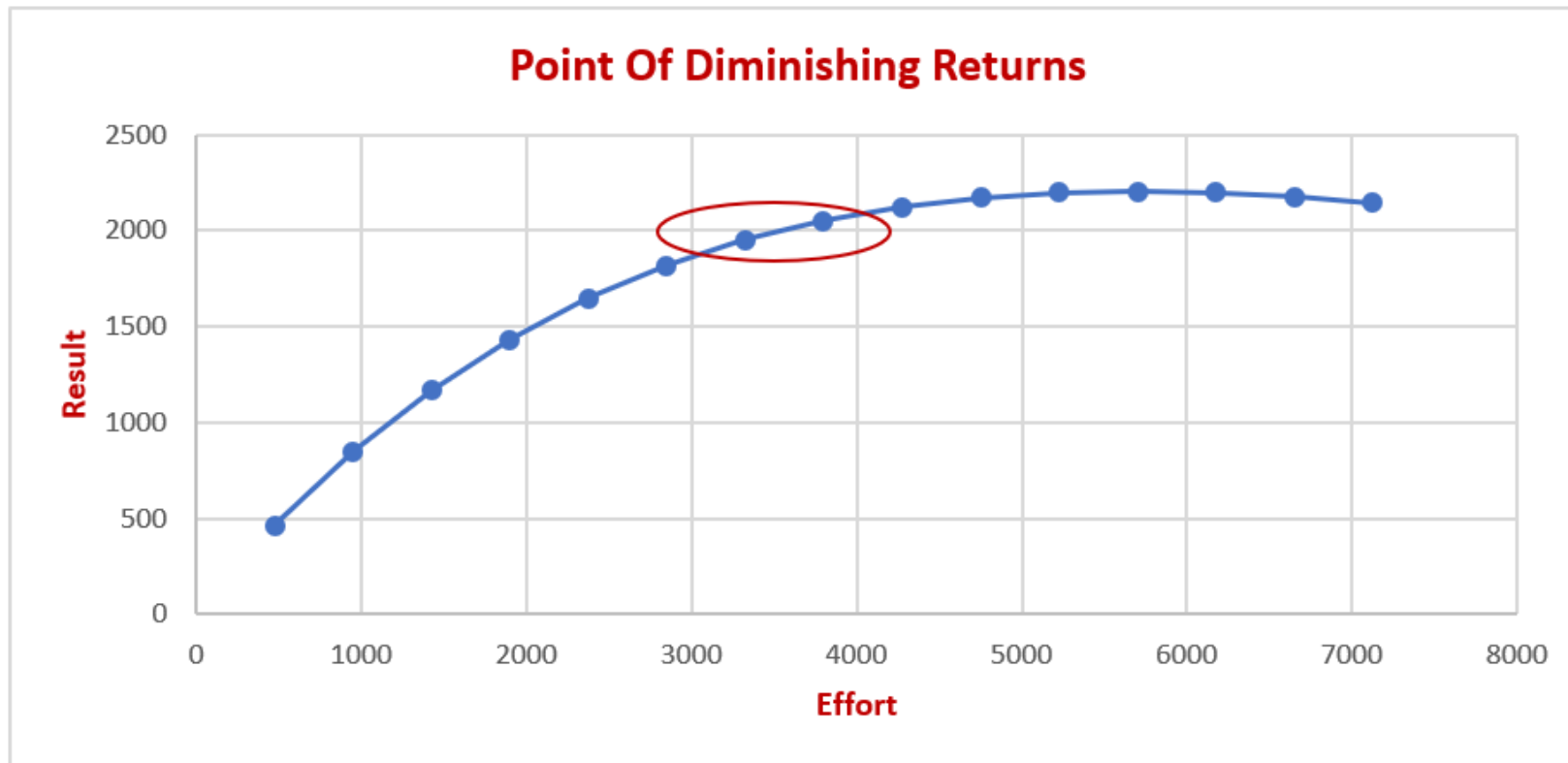
Why Budgets Are Important

- Plan for the future
- Tells a story
- Very simple process- takes time
- See the impact of decisions

Agenda

- House Keeping Items
 - Financial Statements
 - Chart of Accounts
- Background
- Data Review
- Revenue Estimates
- Cost Estimates
- Tie It Together
- Monitoring

Balance Effort With Results...



Progressively smaller increase in results as one increases the time/energy addressing an issue.

Four Major Financial Statements

Balance Sheet



Profit and Loss Statement (Income Statement)



Statement of Retained Earnings



Statement of Cash Flows



What Do They Tell Me?

Income Statement	Statement of Cash Flows	Statement of Retained Earnings	Balance Sheet
<ul style="list-style-type: none">• Revenue• Expenses	<ul style="list-style-type: none">• Change in cash on hand	<ul style="list-style-type: none">• Cumulative balance of undistributed profit	<ul style="list-style-type: none">• Overall financial position of the practice

Income or Profit and Loss Statement

Little Sprouts Pediatrics Income Statement For the Year Ending December 31, 2019	
Revenues	
Medical Services	\$ 750,000
Performance Bonuses	30,000
Interest	1,000
Total revenues	\$ 781,000
Expenses	
Payroll Expenses	\$ 400,000
Vaccines	125,000
Testing supplies	\$ 75,000
Other operating expenses	175,000
Total expenses	\$ 775,000
Net Income	\$ 6,000

Practice Allocation Methods



Billed Charges or Collections Received

Professional Services vs. Ancillary Services



Building / Lease Square Footage

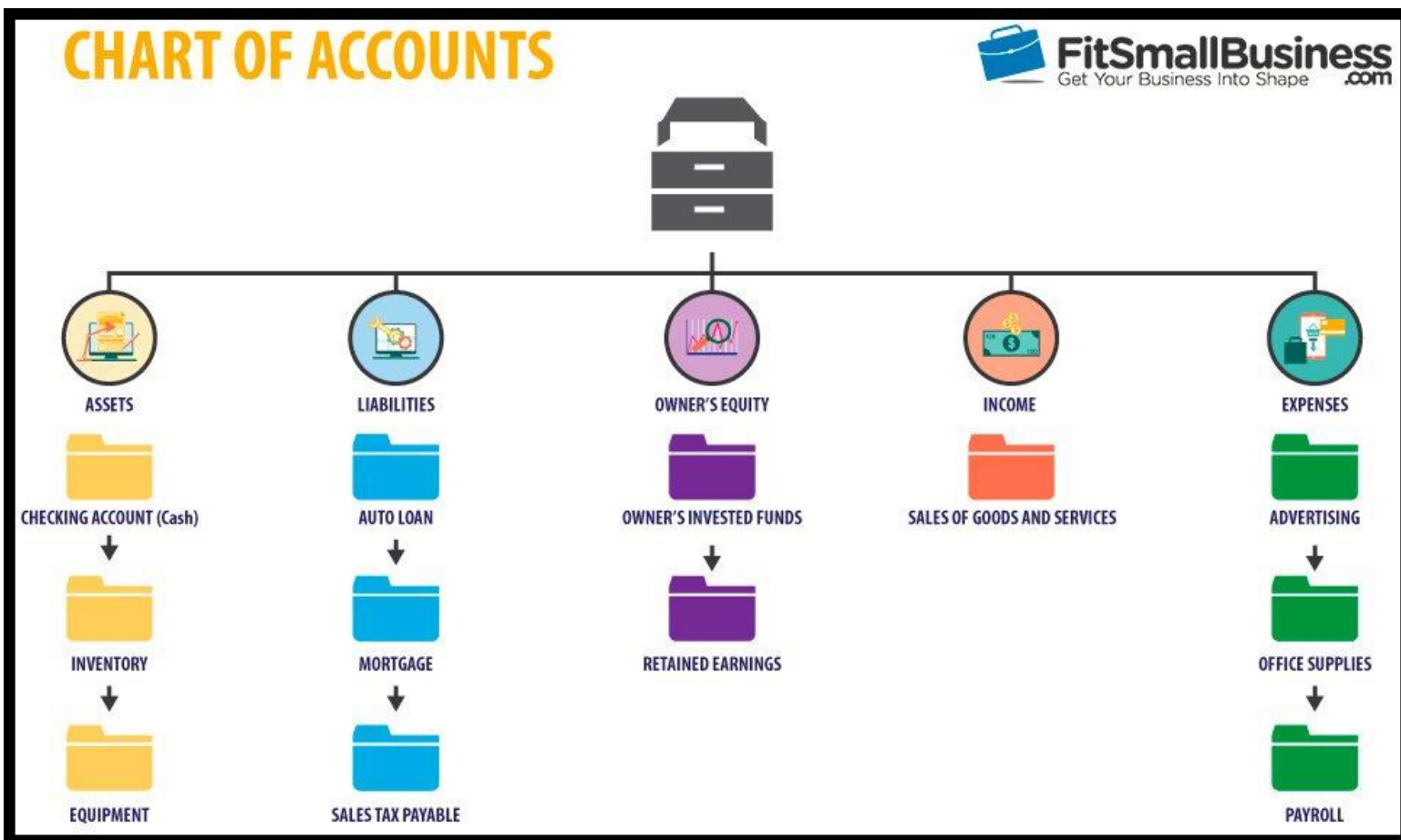
Janitorial & Utilities



Employees- FTE

Retirement Plan & Health Insurance Benefits

Chart of Accounts



- System to categorized:
 - Assets
 - Liabilities
 - Owner's Equity
 - Income
 - Expenses
- Logical system is key to efficient recording/reporting

Chart of Accounts...Why So Important?

- The chart of accounts is like the framework of shelves and storage bins in a warehouse. Accounts are the specific "bins" that hold accounting transactions. The chart of accounts is simply the organized list of all the bins and shelves.
- Month end financial statements (balance sheet and income statement) simply summarize and group the balances that are in the individual accounts at month end.
- Accordingly, financial statements can be no more detailed or informative than the underlying chart of accounts structure.

