

Late Night With Chip & Paulie

Episode #10

Thursday September 29, 2022 @ 8:00PM(ET)

3



Seth Kaplan, MD

www.PediatricSupport.com



4

Last Webinar

Monitoring Provider Margins
Managed Care Contract Negotiations
Employee Retention Credits

www.PediatricSupport.com



Agenda

- This Week's Focus
- Data Nerd Report
- News Round Up
- Employee Retention Credit (ERC)
- Seth Kaplan, MD

Billy Joel
Money Supply
Disco Parties
Airline Miles
Employee Retention Credits
Inflation
Credit Card Rewards Rewards
High School Football Stadiums

www.PediatricSupport.com

Focus For The Week...

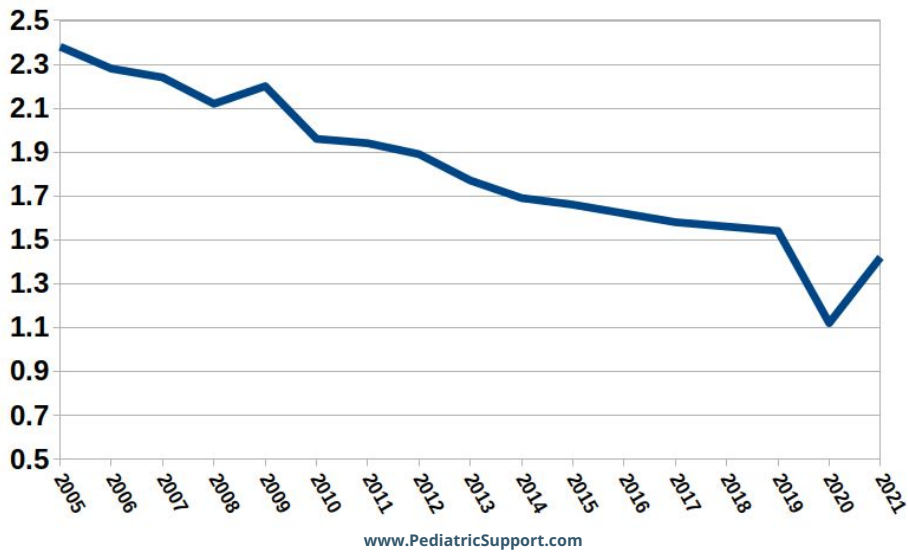
5 THINGS TO QUIT right now:

1. Trying to please everyone.
2. Fearing change.
3. Living in the past.
4. Putting yourself down.
5. Overthinking.

Latest Data From The Data NERDS

7

National Sick:Well Visit Ratio



Latest Data From The Data NERDS

8



PMI Conference 2023

- First weekend in February
- Virtual options still available (Livestream & On-Demand Access)



SOLD OUT



www.PediatricSupport.com



Dust off your 70's attire and celebrate the PMI conference weekend with a silent disco.

Hors d'oeuvres, beer, and wine are included in the pricing.
Cash bar will be available for mixed drinks.

Venue: On-site in the Discovery Ballroom @ Royal Sonesta Hotel

Saturday February 4, 2023 (8:00PM to Midnight)

Price: \$49.99 Register Via PMI Conference Registration Website

Pre Conference Sessions for 2022

11

- **Practice Management**
 - Front Desk Best Practices (Lynne Gratton)
 - Compensation Models For Pediatric Practices (Paulie Vanchiere)
 - Do Your Own Financial Analysis (Tim Proctor)
 - Essential KPI's For Your Practice (Alisa Vaughn)
- **Marketing**
 - Self-Promotion For Marketing Success (Nola Ernest)
 - Responding To Social Media Attacks (Nicole Baldwin/Todd Wolyynn)
 - Effective Tools For Marketing Management (Feiten)
- **Supergroups**
 - The Role Of Supergroups In Pediatrics (Susanne Madden)
 - Lessons Learned From The Field (Susan Sirota)
 - CIN's- What Works For Pediatricians (Weissman & Lindquist)
 - Panel/Group Discussion
- **The Reach Institute**
 - Eugene Hershohin & Peter Jensen



www.PediatricSupport.com

www.TheREACHInstitute.org

What's On The Pediatric Practice Management Calendar?

12

September 29th, 8pm

Paulie and Chip Late Show Webinar

Check all former user email accounts and confirm forwarding (Q)

Check all user permissions (Q)

Clean Up Payor Patient Lists (Q)

Lock out former users (Q)

Check all voicemail greetings (M)

Coding Training for next year (Y)

Patient Cleanup (Q)

2022 AAP NCE Practice Management Classes Added!

bit.ly/PediatricPracticeManagementCalendar

www.PediatricSupport.com





Next Few Years...

- Rising labor costs
- Rising supply costs
- Stagnant Payer Payments
- More productivity to maintain earnings?

www.PediatricSupport.com

INFLATION

WHAT

PRICES RISING OVER TIME

CAUSES

- STRONG ECONOMY
- ENERGY PRICES
- GOVT POLICY

MEASURED BY

CPI = CONSUMER PRICE INDEX

GOOD OR BAD

POSITIVES

- ⊕ HIGHER PAYCHECKS
- ⊕ CAN HELP ECONOMY GROW
- ⊕ HELPS BORROWERS

NEGATIVES

- ⊖ HIGHER EXPENSES
- ⊖ TOO MUCH = BAD FOR GROWTH
- ⊖ BAD FOR LENDERS

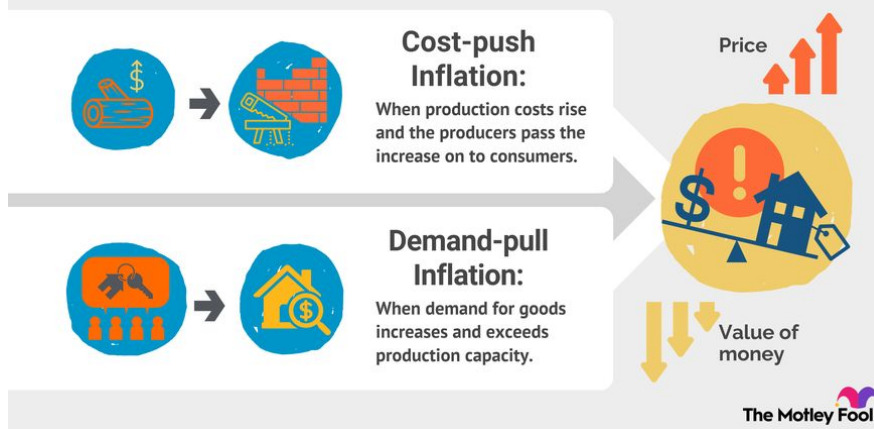
FUN FACT

BIG MAC INDEX: ALTERNATE MEASURE THAT TRACKS PRICE CHANGES IN BIG MACS AROUND THE WORLD

Napkin Finance

What Causes Inflation?