General Chart of Accounts Groupings

1. Assets: Cash, Accounts Receivable, Prepaid Expenses, Fixed Assets, Intangibles, etc.
2. Liabilities: Accounts Payable, Accrued Expenses, Credit Card Payable, Line of Credit, Loans Payable, etc.
3. Equity: Common Stock, Additional Paid In Capital, Retained Earnings, Dividends, Partner Capital Accounts, Distributions, Owners Equity, Owners Draw, etc.
4. Income: Practice Receipts, Miscellaneous Income
5. Expenses: Operating Costs For Practice, etc.

Chart of Accounts

Usually set up by the accountant when practice opened

1. Naming
 - 5000- Staff Wages
2. Ordering
 - 5010- Receptionists
 - 5020- Medical Assistants
 - 5030- Nurses
 - 5040- Billing staff
3. Roll Up
 - Work Location
 - Work Group
 - Work Type

Chart of Accounts General Groupings

1000	Bank/Clearing Accounts
2100	Credit Card & Clearing Accounts
2200	Payroll Tax Payable
2400	Benefits Payables
2500	Loans
4000	Income/Revenue
5000	Non-Provider Compensation & Benefits
6000	General and Administrative Expenses
7000	Medical Supplies & Services
8000	Non-Owner Provider Compensation & Benefits
9000	Owner Compensation & Benefits

4000- Income/Revenue

4000 Professional Fees

4010 Insurance ETF

4011 Credit Cards

4012 OTC Deposits

4013 Mail Deposits

4014 EFT Recoupment

4015 Deposit- Unspecified

4016 Incentive Checks (PCMH, Etc)

4017 Capitation Payments (Medicaid)

4018 Capitation Payments (Commercial)

4019 Pharmacy

4020 DME

4900 Other Medical Revenue

4500 Refunds

4510 Patient Refunds

4520 Insurance Refunds

Prefer to track income by source of revenue than by provider.

You can always report the provider source of payments with billing system. Why do it twice?

5000- Non-Provider Salary Costs

5000 Support Staff Compensation and Benefits
5100 Salaries-Support Staff
5110 Salaries-Administration
5120 Salaries-Billing
5130 Salaries-Clinical Support
5140 Salaries- Receptionists
5160 Salaries-Other
5170 Support Staff Deferred Compensation
5180 Support Staff Severance
5190 Support Staff 401K
5195 Support Staff Per Diem
5200 Support Staff Bonuses
5300 Payroll Taxes
5400 Support Staff Benefits
5410 Support Staff Insurance
5411 Support Staff Insurance - Medical
5412 Support Staff Insurance-Dental
5413 Support Staff Insurance-Life
5414 Support Staff Insurance-Disability
5415 Support Staff Insurance-Workers' Compensation
5418 Support Staff Insurance - Vision
5500 Temporary Staff Expenses

6000- General and Administrative Expenses

6000 General and Administrative Expenses	6330 Administrative Expenses	6380 Practice Education, Licensure, and Accreditation Expenses	6820 Information Technology Software
6100 Building and Occupancy Expenses	6331 Office Supplies	6381 Licenses	6821 Information Technology Software Purchase
6120 Building and Facilities Rent/Lease	6332 Office Equipment	6382 Books and Subscriptions	6822 Information Technology Software Development
6140 General Maintenance	6333 Office Lease	6383 Educational Materials	6823 Information Technology Software Maintenance
6150 Utilities	6334 Offsite Storage - Office Supplies and Equipment	6390 Other Administrative Supplies and Services	6824 Information Technology Subscriptions
6151 Utilities-Water	6335 Gifts	6391 Bank and Credit Card Processing Fees	6830 Information Technology Supplies
6152 Utilities-Electricity	6340 Purchased Professional Services	6392 Interest Expense	6831 Computer Lines
6153 Utilities-Waste Disposal	6341 Accounting Services	6400 Employee Meals and Meetings	6832 Computer System - EMR Expenses
6155 Other Utilities	6342 Legal Services	6500 Employee Relations	6833 Computer System - non-EMR Expenses
6160 Property Taxes	6345 Consulting Services Fees	6600 Marketing	6834 Computer Sytem - Network Equipment
6170 Housekeeping/Maintenance	6346 Consulting Services Travel	6620 RV Rental	6840 Information Technology Services
6171 Housekeeping/Maintenance-Supplies	6347 Other Professional Services	6650 Charitable Donations	6844 Website
6180 Security	6350 Purchased Services	6700 Insurance	6850 Telephone Services
6190 Other Occupancy Expense	6351 Answering Services	6710 Business and Casualty Insurance	6851 Telephone - Data Lines
6200 Administrative Furniture, Fixtures, and Equipment	6352 Triage Service	6720 Professional Liability Insurance	6852 Telephone - Voice Lines
6300 Administrative Supplies and Services	6353 Biohazardous Waste Removal	6800 Information Technology	6853 Cell Phone Services
6310 Postage, Shipping and Courier Services	6356 Payroll Services	6810 Information Technology Equipment	
6311 Postage Lease	6357 Patient billing services	6815 Information Technology Remote Support	
6320 Printing and Copying	6358 Other General and Administrative Purchased Services		
	6370 Library/Books and Subscriptions		

7000- Medical Supplies & Services

7000 Medical Supplies and Services

7100 Medical Equipment

7110 Medical Equipment - Repairs and Maintenance

7200 Vaccines and Injectibles

7400 Laboratory Expenses

7420 Laboratory Supplies

7430 Laboratory Services

7500 Linens

7800 Offsite Storage - Medical Records and Supplies

8000- Provider Expenses

8000 Provider Expenses	
8200 Employed Physician Compensation and Benefits	8300 Non-Physician Provider Compensation and Benefits
8210 Employed Physician Compensation	8310 Non-Physician Provider Compensation
8220 Employed Physician Payroll Taxes	8320 Non-Physician Provider Payroll Taxes
8230 Employed Physician Insurance	8330 Non-Physician Provider Insurance
8231 Employed Physician Insurance - Medical	8331 Non-Physician Provider Insurance - Medical
8232 Employed Physician Insurance - Dental	8332 Non-Physician Provider Insurance - Dental
8233 Employed Physician Insurance - Life	8333 Non-Physician Provider Insurance - Life
8234 Employed Physician Insurance - Disability	8334 Non-Physician Provider Insurance - Disability
8235 Employed Physician Insurance - Vision	8335 Non-Physician Provider Insurance - Vision
8240 Employed Physician 401K	8340 Non-Physician Provider 401K
8250 Employed Physician Professional Development	8350 Non-Physician Provider Professional Development
8260 Employed Physician Bonuses	8360 Non-Physician Provider Bonuses
8280 Employed Physician Other benefits	8380 Non-Physician Provider Other benefits
8290 Employed Physician Retirement Contributions	8390 Non-Physician Provider Retirement Contributions
	8400 Physician Contractor / Locum Tenans Compensation

9000- Owner Expenses

9000 Owner Expenses
9100 Owner Compensation and Benefits
9110 Owner Compensation
9120 Owner Payroll Taxes
9130 Owner Insurance
9131 Owner Insurance - Medical
9132 Owner Insurance-Dental
9133 Owner Insurance-Life
9134 Owner Insurance-Short Term Disability
9135 Owner Insurance-Long Term Disability
9136 Owner Insurance-Long Term Care
9137 Owner Insurance - Vision
9138 Owner Insurance- Buy/Sell
9140 Owner 401K
9150 Owner Professional Development
9151 Owner Professional Development- Fees
9152 Owner Professional Development- Travel
9160 Owner Bonuses
9161 Owner Auto-Lease
9180 Owner Other benefits
9115 Owner Stipends



Download Chart Of Accounts



AutoSave Off PML_SampleChartOfAccounts - Saved to this PC

File Home Insert Draw Page Layout Formulas Data Review View Automate Developer Help Acrobat Power Pivot

Clipboard Font Alignment Number Styles Cells

	A	B	C	D
1	GL Number	GL Description	Type	Detail Type
2	1100	Bill.com Money Out Clearing	Bank	Cash on hand
3	1110	Bank Account #1	Bank	Checking
4	1111	Bank Account #2	Bank	Checking
5	1112	Bank Account #3	Bank	Checking
6	1113	Bank Account #4	Bank	Checking
7	1114	Bank Account #5	Bank	Checking
8	1115	Money Market Account	Bank	Savings
9	1120	Inventory Assets	Other Current Assets	Inventory
10	1121	Furniture & Equipment	Other Current Assets	Inventory
11	1122	Vaccine Inventory	Other Current Assets	Inventory
12	1130	Uncategorized Asset	Other Current Assets	Other Current Assets
13	1140	Accounts Payable (A/P)	Accounts payable (A/P)	Accounts Payable (A/P)
14	2150	Credit Cards	Credit Card	Credit Card
15	2151	Credit Card #1	Credit Card	Credit Card
16	2152	Credit Card #2	Credit Card	Credit Card
17	2100	Payroll Clearing	Other Current Liabilities	Payroll Clearing
18	2101	Garnishment Payable	Other Current Liabilities	Payroll Clearing
19	2102	Manual Payroll Check Clearing	Other Current Liabilities	Payroll Clearing
20	2200	Taxes Payable	Other Current Liabilities	Payroll Tax Payable

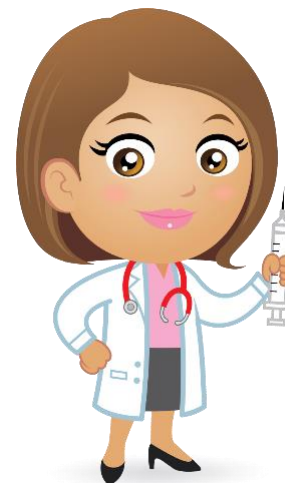
Departments & Classes

<u>Departments</u>		<u>Classes</u>
Location 1		Dr. Smith
Location 2		Dr. Jones
Location 3		Dr. XYZ
Location 4		Dr. LMNOP

Two Largest Expenses...



Labor



Vaccines



Labor Cost Allocation



Labor Cost

Labor Cost Item	Direct	Employer
Wages - Staff	X	
Wages - Physicians	X	
Wages - Overtime	X	
Bonuses - Staff	X	
Bonuses - Physicians	X	
Severance Pay	X	
Employer FICA		X
Employer Medicare		X
Workers' Compensation Insurance		X
Federal Unemployment		X
State Unemployment		X
Vacation Pay		X
Holiday Pay		X
Sick Pay		X
Parking		X
Employer Provided Health Insurance		X
Employer Provided Life Insurance		X
Employer Provided 401 K Contributions		X
Employer Provided IRA Contributions		X
Employer Provided Pensions & Retirement		X

KPI's Needed For Budgeting



**Revenue
per
Encounter**



**Encounters
per Day**



**Days per Year
the Provider
Works**

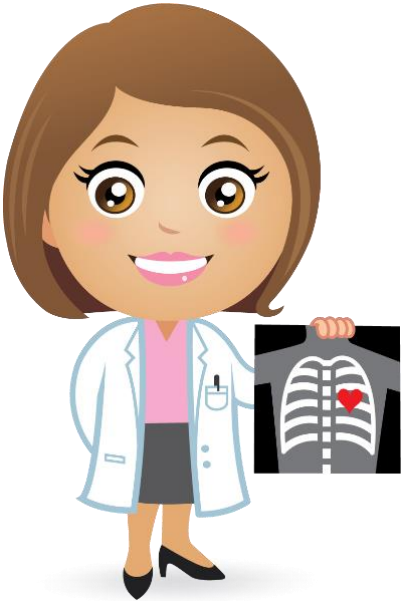
1. Revenue per Encounter



Encounter Revenue / Office Encounters

\$500,000 / 4,000
\$125.00 Per Visit

2. Encounters per Day



Total Encounters / Provider Days

4,000 / 200

20 Encounters Per Day

Revenue Per Encounter

By Provider:

1. Number of office visits
2. Total revenue generated

Run for an entire 12-month period to pick up seasonal variations.

	Patients Seen	Estimated Revenue Generated	Revenue Per Encounter
Provider 1	1,751	\$ 216,000	\$ 123.36
Provider 2	3,600	\$ 422,100	\$ 117.25
Provider 3	1,875	\$ 228,600	\$ 121.92
Provider 4 (Owner)	4,500	\$ 530,550	\$ 117.90

Estimate Future Revenue?

How Do I Use This Information
To Estimate Future Revenue?

Now that you have the revenue per encounter by month, you will estimate the number of days each provider will work along with the number of patients they will see each day for a monthly total. This will calculate the expected revenue per **month** to be used in your practice budget.

For employed physicians, this method can also be used to validate the numbers used during your contract negotiations.

What Does Revenue Per Encounter Tell Me?

Revenue per encounter is an excellent barometer of your financial health. There are many things that influence the revenue per encounter and consequently allow you to see the impact of things such as:



Are your claims being processed timely?



Are your claims being paid properly?



Are you being paid fairly?



Is your payor mix excellent, fair or poor?



Are you following proper CPT coding guidelines?