15



Trees burning in CA pushes prices up due to supply decreases (*increased cost/push*)...meanwhile, people willing to pay higher prices for new homes causes those prices to increase (*increased demand/pull*)...**we are getting it from both sides...**

www.PediatricSupport.com



The Federal Reserve

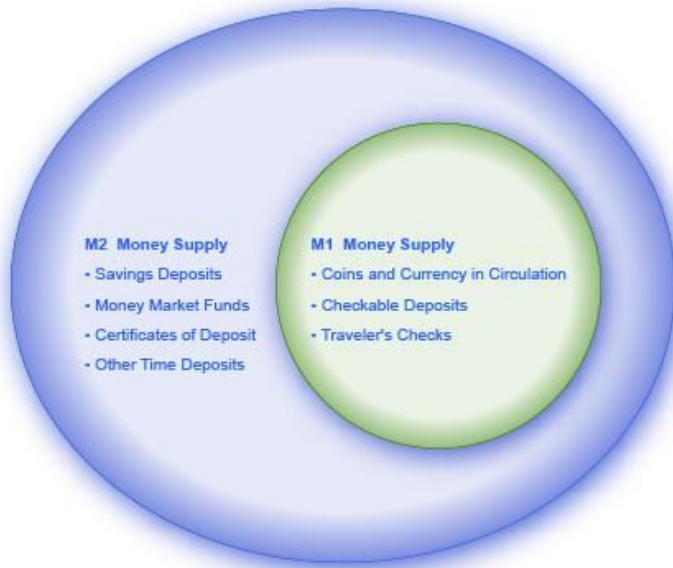
16

Trying to tackle inflation...

1. Increase cost of borrowing
 - a. Increase overnight lending rates
 - b. Trickles down to other financial products to discourage borrowing
 - c. Decrease cash in circulation reduces inflationary conditions
 - d.
2. Reduce Money Supply (M2)
 - a. Reduction in new funds flowing into the economy
 - b. Retiring bonds

www.PediatricSupport.com





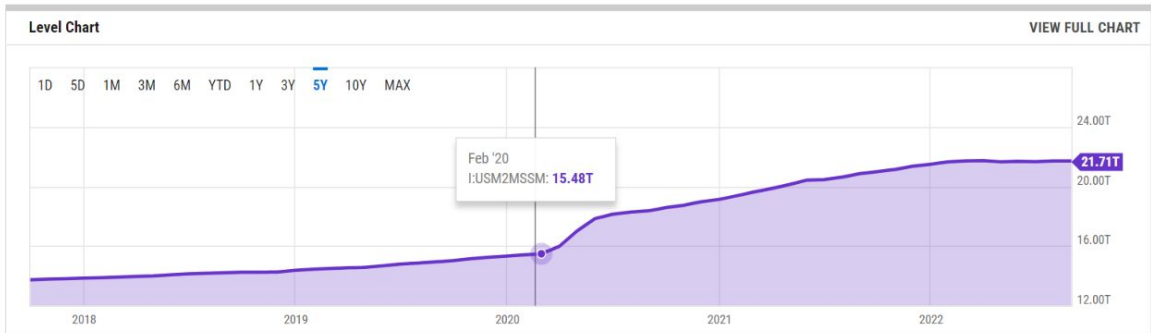
www.PediatricSupport.com



US M2 Money Supply

21.71T USD for Aug 2022

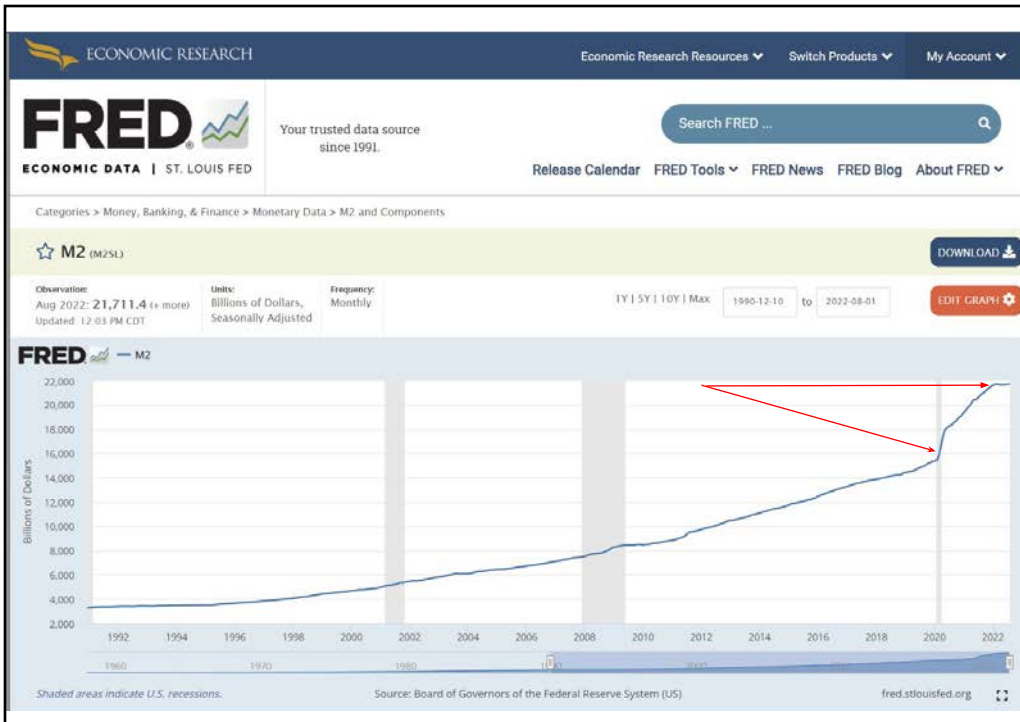
Overview Interactive Chart



40% Increase In Money Supply (M2)

www.PediatricSupport.com





If the Fed wants to decrease the money supply, it sells bonds from its account, thus taking in cash and removing money from the economic system. Adjusting the federal funds rate is a heavily anticipated economic event.