3. Days per Year

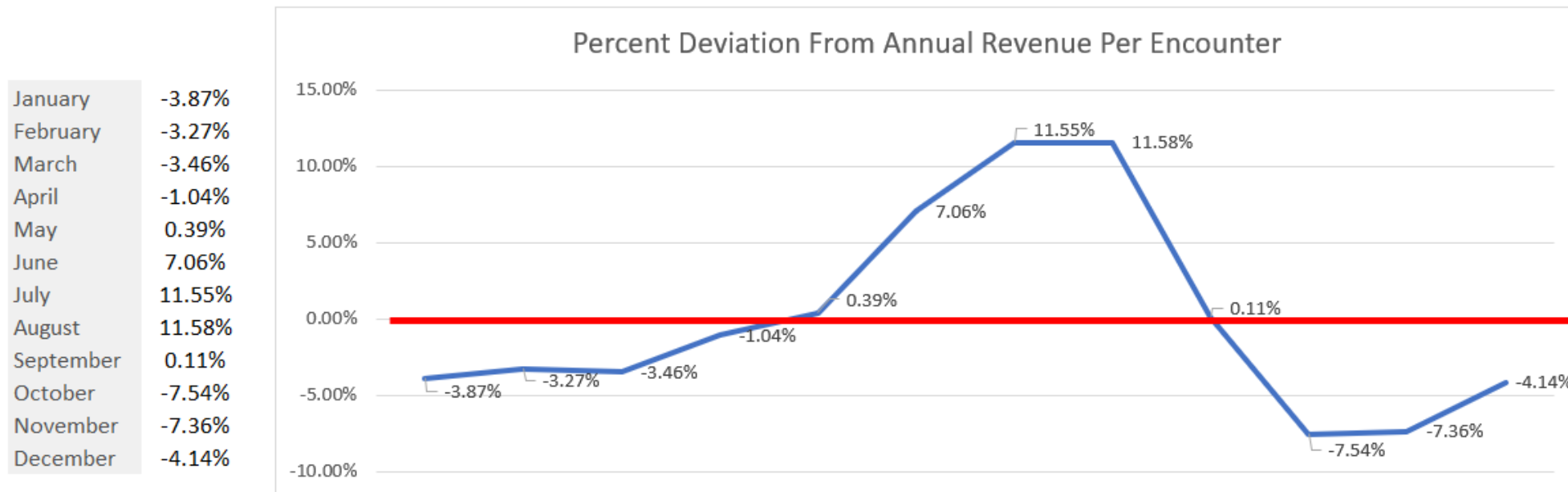


Count weeks & week / year



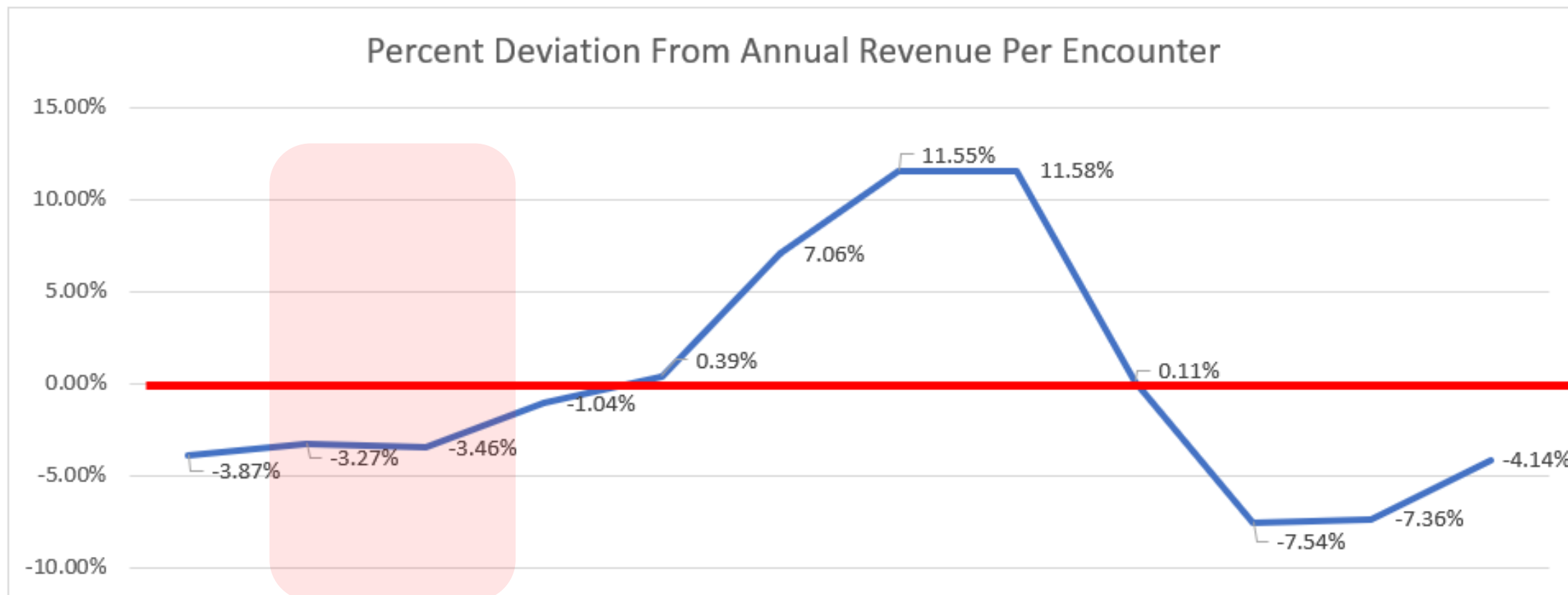
Count actual days by month

Revenue Per Encounter

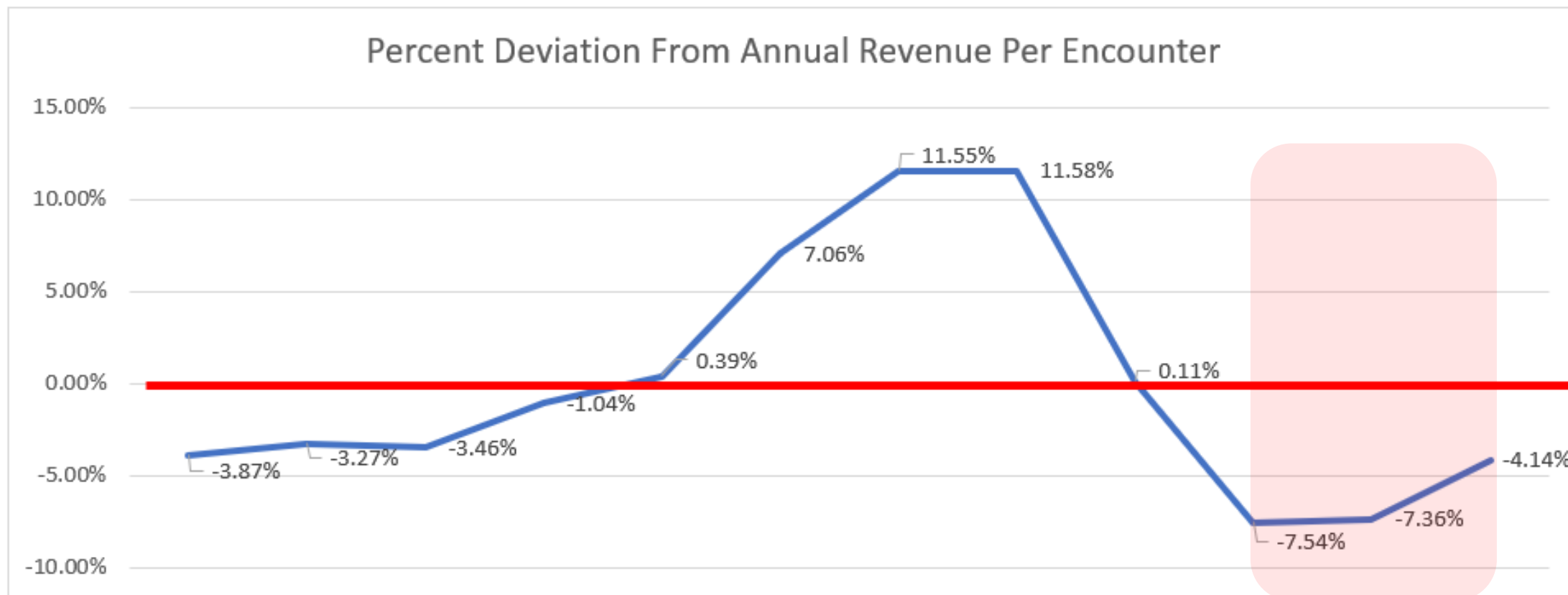


Comparison of individual monthly revenue per encounter versus annual aggregated total.