Board of Governors of the Federal Reserve System
The Federal Reserve, the central bank of the United States, provides the nation with a safe, flexible, and stable monetary and financial system.

About the Fed | News & Events | Monetary Policy | Supervision & Regulation | Financial Stability | Payment Systems | Economic Research | Data | Consumers & Communities

Home > News & Events > Press Releases

Press Release

May 04, 2022

Plans for Reducing the Size of the Federal Reserve's Balance Sheet

For release at 2:00 p.m. EDT

Share ➔

Consistent with the Principles for Reducing the Size of the Federal Reserve's Balance Sheet that were issued in January 2022, all Committee participants agreed to the following plans for significantly reducing the Federal Reserve's securities holdings.

- The Committee intends to reduce the Federal Reserve's securities holdings over time in a predictable manner primarily by adjusting the amounts reinvested of principal payments received from securities held in the System Open Market Account (SOMA). Beginning on June 1, principal payments from securities held in the SOMA will be reinvested to the extent that they exceed monthly caps.
 - For Treasury securities, the cap will initially be set at \$30 billion per month and after three months will increase to \$60 billion per month. The decline in holdings of Treasury securities under this monthly cap will include Treasury coupon securities and, to the extent that coupon maturities are less than the monthly cap, Treasury bills.
 - For agency debt and agency mortgage-backed securities, the cap will initially be set at \$17.5 billion per month and after three months will increase to \$35 billion per month.

Related Information

Federal Reserve issues FOMC statement

www.PediatricSupport.com

News Round Up

www.PediatricSupport.com



12:14
Outlook

BECKER'S
HOSPITAL REVIEW [Subscribe](#)

17 hospitals scaling back care

Ayla Ellison (Twitter) - Wednesday, August 31st, 2022

Save Post Tweet Share Listen Text Size Print Email

Several hospitals are scaling back services for a variety of reasons, including financial challenges and staffing issues.

1. ShorePoint Health Venice (Fla.) is no longer offering emergency services. The 312-bed hospital, part of Franklin, Tenn.-based Community Health Systems, permanently closed its emergency department on Aug. 29 before ending other services. ShorePoint Health said the hospital will close on Sept. 22.
2. Cleveland-based University Hospitals is scaling back care at two hospitals and consolidating services. The health system ended inpatient, surgical and emergency services at UH Bedford (Ohio) Medical Center and UH Richmond Medical Center in Richmond Heights, Ohio, on Aug. 12. The health system attributed the changes to a staffing shortage.

www.PediatricSupport.com

1:49
Outlook

Hospital CFO Report [Subscribe](#)

Financial Management Hospitals cut jobs, services to resuscitate finances

Ayla Ellison (Twitter) - 4 hours ago

Save Post Tweet Share Listen Text Size Print Email

Hospitals and health systems are facing many financial pressures this year, and more than half of hospitals are projected to have negative margins for the rest of 2022.

Provider organizations are taking steps to grow revenue and reduce costs, including implementing layoffs and cutting services. Healthcare organizations in Michigan, Colorado and Ohio are among those cutting jobs as they navigate financial challenges.

Citing financial pressures, BHSH System, a 22-hospital organization formed in February through the merger of Grand Rapids, Mich.-based Spectrum Health and Southfield, Mich.-based Beaumont Health, announced 400 job cuts in September.

a beckerhospitalreview.com





Cash on hand at not-for-profit health systems posing challenges

Caroline Hudson

Days cash on hand at not-for-profit hospital systems is trending downward as the sector recalibrates after last year's higher-than-normal balances.

For some, it's requiring tough choices to be made.

Trinity Health is looking for ways to stabilize its portfolio, while also deferring capital expenses, even as demand increases to improve equipment and facilities, CEO Michael Slubowski said. The Livonia, Michigan-based health system had 237 days of cash on hand as of March 31, compared with 261 days at that time in 2021, according to the most recently available data.

"The biggest prime directive about this is to try to lower our operating expenses and find any sources of revenue we can to try to get back on solid financial footing," Slubowski said.

Last year, hospitals' coffers were bolstered with federal COVID-19 relief funds, including the benefits of payroll tax deferrals and the Accelerated and Advance Payments Program implemented in early 2020 by the Centers for Medicare & Medicaid Services.

Last year, hospitals' coffers were bolstered with federal COVID-19 relief funds, including the benefits of payroll tax deferrals and the Accelerated and Advance Payments Program implemented in early 2020 by the Centers for Medicare & Medicaid Services.

Not-for-profit systems typically hold more cash than for-profit organizations because there are no shareholders vying for excess capital releases and the entities have tax-exempt status.

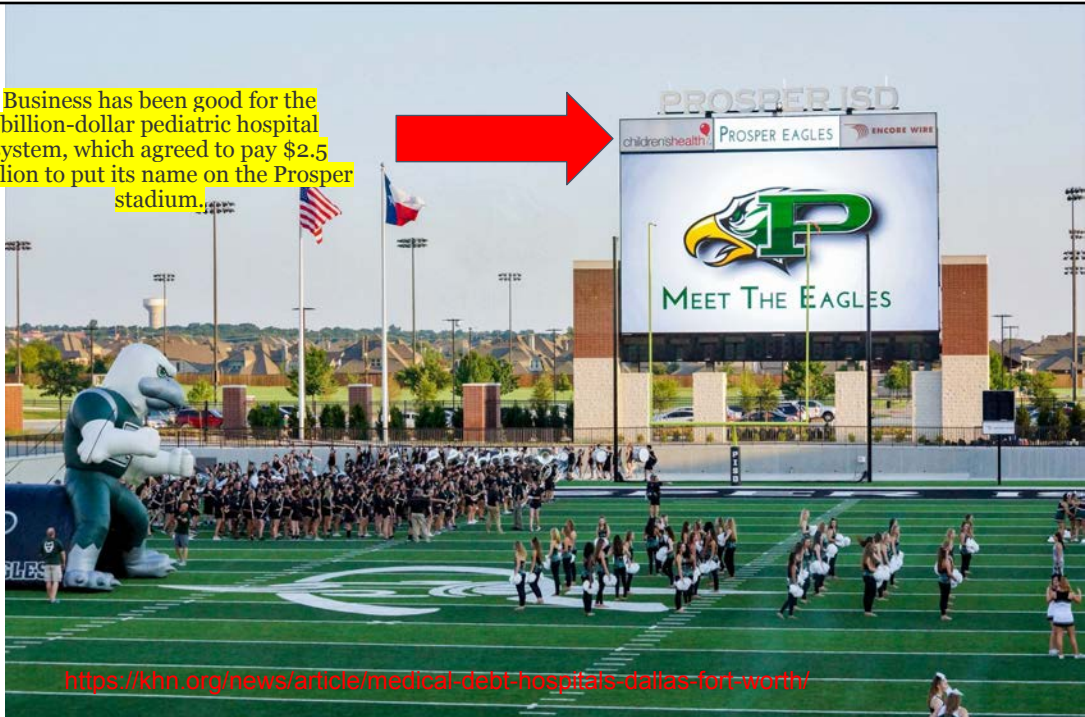
Median days cash on hand have decreased by 18% from June 2021 to July of this year, according to an analysis of approximately 700 not-for-profit hospitals from consulting firm Kaufman Hall.