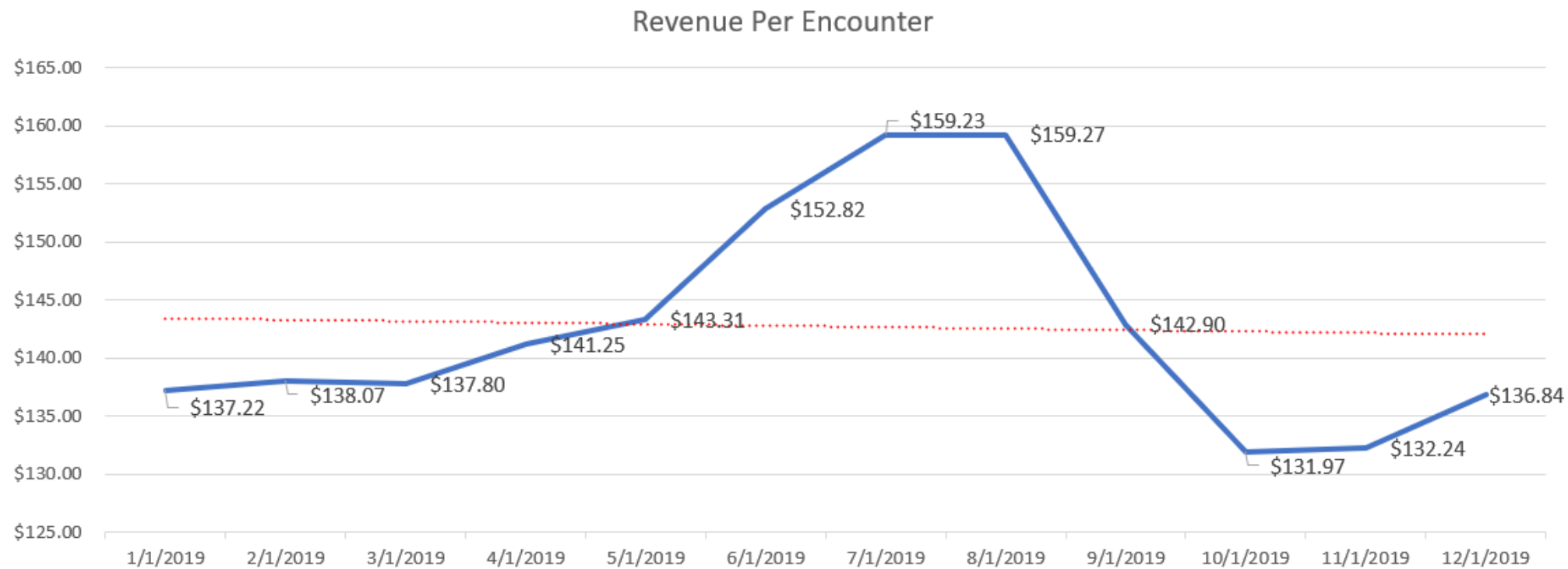
Revenue Per Encounter



Revenue Per Encounter

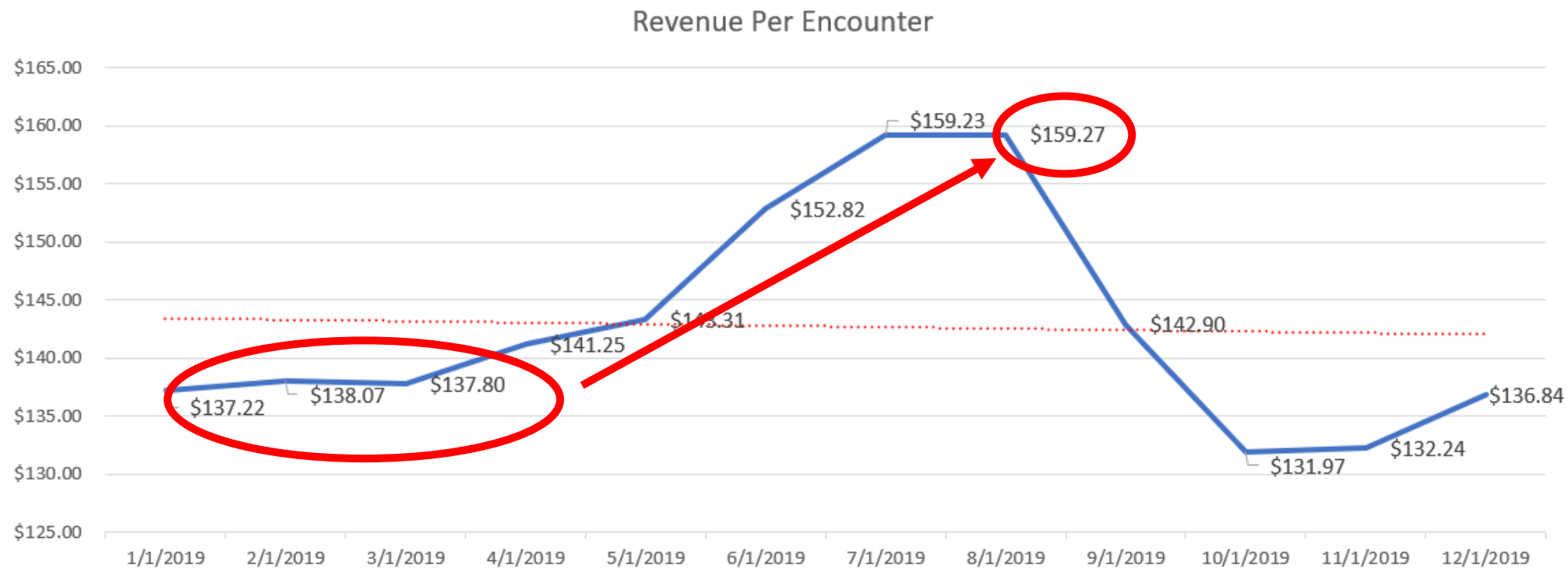


Revenue Per Encounter



n=598 private practice Pediatricians (2019)
2,147,130 Appointments

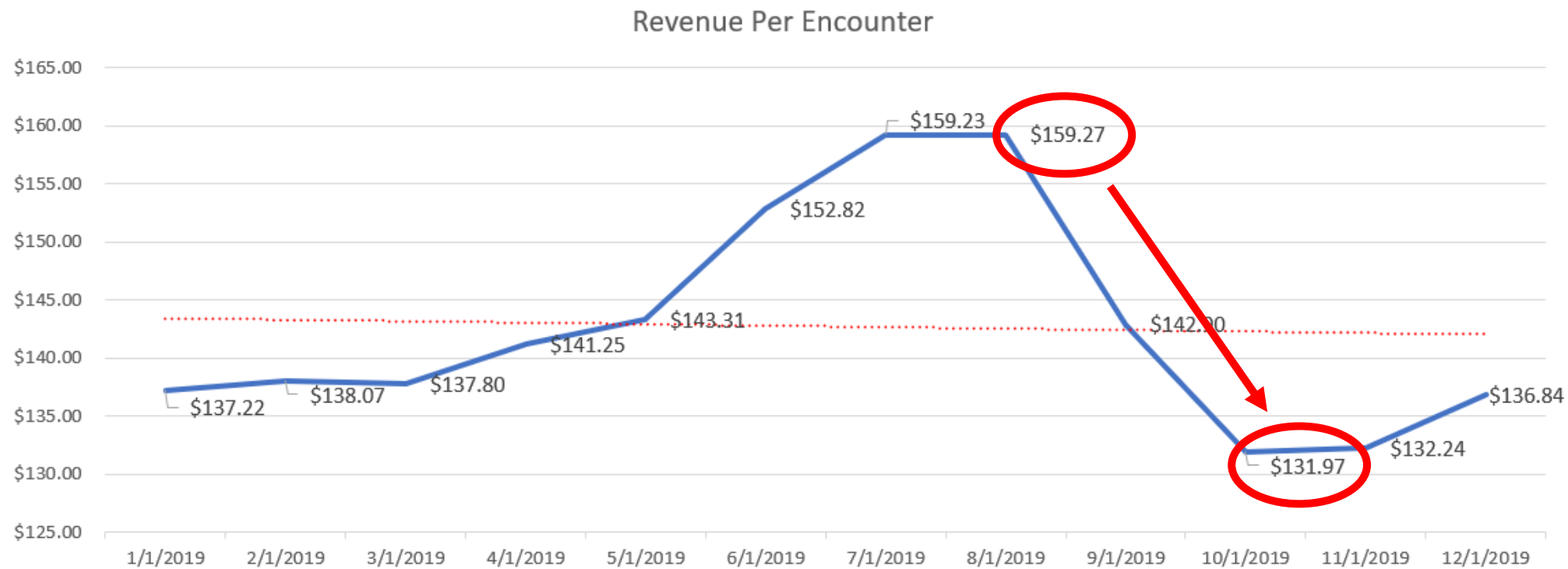
Revenue Per Encounter



~15.60% increase in Revenue Per Encounter (Q1-Oct)

n=598 private practice Pediatricians (2019)
2,147,130 Appointments

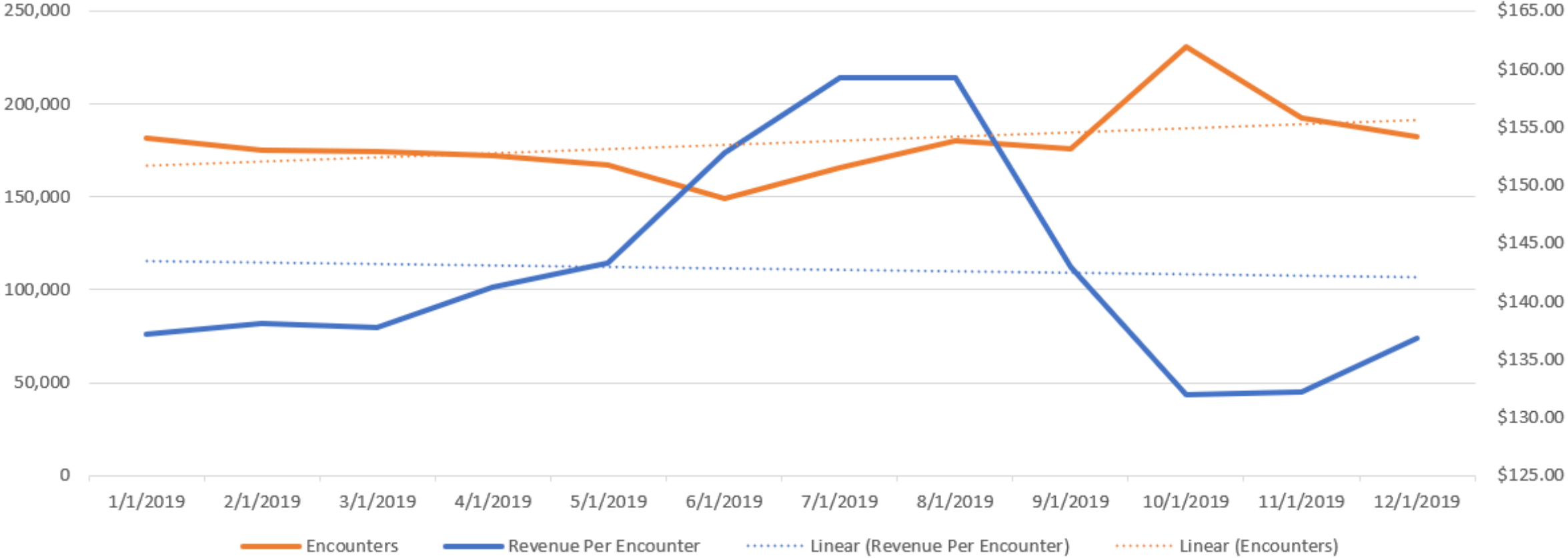
Revenue Per Encounter



17.14% drop in Revenue Per Encounter (Aug-Oct)

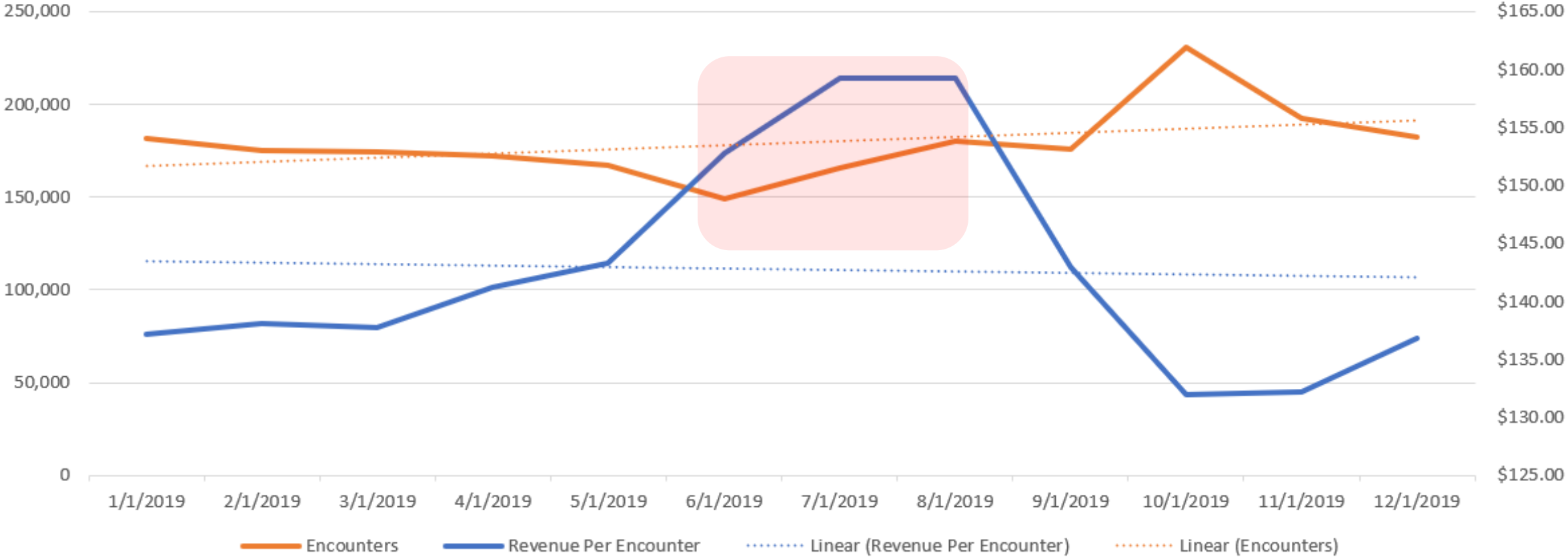
n=598 private practice Pediatricians (2019)
2,147,130 Appointments

Number of Visits & Revenue Per Encounter



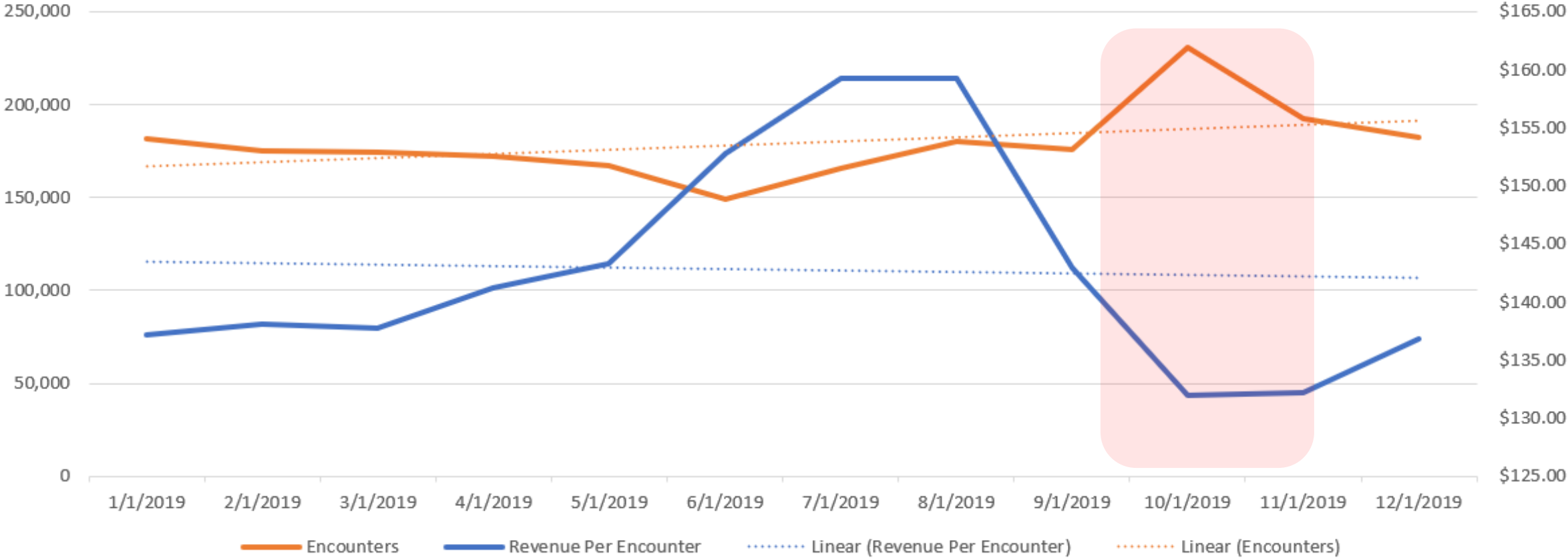
n=598 private practice Pediatricians (2019)
2,147,130 Appointments

Number of Visits & Revenue Per Encounter



n=598 private practice Pediatricians (2019)
2,147,130 Appointments

Number of Visits & Revenue Per Encounter



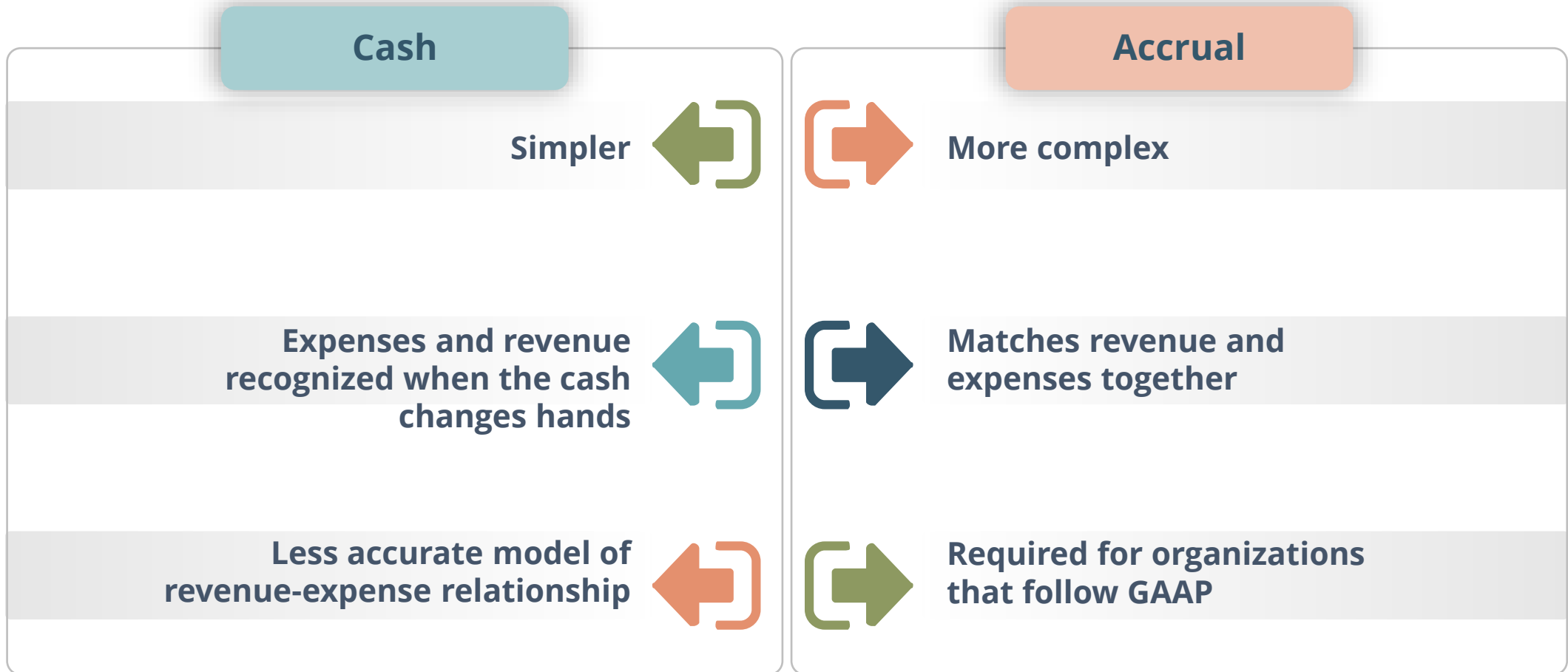
n=598 private practice Pediatricians (2019)
2,147,130 Appointments

Cash Flow Considerations

1. Summer Check Up Vaccines
 - Due August/September
2. Flu Vaccine Invoices
 - Due November/December
3. Credit card payments delay cash outlay 30 days
4. Provider Bonuses
 - Q3 bonuses are usually the strongest
 - Q4 can usually see no increase (possible decrease)

Let's Make A Budget...

1. Estimate Revenue
2. Estimate Operating Costs
3. Estimate Provider Costs
4. Estimate/Plan Capital Expenses
5. Review (Make Sure You Can Do It)





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		January	February	March	April	May	June	July	August	September
Step 1: Estimate Revenue										
Provider 1										
A	Number of Encounters	Estimate 351	393	319	239	242	472	212	336	312
B	Revenue Per Encounter	Historic \$ 186.45	\$ 188.22	\$ 160.64	\$ 187.94	\$ 178.45	\$ 207.96	\$ 216.59	\$ 215.20	\$ 234.79
C	Provider 1 FFS Revenue	AxB \$ 65,446	\$ 73,969	\$ 51,244	\$ 44,917	\$ 43,186	\$ 98,156	\$ 45,917	\$ 72,307	\$ 73,253
Provider 2										
D	Number of Encounters	Estimate 286	357	229	232	146	393	269	291	272
E	Revenue Per Encounter	Historic \$ 187.95	\$ 166.48	\$ 162.83	\$ 198.98	\$ 187.19	\$ 212.67	\$ 221.00	\$ 215.66	\$ 200.28
F	Provider 2 FFS Revenue	DxE \$ 53,755	\$ 59,433	\$ 37,289	\$ 46,163	\$ 27,329	\$ 83,579	\$ 59,448	\$ 62,758	\$ 54,476
Provider 3										
G	Number of Encounters	Estimate 226	343	214	205	215	361	252	200	231
H	Revenue Per Encounter	Historic \$ 206.74	\$ 154.07	\$ 177.13	\$ 176.22	\$ 159.20	\$ 191.67	\$ 196.55	\$ 196.88	\$ 199.71
I	Provider 3 FFS Revenue	GxH \$ 46,723	\$ 52,847	\$ 37,907	\$ 36,124	\$ 34,227	\$ 69,195	\$ 49,531	\$ 39,376	\$ 46,134
Nurse/Shot/Flu Visits										
J	Number of Nurse/Shot/Flu Encounters	Estimate 136	98	65	30	53	114	76	111	275
K	Revenue Per Nurse/Shot/Flu Visit	Historic \$ 69.82	\$ 82.03	\$ 83.66	\$ 123.61	\$ 71.44	\$ 99.46	\$ 144.81	\$ 126.43	\$ 55.30
L	Nurse/Shot/Flu Revenue	JxK \$ 9,495	\$ 8,039	\$ 5,438	\$ 3,708	\$ 3,786	\$ 11,339	\$ 11,005	\$ 14,033	\$ 15,206
M	Practice Total FFS Revenue	C+F+I+L \$ 175,419	\$ 194,287	\$ 131,877	\$ 130,913	\$ 108,528	\$ 262,268	\$ 165,902	\$ 188,474	\$ 189,069



Estimate Operating Costs

38	Other Professional Services	\$ -	\$ -	\$ 750	\$ -	\$ -	\$ -	\$ -	\$ 750	\$ -	\$ -	\$ -	\$ -	\$ 1,500
39	Answering Services	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 5,700
40	Triage Service	\$ 800	\$ 800	\$ 800	\$ 800	\$ 650	\$ 650	\$ 500	\$ 500	\$ 800	\$ 800	\$ 800	\$ 800	\$ 8,700
41	Biohazardous Waste Removal	\$ 185	\$ 185	\$ 185	\$ 185	\$ 185	\$ 185	\$ 185	\$ 185	\$ 185	\$ 185	\$ 185	\$ 185	\$ 2,220
42	Payroll Services	\$ 188	\$ 188	\$ 188	\$ 188	\$ 188	\$ 188	\$ 188	\$ 188	\$ 188	\$ 188	\$ 188	\$ 188	\$ 2,250
43	Educational Materials (Patient)	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 1,500
44	Bank and Credit Card Processing Fees	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 18,000
45	Employee Meals and Meetings	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 3,000
46	Employee Relations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ 1,500	\$ 3,000
47	Marketing	\$ 395	\$ 395	\$ 395	\$ 395	\$ 395	\$ 395	\$ 395	\$ 395	\$ 395	\$ 395	\$ 395	\$ 395	\$ 4,740
48	Charitable Donations	\$ 250	\$ -	\$ 250	\$ -	\$ 250	\$ -	\$ 250	\$ -	\$ 250	\$ -	\$ 750	\$ 750	\$ 2,750
49	Business/General Liability Insurance	\$ -	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ 5,000
50	Professional Liability Insurance	\$ 4,375	\$ 4,375	\$ 4,375	\$ 4,375	\$ 4,375	\$ 4,375	\$ 4,375	\$ 4,375	\$ 4,375	\$ 4,375	\$ 4,375	\$ 4,375	\$ 52,500
51	Information Technology - EMR Expense	\$ 2,550	\$ 2,550	\$ 2,550	\$ 2,550	\$ 2,550	\$ 2,550	\$ 2,550	\$ 2,550	\$ 2,550	\$ 2,550	\$ 2,550	\$ 2,550	\$ 30,600
52	Information Technology - Remote Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53	Information Technology - Software Subscriptions	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 2,100
54	Information Technology - Software Purchase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55	Information Technology - Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
56	Information Technology - Website	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 5,700
57	Telephone - Data Lines	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 5,700
58	Telephone - Voice Lines	\$ 365	\$ 365	\$ 365	\$ 365	\$ 365	\$ 365	\$ 365	\$ 365	\$ 365	\$ 365	\$ 365	\$ 365	\$ 4,380
59	Telephone - Cell Phones	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 2,100
60	Medical Equipment - Repairs and Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61	Vaccines and Injectibles	\$ 30,000	\$ 20,000	\$ 20,000	\$ 15,000	\$ 15,000	\$ 20,000	\$ 20,000	\$ 35,000	\$ 40,000	\$ 45,000	\$ 50,000	\$ 60,000	\$ 370,000
62	Medical Supplies	\$ 375	\$ 250	\$ 250	\$ 188	\$ 188	\$ 250	\$ 250	\$ 438	\$ 500	\$ 563	\$ 625	\$ 750	\$ 4,625
63	Laboratory Supplies	\$ 1,500	\$ 1,000	\$ 1,000	\$ 750	\$ 750	\$ 1,000	\$ 1,000	\$ 1,750	\$ 2,000	\$ 2,250	\$ 2,500	\$ 3,000	\$ 18,500
64	Laboratory Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65		\$ 124,283	\$ 113,883	\$ 113,883	\$ 106,070	\$ 106,170	\$ 111,233	\$ 111,333	\$ 131,770	\$ 132,883	\$ 137,945	\$ 145,508	\$ 164,195	\$ 1,499,156