One big cause of the downturn is required repayments for the Medicare loan program. Providers must repay the amount in 29 months, a time frame that ended this summer for those that received the advance payments in early 2020.

Higher expenses, largely driven by increased labor costs, and the resulting squeeze on operating margins are other factors dragging down cash on hand.

www.PediatricSupport.com

Business has been good for the billion-dollar pediatric hospital system, which agreed to pay \$2.5 million to put its name on the Prosper stadium.



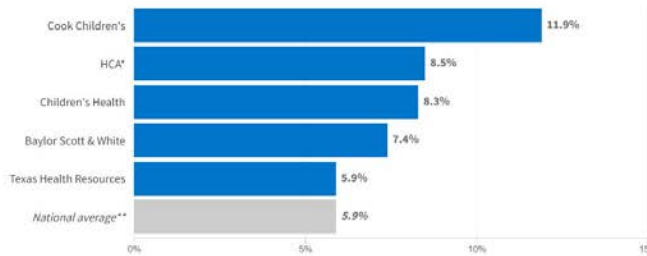
<https://khn.org/news/article/medical-debt-hospitals-dallas-fort-worth/>

DIAGNOSIS: DEBT

Few Places Have More Medical Debt Than Dallas-Fort Worth, but Hospitals There Are Thriving

Good Times for Dallas-Fort Worth Hospitals

The average operating margin for leading hospital systems in the Dallas-Fort Worth area from 2018 to 2021 was very strong. All the systems below are nonprofit, except HCA.



Notes:
 *HCA is based in Tennessee but owns 14 hospitals in the Dallas-Fort Worth area
 **Average aggregate operating margin for U.S. hospitals covers only 2018-20

Source: KHN analysis of health system financial statements, Medicare Payment Advisory Commission
 Credit: Noam N. Levey/KHN and Alyson Hurt/NPR

Of the nation's 20 most populous counties, none has a higher concentration of medical debt than Tarrant County, home to Fort Worth. Second is Dallas County, [credit bureau data](#) shows.

From 2018 to 2021, Texas Health, which owns hospitals in North Texas, had an average operating margin of almost 6%, according to a KHN analysis of publicly available financial reports.

Other major systems in the area, including Baylor, Children's Health, and HCA, the nation's largest for-profit hospital company, did even better, KHN found. **Cook Children's, the region's second major pediatric system, had an average operating margin of nearly 12%.**

By comparison, **profits at most of the 25 Fortune 500 companies based around Dallas-Fort Worth, such as ExxonMobil, were less than 6% in 2019,** according to Fortune data. [upport.com](#)



1:50

Outlook

BECKERS HOSPITAL REVIEW Subscribe

'Twindemic' risk greater this year, experts worry

Erica Carbajal - Friday, September 23rd, 2022

Save Post Tweet Share Listen Text Size Print Email

The U.S. avoided a long-feared "twindemic" of flu and COVID-19 for the past two years, largely because of widespread masking and other behaviors that kept flu seasons mild. But the risk that both illnesses will increase this winter appears greater.

"This could very well be the year in which we see a twindemic," William Schaffner, MD, infectious disease professor at Nashville, Tenn.-based Vanderbilt University, told *NPR* in a Sept. 23 report. "That is, we have a surge in COVID and simultaneously an increase in influenza. We could have them both affecting our population at the same time."

Experts believe the risk is greater this year because widespread masking and other prevention measures are no longer commonplace, and there are already signs that this year's upcoming flu season will be more severe, based on the Southern Hemisphere's recent flu...

beckershospitalreview.com

www.PediatricSupport.com

1:46

LISTEN

Opinion

Progress on HPV Vaccines Is Too Important to Lose

Thanks to the pandemic and various legal challenges, HPV vaccination rates have flatlined.

by Lisa Jarvis + Get Alerts
 September 26, 2022 8:00 AM

Not controversial. Photographer: Bloomberg

HPV vaccinations among teens in the US dropped precipitously during the early pandemic, a disappointing reversal for shots that can prevent more than 33,000 cases of cancer each year. Worse, efforts to get vaccinations back on track could be stymied by legal challenges.

Home Markets Watchlist Media Menu



Retirement Planning

28

A first half to forget

Stocks and crypto suffered their worst first half in more than 50 years. Here's how bad it looks for investors.



NOTE: ALL VALUES YTD AS OF CLOSE OF MARKETS ON JUNE 30, 2022.

FORTUNE



Bloomberg

US Edition

Sign In

29

• Live Now Markets Industries Technology Politics Wealth Pursuits Opinion Businessweek Equality Green CityLab

Markets

Traders Who 'Just Want to Survive' Sit on \$5 Trillion Cash Pile

- Nowhere-to-hide market keeps asset managers on defensive
- For first time in years, money funds are offering juicy yields

From stocks to bonds, credit to crypto, money managers looking for somewhere to hide from the Federal Reserve induced storm battering virtually every asset class are finding solace in a long reviled corner of the market: cash.

Investors have \$4.6 trillion stashed in US money-market mutual funds, while ultra-short bond funds currently hold about \$150 billion. And the pile is growing. Cash saw inflows of \$30 billion in the week through Sept. 21, according to figures from EPFR Global. Where once that stash yielded practically nothing, the vast bulk now earns upwards of 2%, with pockets paying 3%, 4% or more.

www.PediatricSupport.com



The difficulties of trying to time the market

Bank of America looked at the impact of missing the market's best and worst days each decade

Decade	Price return	Excluding worst 10 days per decade	Excluding best 10 days per decade	Excluding best/worst 10 days per decade
1930	-42%	39%	-79%	-50%
1940	35%	136%	-14%	51%
1950	257%	425%	167%	293%
1960	54%	107%	14%	54%
1970	17%	59%	-20%	8%
1980	227%	572%	108%	328%
1990	316%	526%	186%	330%
2000	-24%	57%	-62%	-21%
2010	190%	351%	95%	203%
2020	18%	125%	-33%	27%
Since 1930	17,715%	3,793,787%	28%	27,213%



Source: Bank of America, S&P 500 returns



Looking at data going back to 1930, the firm found that if an investor missed the S&P 500's 10 best days each decade, the total return would stand at 28%. If, on the other hand, the investor held steady through the ups and downs, the return would have been 17,715%.

www.PediatricSupport.com



THE POINTS GUY  NEWS CREDIT CARDS • POINTS + MILES • TRAVEL • TOOLS • [Advertiser disclosure](#) 

NEWS

Proposed legislation could affect credit card rewards in the US – here's everything you need to know

Caroline Tanner
Sept. 16, 2022 • 14 min read

Proposed federal legislation moving through Congress has the potential to significantly alter – if not completely eliminate – the world of credit cards that we know today. If passed, it could dramatically change the rewards ecosystem, affecting your ability to collect (and redeem) points and miles toward travel or earn cash back that can offset some of your everyday spending.

What is the Credit Card Competition Act of 2022?

On July 28, two U.S. senators – Richard Durbin, D-Ill., and Roger Marshall, R-Kan. – introduced the Credit Card Competition Act of 2022. As its name implies, the proposed legislation aims to inject more competition into the credit card industry in the hopes of lowering the fees merchants pay whenever shoppers swipe their credit cards.

If enacted, the law would amend the Electronic Fund Transfer Act by directing the Federal Reserve to require credit card issuing banks to offer a minimum of two networks for merchants processing electronic credit card transactions, according to a bill summary provided by the Congressional Research Service.

It even specifically prohibits these two networks from being those with the largest market share of cards today – Visa and Mastercard. These two companies processed nearly \$3.5 trillion in card transactions in 2021, while collecting more than \$77 billion in U.S. merchant credit card fees, according to a press release issued by the bill's co-sponsors.



Employee Retention Credit

How Much Money Is Involved?

	ERTC 2020	ERTC 2021
Eligibility Periods(s)	Mar 13, 2020 – Dec 31, 2020	Jan 1, 2021 – Mar 31, 2021 Apr 1, 2021 – June 30, 2021 July 1, 2021 – Sept 30, 2021
Credit	50% of up to \$10,000 of qualified wages for the entire year	70% of up to \$10,000 of qualified wages each quarter
Maximum Credit (per employee)	\$5,000	\$21,000

Interplay With PPP

Cannot claim wages used for PPP forgiveness with ERC eligibility.

Firm should heavily scrutinize which payroll periods were used to obtain PPP forgiveness (Both rounds).

ERC Advisory Services

36

1. Coordinate With Your Accountant
2. Be careful with new firms “specializing” in filing ERC’s (ERC Mills)
3. Prefer for a CPA firm or Tax Attorney to complete the filing

Rates

- 8-35% depending on amount of ERC
 - Many legitimate options 10-15%
- Prefer flat-rate pricing based on number of quarters the practice is eligible for

www.PediatricSupport.com



37

Litmus Test

50 or 20% reduction in revenue for select quarters- compared to the same quarter in 2019.

www.PediatricSupport.com



ERC & “Nominal”

38

Forbes

TAXES

IRS Defines Nominal For Purposes Of The Employee Retention Tax Credit: The Definition Might Surprise Essential Businesses

Lynn Mucenski Keck Contributor ©
I cover changes and new developments in the federal tax law.

Follow

Mar 3, 2021, 11:25am EST



On its face, eligibility for claiming the Employee Retention Credit (“ERC”) seems straightforward – I had to shutdown my business due to a government order so I can claim an ERC. We have all learned over the last few weeks that the devil is in the detail. Essential businesses have an additional hurdle to jump through if they are claiming an ERC because of a full or partial

Prior to the IRS issuing Notice 2021-20, nominal was not defined. Therefore, many businesses referenced the conventional definition of nominal, which under the Merriam Webster definition is defined to include something trifle or insignificant. With the most recent Notice, the IRS has quantified nominal as less than 10%.

Take a hospital as an example. Even though hospitals were deemed essential during the pandemic (and we all are forever grateful to those frontline workers) parts of their operations had to be shut-down, the most common example being elective surgeries during time periods where COVID-19 peaked in specific locations. Similarly, for manufacturing companies, it was not unusual that their manufacturing facilities be shut down while their warehouse facilities were allowed to remain open.

<https://www.forbes.com/sites/lynnmucenskikeck/2021/03/03/irs-defines-nominal-for-purposes-of-the-employee-retention-tax-credit-the-definition-might-surprise--essential-businesses/?sh=72d6e5807a86>

www.PediatricSupport.com



Substantiation

39

The IRS did add substantiation requirements in Notice 2021-20, including a requirement for essential businesses who are seeking the ERC due to a full or partial governmental shutdown having more than a nominal affect on their business.

“An eligible employer will adequately substantiate eligibility for the employee retention credit if the employer creates and maintains records that include the ...any records the employer relied upon to determine whether more than a nominal portion of its operations were suspended due to a governmental order or whether a governmental order had more than a nominal effect on its business operations.”

The eligible employer should maintain these records for at least four years.

<https://www.forbes.com/sites/lynnmucenskikeck/2021/03/03/irs-defines-nominal-for-purposes-of-the-employee-retention-tax-credit-the-definition-might-surprise--essential-businesses/?sh=72d6e5807a86>

www.PediatricSupport.com



IRS Notice 2021-20

40

Guidance on the Employee Retention Credit under Section 2301 of the Coronavirus Aid, Relief, and Economic Security Act

Notice 2021-20

I. PURPOSE

This notice provides guidance on the employee retention credit provided under section 2301 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Pub. L. No. 116-136, 134 Stat. 281 (March 27, 2020), as amended by section 206 of the Taxpayer Certainty and Disaster Tax Relief Act of 2020 (Relief Act), which was enacted as Division EE of the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260, 134 Stat. 1182 (December 27, 2020). The guidance provided in this notice addresses the employee retention credit as it applies to qualified wages paid after March 12, 2020, and



41

Question 11: If a governmental order requires non-essential businesses to suspend operations but allows essential businesses to continue operations, is an essential business considered to have a full or partial suspension of operations due to a governmental order?