Estimate Provider Costs

29	Extender (NP/PA) Provider Bonuses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	Extender (NP/PA) Provider Other benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	Extender (NP/PA) Professional Development- Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32	Extender (NP/PA) Professional Development- Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Physician Contractor / Locum Tenans Compensation	\$ -	\$ -	\$ -	\$ 1,750	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,250
34	Owner Salary	\$ 14,583	\$ 14,583	\$ 14,583	\$ 14,583	\$ 14,583	\$ 14,583	\$ 14,583	\$ 14,583	\$ 14,583	\$ 14,583	\$ 14,583	\$ 14,583	\$ 175,000
35	Owner Payroll Taxes	\$ 1,094	\$ 1,094	\$ 1,094	\$ 1,094	\$ 1,094	\$ 1,094	\$ 1,094	\$ 1,094	\$ 1,094	\$ 1,094	\$ 1,094	\$ 1,094	\$ 13,125
36	Owner Insurance - Medical	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 10,500
37	Owner Insurance - Dental	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 1,380
38	Owner Insurance - Life & ADD	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 900
39	Owner Insurance - STD	\$ 265	\$ 265	\$ 265	\$ 265	\$ 265	\$ 265	\$ 265	\$ 265	\$ 265	\$ 265	\$ 265	\$ 265	\$ 3,180
40	Owner Insurance - Long Term Disability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	Owner Insurance - Long Term Care	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	Owner Insurance - Vision	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 1,380
43	Owner Insurance - Buy/Sell	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	Owner 401K	\$ 4,667	\$ 4,667	\$ 4,667	\$ 4,667	\$ 4,667	\$ 4,667	\$ 4,667	\$ 4,667	\$ 4,667	\$ 4,667	\$ 4,667	\$ 4,667	\$ 56,000
45	Owner Professional Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46	Owner Professional Development- Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	Owner Professional Development- Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	Owner Auto-Lease	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 10,500
49	Owner Cell Phone Services	\$ 165	\$ 165	\$ 165	\$ 165	\$ 165	\$ 165	\$ 165	\$ 165	\$ 165	\$ 165	\$ 165	\$ 165	\$ 1,980
50	Owner Other benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51		\$ 50,761	\$ 50,761	\$ 50,761	\$ 50,761	\$ 52,511	\$ 53,261	\$ 50,761	\$ 50,761	\$ 50,761	\$ 50,761	\$ 50,761	\$ 50,761	\$ 613,380

Estimate / Plan Capital Expenses

Step 4: Estimate Capital Expenses

	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Total</u>
Office Equipment Purchases	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500
Office Furniture Purchases	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500
Information System Equipment	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,500	\$ 6,500
Laboratory Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 850	\$ -	\$ -	\$ -	\$ -	\$ 3,500	\$ 4,350
Medical Equipment Purchases	\$ -	\$ -	\$ 850	\$ -	\$ -	\$ -	\$ -	\$ 1,200	\$ -	\$ -	\$ -	\$ -	\$ 2,050
	\$ 2,500	\$ 1,500	\$ 850	\$ -	\$ 1,500	\$ 1,500	\$ 850	\$ 1,200	\$ -	\$ -	\$ -	\$ 7,000	\$ 16,900

Review Projections

1	Step 5: Review Summary													
2		<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Total</u>
3	Total Revenue	\$ 183,994	\$ 203,012	\$ 138,852	\$ 139,663	\$ 117,553	\$ 269,768	\$ 173,627	\$ 198,574	\$ 198,219	\$ 203,573	\$ 185,864	\$ 173,829	\$ 2,186,530
4	Operating Expenses	\$ 124,283	\$ 113,883	\$ 113,883	\$ 106,070	\$ 106,170	\$ 111,233	\$ 111,333	\$ 131,770	\$ 132,883	\$ 137,945	\$ 145,508	\$ 164,195	\$ 1,499,156
5	Provider Expenses	\$ 50,761	\$ 50,761	\$ 50,761	\$ 50,761	\$ 52,511	\$ 53,261	\$ 50,761	\$ 50,761	\$ 50,761	\$ 50,761	\$ 50,761	\$ 50,761	\$ 613,380
6	Capital Expenses	\$ 2,500	\$ 1,500	\$ 850	\$ -	\$ 1,500	\$ 1,500	\$ 850	\$ 1,200	\$ -	\$ -	\$ -	\$ 7,000	\$ 16,900
7	Monthly Cash Position	\$ 6,450	\$ 36,868	\$ (26,641)	\$ (17,168)	\$ (42,628)	\$ 103,775	\$ 10,683	\$ 14,843	\$ 14,575	\$ 14,867	\$ (10,404)	\$ (48,127)	\$ 57,093

Welcome To The PMI Learning Center

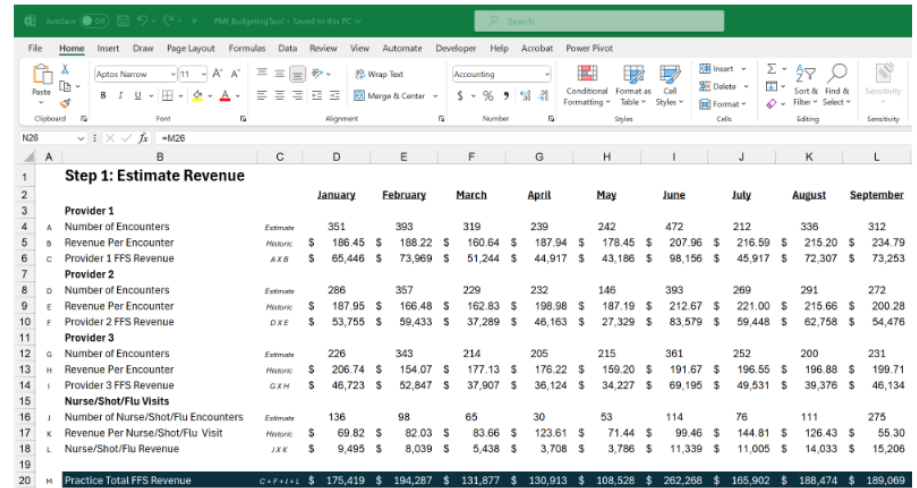
What Do You Want To Learn About Today?

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Practice Budgeting Tool

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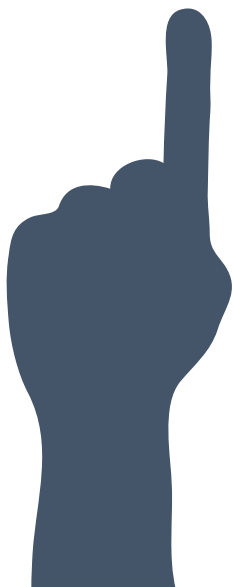


		January	February	March	April	May	June	July	August	September
Step 1: Estimate Revenue										
Provider 1										
A	Number of Encounters	Estimate 351	393	319	239	242	472	212	336	312
B	Revenue Per Encounter	Historic \$ 186.45	\$ 188.22	\$ 160.64	\$ 187.94	\$ 178.45	\$ 207.96	\$ 216.59	\$ 215.20	\$ 234.79
C	Provider 1 FFS Revenue	AxB \$ 65,446	\$ 73,969	\$ 51,244	\$ 44,917	\$ 43,186	\$ 98,156	\$ 45,917	\$ 72,307	\$ 73,253
Provider 2										
D	Number of Encounters	Estimate 286	357	229	232	146	393	269	291	272
E	Revenue Per Encounter	Historic \$ 187.95	\$ 166.48	\$ 162.83	\$ 198.98	\$ 187.19	\$ 212.67	\$ 221.00	\$ 215.66	\$ 200.28
F	Provider 2 FFS Revenue	DxE \$ 53,755	\$ 59,433	\$ 37,289	\$ 46,163	\$ 27,329	\$ 83,579	\$ 59,448	\$ 62,758	\$ 54,476
Provider 3										
G	Number of Encounters	Estimate 226	343	214	205	215	361	252	200	231
H	Revenue Per Encounter	Historic \$ 206.74	\$ 154.07	\$ 177.13	\$ 176.22	\$ 159.20	\$ 191.67	\$ 196.55	\$ 196.88	\$ 199.71
I	Provider 3 FFS Revenue	GxH \$ 46,723	\$ 52,847	\$ 37,907	\$ 36,124	\$ 34,227	\$ 69,195	\$ 49,531	\$ 39,376	\$ 46,134
Nurse/Shot/Flu Visits										
J	Number of Nurse/Shot/Flu Encounters	Estimate 136	98	65	30	53	114	76	111	275
K	Revenue Per Nurse/Shot/Flu Visit	Historic \$ 69.82	\$ 82.03	\$ 83.66	\$ 123.61	\$ 71.44	\$ 99.46	\$ 144.81	\$ 126.43	\$ 55.30
L	Nurse/Shot/Flu Revenue	JxK \$ 9,495	\$ 8,039	\$ 5,438	\$ 3,708	\$ 3,786	\$ 11,339	\$ 11,005	\$ 14,033	\$ 15,206
M	Practice Total FFS Revenue	C+F+I+L \$ 175,419	\$ 194,287	\$ 131,877	\$ 130,913	\$ 108,528	\$ 262,268	\$ 165,902	\$ 188,474	\$ 189,069