Answer 11: An employer that operates an essential business is not considered to have a full or partial suspension of operations if the governmental order allows all of the employer's operations to remain open. However, an employer that operates an essential business may be considered to have a partial suspension of operations if, under the facts and circumstances, more than a nominal portion of its business operations are suspended by a governmental order. For example, an employer that maintains both essential and non-essential business operations, each of which are more than nominal portions of the business operations, **may be considered to have a partial suspension of its operations if a governmental order restricts the operations of the non-essential portion of the business, even if the essential portion of the business is unaffected.** In addition, an essential business that is permitted to continue its operations may, nonetheless, be considered to have a partial suspension of its operations if a governmental order requires the business to close for a period of time during normal working hours.

Solely for purposes of this employee retention credit, a portion of an employer's business operations will be **deemed to constitute more than a nominal portion of its business operations if either (i) the gross receipts from that portion of the business operations is not less than 10 percent of the total gross receipts (both determined using the gross receipts of the same calendar quarter in 2019), or (ii) the hours of service performed by employees in that portion of the business is not less than 10 percent of the total number of hours of service performed by all employees in the employer's business (both determined using the number of hours of service performed by employees in the same calendar quarter in 2019).**

Ideal ERC “Nominal” Standard

Restaurant segue from indoor dining to take out...
What is the spirit of the rule?

www.PediatricSupport.com



As explained by the IRS, such notices are historically intended “to provide substantive or procedural guidance on an expedited basis with respect to matters of general interest that would otherwise be covered by a regulation, revenue ruling, or revenue procedure.” These notices are used to advance the IRS’s position where further guidance is still being drafted. And while published notices can be relied upon by taxpayers to the same extent as revenue rulings or revenue procedures to avoid accuracy-related penalties, they do not have the force and effect of Treasury regulations and can be affected by subsequent legislation, regulations, revenue rulings, revenue procedures, and case law.

Guidance Authority

<https://www.forbes.com/sites/lynnmucenski/2021/03/03/irs-defines-nominal-for-purposes-of-the-employee-retention-tax-credit-the-definition-might-surprise-essential-businesses/?sh=72d6e5807a86>

www.PediatricSupport.com



3. **My client's business was not shut down during the pandemic.** Even a partial suspension order by the government (federal, state or local) of your client's business could potentially qualify. For instance, the following scenarios all still potentially qualify for the ERC:

- A partial shutdown;
- A disruption in their business;
- Inability to access equipment;
- Having limited capacity;
- Shutdowns of their supply chain or vendors;
- Reduction in services offered;
- Reduction of hours to accommodate sanitation;
- Shut down of some locations and not others;
- Shutdowns of some members of a business.

The key considerations are – due to the government ordered partial (or full) suspension is/was your client's business not able to continue its activities in a comparable manner and did that result in a more than nominal impact on their business operations? Remember, the partial or full suspension is an alternative way to qualify for the ERC, separate from the reduction in gross receipts test.

<https://www.tx.cpa/resources/news/articles/employee-retention-credit>

www.PediatricSupport.com

GLOSSARY

Employee Retention Credit

[Go to full Tax & Accounting glossary](#)

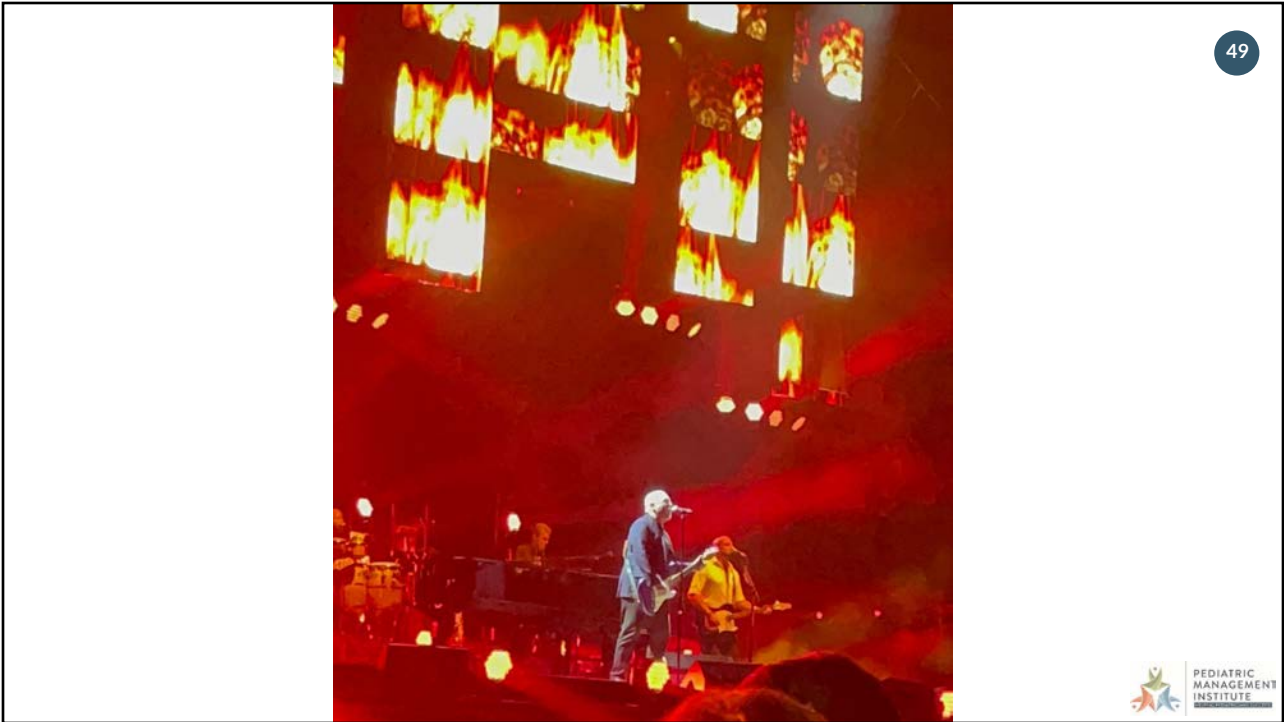
The Employee Retention Credit (ERC) is a program created in response to the COVID-19 pandemic and economic shutdown which incentivizes companies and small businesses with a refundable tax credit for maintaining their payroll during 2020 and 2021.

Can you get the Employee Retention Credit and Paycheck Protection Program?

The CARES act states that any employer receiving a [Paycheck Protection Program](#) loan was not eligible for the Employee Retention Credit unless the PPP loan was repaid by May 18, 2020. The Taxpayer Certainty and Disaster Tax Relief Act of 2020 later repealed this provision, making recipients of a PPP Loan eligible for the Employee Retention Credit. However, wages paid with the PPP loan that are forgiven do not count as qualifying wages for the credit.

<https://tax.thomsonreuters.com/en/glossary/employee-retention-credit>

www.PediatricSupport.com



Net Proceeds From ERC

ERC Qualification Amount	\$	500,000	
ERC Filing Fee	\$	(62,500)	<i>12.5% of ERC Amount</i>
Associated Tax Liability	\$	(130,000)	<i>26% of ERC Amount</i>
Fees To File Amended Return	\$	(3,500)	<i>Estimate</i>
Estimated Net Proceeds	\$	304,000	60.80%

Tax liability incurred from disallowed payroll expense deduction equal to the amount of the ERC

Worse Case Scenario

1. Hire "ERC Mill"
2. Pay ERC Mill 10-15%
3. IRS disqualified qualification (Up to 2027)
4. Pay back plus interest and penalties
5. ERC Mill nowhere to be found
6. Cannot file amended return to recoup tax paid

IRS Interest- based on market rate- plus per year

IRS Penalties- Underpayment 2.5% per month- capped at 25%

Three Years From Now, Deemed Not Eligible

ERC Qualification Amount	\$500,000	
IRS Penalty	\$ 125,000	<i>25% Penalty Cap (Minimum)</i>
IRS Interest	\$ 90,000	<i>6% for 3 Years</i>
ERC Filing Fee Paid	\$ 62,500	<i>12.5% of ERC Amount</i>
Associated Taxes Paid	\$ 130,000	<i>Exceeded SoL For Second Amended Return</i>
	\$ 907,500	
Non-Recoverable Total	\$407,500	

www.PediatricSupport.com



Three Years From Now, Deemed Not Eligible

ERC Qualification Amount	\$500,000	
IRS Penalty	\$ 125,000	<i>25% Penalty Cap (Minimum)</i>
IRS Interest	\$ 90,000	<i>6% for 3 Years</i>
ERC Filing Fee Paid	\$ 62,500	<i>12.5% of ERC Amount</i>
Associated Taxes Paid	\$ 130,000	<i>Exceeded SoL For Second Amended Return</i>
	\$ 907,500	
Non-Recoverable Total	\$407,500	

Net Proceeds From ERC

ERC Qualification Amount	\$	500,000	
ERC Filing Fee	\$	(62,500)	<i>12.5% of ERC Amount</i>
Associated Tax Liability	\$	(130,000)	<i>26% of ERC Amount</i>
Fees To File Amended Return	\$	(3,500)	<i>Estimate</i>
Estimated Net Proceeds	\$	304,000	
			60.80%

www.PediatricSupport.com



Impact On Buyouts?

Is the practice protected if ERC (or PPP) funds have to be returned years after a partner retires?

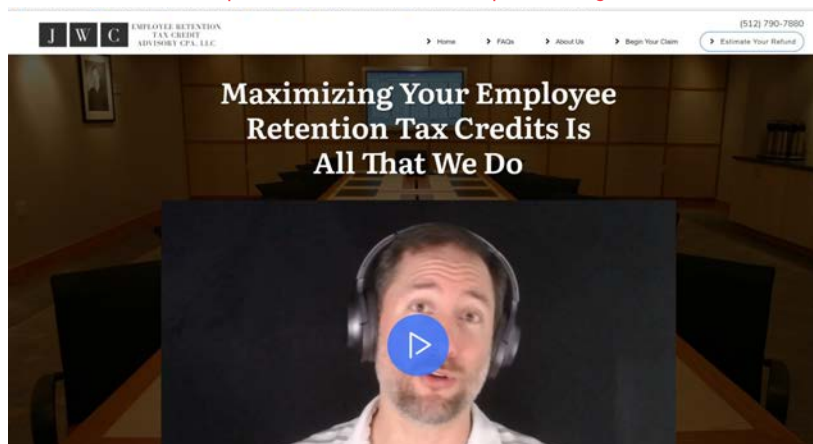
www.PediatricSupport.com



Options To Consider

We have no financial relationship...use the following link for discounted fee:

<https://ertcadvisors.as.me/ertc-pediatric-mgmt>



Jace & Don

www.ERTCAdvisors.com



Options To Consider

56

They don't know I'm mentioning them...we have no financial relationship with them either.

F FROST LAW About Practice Areas Team Events
News Locations Contact **ERC RESOURCE CENTER**

PARTNER
Eli Noff

BACKGROUND & HISTORY EDUCATION SPEAKING ENGAGEMENTS PUBLICATIONS PROFESSIONAL ORGANIZATIONS & MEMBERSHIPS AWARDS AND HONORS

Background & History

Eli utilizes his background as a CPA and attorney to vigorously defend clients before the IRS and state taxing authorities. Eli is also the firm's lead on international tax matters, which involves complex international tax compliance issues, resolving many offshore voluntary disclosures and streamlined filing compliance procedures, as well as preparing complex Passive Foreign Investment Company (PFIC) computations. He also represents clients in a significant number of tax collection matters, federal and state examinations and appeals, IRS criminal investigations, and matters before the federal and state tax courts.

Tax Law

F FROST LAW FAQs PROCESS INDUSTRIES SUCCESS STORIES ERC NEWS **BEGIN YOUR ERC C**

ERC

WAS YOUR BUSINESS IMPACTED AS A RESULT OF THE PANDEMIC?