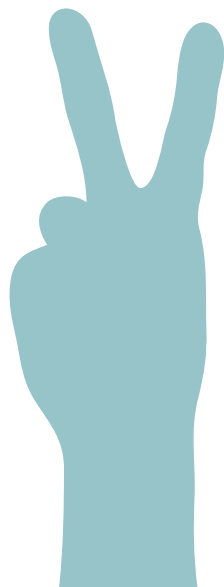
Ways to Divide the Excess

Even Split



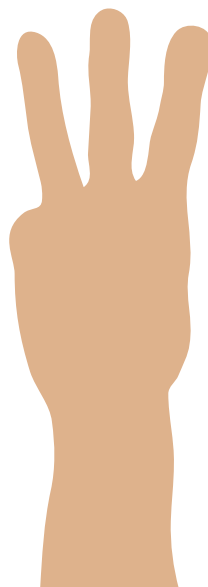
Split based on percentage of:

- Revenue Generated
- Charges Generated
- wRVU's



Blend of Split & Productivity

- 25% Even Split and 75% on Revenue/Charges/wRVU's



"Eat What You Kill"

- Individual margin after allocating vaccine cost
- Occurs when significant age variance of provider and/or patient population
- Sometimes occurs when one provider sees disproportionate share of Medicaid- which carry no vaccine drug costs



Individual Location profitability



Common Method

- 25% Even Split and 75% Based on Charges Generated
- Partner Clear = \$650,000
- Partner Expenses Paid Via Practice= \$83,200

	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>	<i>G</i>	<i>H</i>
		<i>A/(Sum A)</i>	<i>Pot*0.25/3</i>	<i>B*0.75*Pot</i>	<i>C+D</i>			<i>E-F-G</i>
	Charges Generated	Charge %age	Even Split (25%)	Production Split (75%)	Total Earnings	Salary Drawn	Expenses Paid	Amount Due
Partner 1	\$ 850,000	36.56%	\$ 61,100	\$ 201,039	\$ 262,139	\$ 185,000	\$ 18,600	\$ 58,539
Partner 2	\$ 775,000	33.33%	\$ 61,100	\$ 183,300	\$ 244,400	\$ 200,000	\$ 35,400	\$ 9,000
Partner 3	\$ 700,000	30.11%	\$ 61,100	\$ 165,561	\$ 226,661	\$ 120,000	\$ 29,200	\$ 77,461
	\$ 2,325,000		\$ 183,300	\$ 549,900	\$ 733,200	\$ 505,000	\$ 83,200	\$ 145,000

 **intuit**
QuickBooks.
Desktop



VS

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QuickBooks.
Online



Load Budget Into AP System

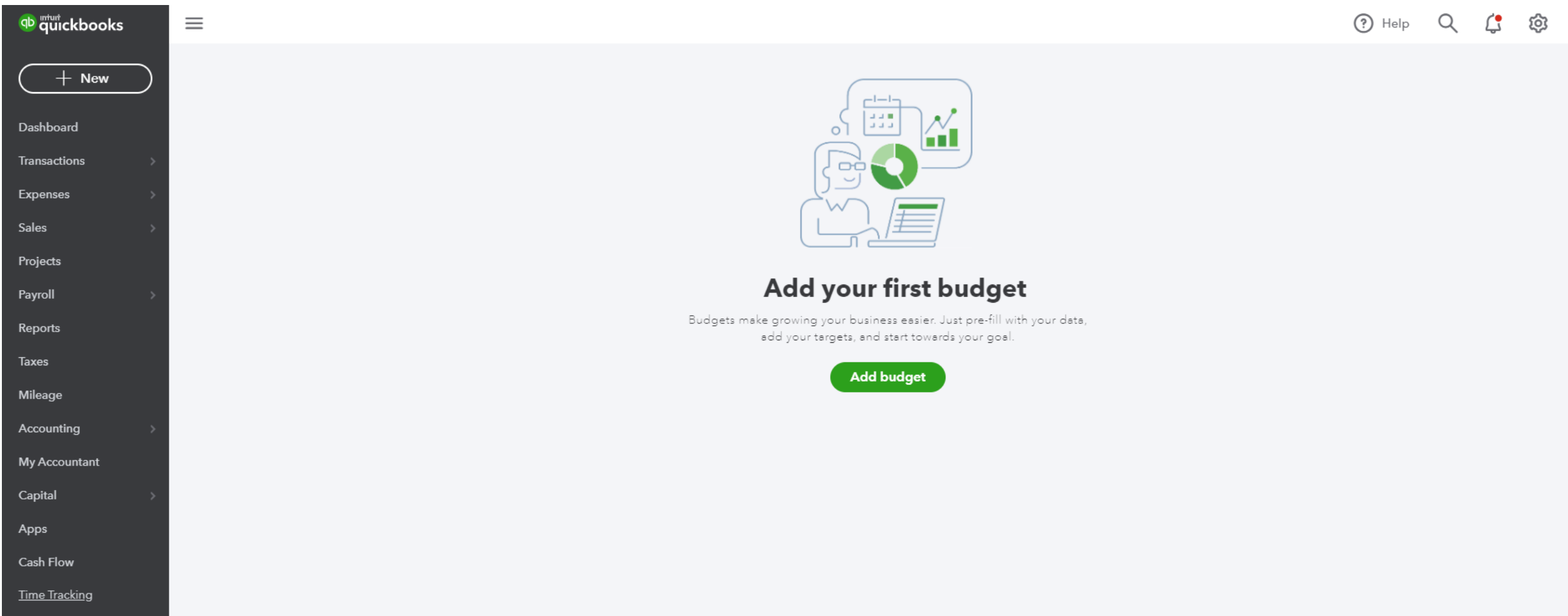
The screenshot shows the QuickBooks navigation menu with four columns: YOUR COMPANY, LISTS, TOOLS, and PROFILE. The 'Budgeting' option in the TOOLS column is highlighted. A green arrow points from the settings gear icon in the top right corner to the 'Budgeting' option. Another green arrow points from the 'Budgeting' option to the left.

YOUR COMPANY	LISTS	TOOLS	PROFILE
Account and settings	All lists	Order checks	Intuit account
Manage users	Products and services	Import data	Feedback
Custom form styles	Recurring transactions	Import desktop data	Refer a friend
Chart of accounts	Attachments	Export data	Privacy
QuickBooks labs		Reconcile	Switch company
		Budgeting	
		Audit log	
		SmartLook	
		Case center	

You're viewing QuickBooks in **Business view**. [Learn more](#) [Switch to Accountant view](#)



QuickBooks To Track Budgets



The screenshot displays the QuickBooks interface. On the left is a dark sidebar with the QuickBooks logo and a list of navigation items: '+ New', 'Dashboard', 'Transactions', 'Expenses', 'Sales', 'Projects', 'Payroll', 'Reports', 'Taxes', 'Mileage', 'Accounting', 'My Accountant', 'Capital', 'Apps', 'Cash Flow', and 'Time Tracking'. The main content area features a central illustration of a person at a laptop with various financial icons (calendar, pie chart, bar chart) floating above. Below the illustration, the text reads 'Add your first budget' in bold, followed by a sub-headline: 'Budgets make growing your business easier. Just pre-fill with your data, add your targets, and start towards your goal.' A prominent green button labeled 'Add budget' is centered below the text. The top right of the interface includes icons for 'Help', search, notifications, and settings.

QuickBooks To Track Budgets

New Budget

Name *

Fiscal Year ▼

Interval ▼

Pre-fill data? ▼

Subdivide by ▼

ACCOUNTS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
▼ INCOME													
▼ 4000 Professional Fees													
Insurance ETF													
Credit Cards													
OTC Deposits													
Mail Deposits (Combined)													
EFT Recoupment													
Deposit- TBD													
Incentive Checks													
Sale of Products													
▼ Other Medical Revenue													
Rebates													
Total Other Medical Revenue													
Uncategorized Income													
Total 4000 Professional Fees													
▼ 4500 Refunds													

QuickBooks To Track Budgets

New Budget

Name *

Fiscal Year ▼

Interval ▼

Pre-fill data? ▼

Subdivide by ▼

ACCOUNTS	MAR	APR	MAY	JUN
▼ INCOME				
▼ 4000 Professional Fees				
Insurance ETF				
Credit Cards				

QuickBooks To Track Budgets

New Budget

Name *

Fiscal Year

Interval

Pre-fill data?

Subdivide by

ACCOUNTS	JAN	FEB	APR	MAY	JUN
▼ INCOME					
▼ 4000 Professional Fees					

QuickBooks To Track Budgets

New Budget

Name *

Fiscal Year

Interval

Pre-fill data?

Subdivide by

ACCOUNTS	JAN	FEB	MAR	APR	MAY	JUN
▼ INCOME						
▼ 4000 Professional Fees						

QuickBooks To Track Budgets

New Budget

Name *

Fiscal Year

Interval

Pre-fill data?

Subdivide by

ACCOUNTS	JAN	FEB	MAR	APR	MAY
▼ INCOME					
- 4000 Professional Fees					



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