The Employee Retention Credit is claimed by amending a business's quarterly IRS payroll tax returns and is based on the wages the business paid to its employees during 2020 and 2021. A business may be eligible for the credit if a government order limited its operations by forcing the business to close, required capacity restrictions, or otherwise restricted its business functions. A business may also be eligible for the ERC if it had a significant decline in revenue in any quarter, since the beginning of the pandemic through the third quarter of 2021.

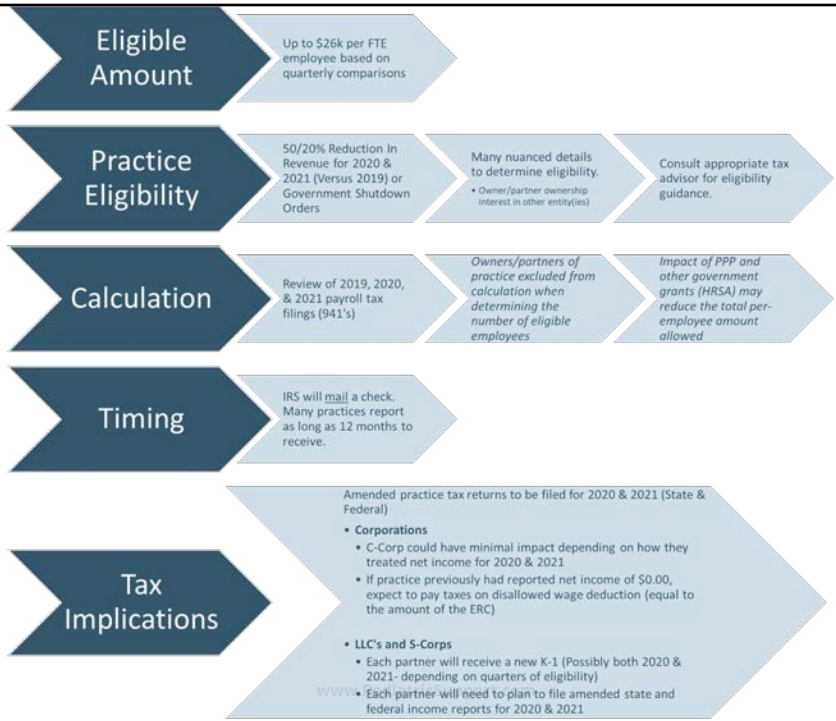
ERC ELIGIBILITY CALCULATOR

With our ERC Calculator, you can quickly see if your business qualifies to receive ERC.

Download the Latest Information on the Employee Retention Credit

ERC INFORMATION

www.AskFrost.com



57



Summary

N	Maximum ERC Credit	\$	420,000	H from above
O	Estimated Tax Liability for 2020 & 2021	\$	(114,450)	N + T
P	Estimated Fee Charged By Firm Filing ERC (10%)	\$	(42,000)	H X 10%
Q	Estimated Fee To File 2020 Amended <u>Practice</u> Return	\$	(3,500)	Varies depending on practice's accounting firm fee structure
R	Estimated Fee To File 2021 Amended <u>Practice</u> Return	\$	(3,500)	Varies depending on practice's accounting firm fee structure
S	Estimated Fee To File 2020 Amended <u>Personal</u> Tax Returns	\$	-	May not be applicable depending on distribution(s) paid, etc.
T	Estimated Fee To File 2021 Amended <u>Personal</u> Tax Returns	\$	-	May not be applicable depending on distribution(s) paid, etc.
U	Estimated Free Cash For Practice	\$	256,550	Sum U:BB
V	Percentage Netted To Practice		61.08%	BB / H

Executive Summary

While the practice may be eligible for an attention-grabbing amount, after considering the related filing fees tax implications for filing and amended tax returns for 2020 & 2021, the amount the practice benefits is potentially less than advertised

Tax Advisory Note

1. Every practice and partner/owner's tax situation is unique
2. The estimate above assumes that the increase in net income is applied to "last dollars taxed" as the individual partner/owner may have already been pushed into the higher tax bracket based on income already reported. As such, the calculation above is merely an estimate for illustration purposes to get a general sense of the tax liability derived from the ERC.
3. **Please consult with your practice/personal tax preparation firm to better quantify the impact of the practice filing for ERC.**

Practices will need to seek advice on tax treatment and whether it triggers any penalties associated with amended returns
www.PediatricSupport.com



Cash Flow Planning

Goto Forum and search "Cash Flow"

Forum.PediatricSupport.com

Plan Year End Distributions



COVID 19 Business Impact Webinar #7 - April 30th Register Here. / Is This Forum Helpful? Want To Say Thanks? / PMI's Recent White Paper / Watch Recent Webinar Now

Cash Flow Projection Spreadsheet

Finance



Mar 26

Many of us know how to plan out cash flow. I thought I'd help everyone get started with this basic spreadsheet... more details during our webinar this evening.

[PMI_Cash_Flow_Planning.xlsx \(43.8 KB\)](#)

Week Of	Estimated Weekly Deposits	Estimated Payroll Expenses	Vaccine Invoices Due	Rent Payments	All Other Office Expenses	Running Balance
3/28/2020	\$ 20,000	\$ 15,000	\$ 5,500	\$ 5,000	\$ 1,500	\$ 4,500
4/5/2020	\$ 20,000	\$ -	\$ 3,500	\$ -	\$ 1,500	\$ 24,500
4/12/2020	\$ 10,000	\$ 15,000	\$ 1,750	\$ -	\$ 1,500	\$ 24,750
4/19/2020	\$ 7,500	\$ -	\$ 1,750	\$ -	\$ 1,500	\$ 28,000
4/26/2020	\$ 7,500	\$ 15,000	\$ 1,500	\$ 3,000	\$ 1,500	\$ 12,500
5/3/2020	\$ 7,500	\$ -	\$ 2,000	\$ -	\$ 1,500	\$ 16,500
5/10/2020	\$ 5,000	\$ 15,000	\$ 2,000	\$ -	\$ 1,500	\$ 2,000
5/17/2020	\$ 5,000	\$ -	\$ 1,750	\$ -	\$ 1,500	\$ 4,250
5/24/2020	\$ 5,000	\$ 15,000	\$ 3,000	\$ -	\$ 1,500	\$ (8,750)
5/31/2020	\$ 5,000	\$ -	\$ 1,200	\$ 5,000	\$ 1,500	\$ (11,450)
6/7/2020	\$ 5,000	\$ 15,000	\$ 800	\$ -	\$ 1,500	\$ (23,850)

