

Late Night With Chip & Paulie

Episode #2

Thursday November 18, 2021 @ 8:00PM(ET)

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Last Webinar

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1. Practice Management
 - Employee Benefit Renewals
 - Employee Handbook & Job Descriptions
 - RVU System Impact On Pediatrics
2. Promised
 - Budgeting (Tonight!)
 - Physicians vs. Extenders (December)
 - RVU Contracts (January)

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Agenda

- This Week's Focus
- COVID Vaccine Announcement
- Data Report
- COVID Clinic Webinar
- Practice Divorce Webinar
- Paul's Budgeting Surprise!
- WiP x PMI Takeover
 - Power of Storytelling
- Homework Assignments

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Focus For The Week...

As a leader, make it a priority to appreciate your team, appreciate their commitment to helping the organization navigate these changing times, value their contributions, and, most importantly, thank them for their excellent service.

Leadership First

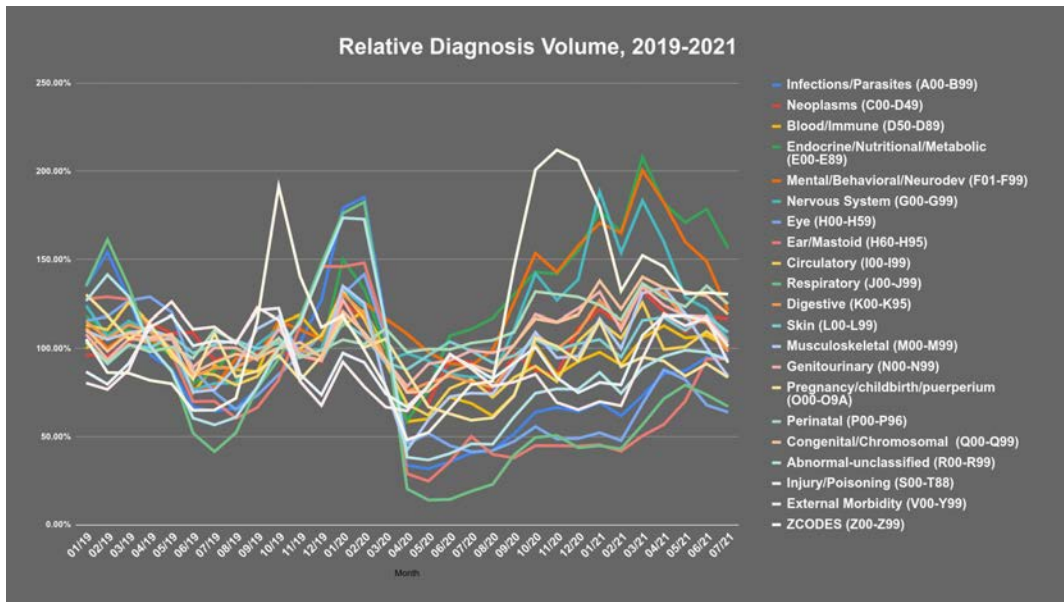
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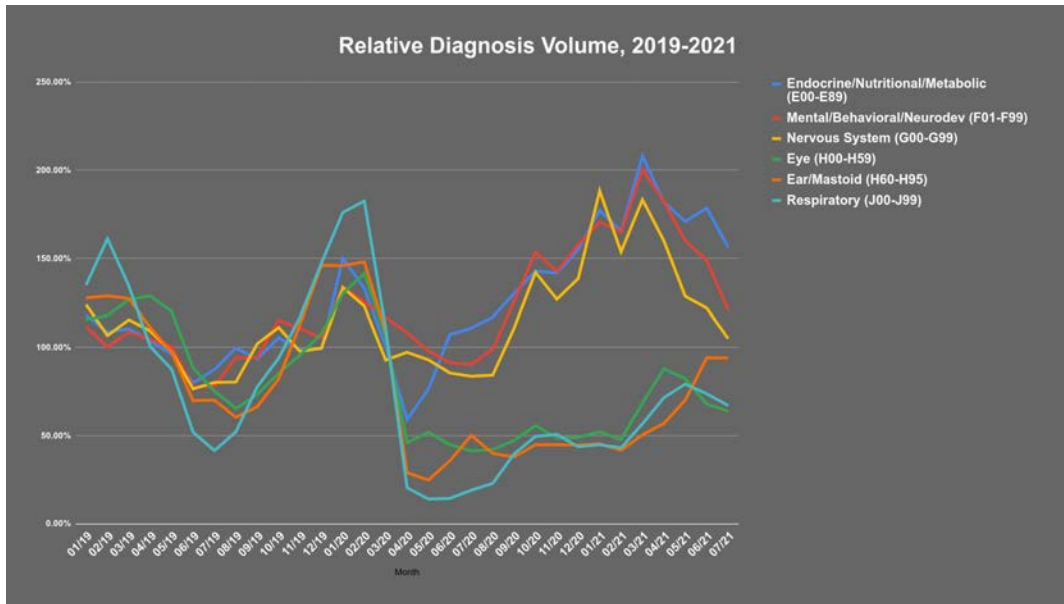
Latest Data From The Data NERDS



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Latest Data From The Data NERDS

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2021-11-5: Learn About 5-11 COVID-19 Vaccines and Running a Vac... Watch later Share

Let's Vaccinate the Littles!

Preparing for the Pediatric COVID-19 Vaccination

I GOT MY COVID-19 VACCINE

PCC Pediatric Care Connect

MORE VIDEOS

0:06 / 57:15 YouTube

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<https://learn.pcc.com/help/pccs-pediatric-covid-19-vaccine-roundtable-2021-11/>

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Our Presenters



Chip Hart
Director of Pediatric Solutions
PCC



Susanne Madden
Founder and CEO
The Verden Group

About Chip Hart

For nearly 30 years, Chip has helped hundreds of pediatricians increase their clinical and financial health as part of PCC's consulting practice. He has conducted many successful insurance contract negotiations on behalf of his clients and worked as a consultant for the American Academy of Pediatrics (AAP) and the AAP Section of Administration and Practice Management (SOAPM).

About Susanne Madden

Susanne Madden is founder and CEO of *The Verden Group*, a consulting firm founded to help practices navigate through the increasingly complex business of healthcare. Prior to founding Verden, she spent several years as an independent healthcare consultant specializing in business development, revenue cycle remediation, vendor management and process improvement.

How to Start a New Practice & Migrate Your Existing Patients

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<https://info.pcc.com/how-to-start-a-new-practice-and-migrate-your-existing-patients>

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WATCH LIVE

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ECONOMY

Job creation roars back in October as payrolls rise by 531,000

PUBLISHED FRI, NOV 5 2021 9:31 AM EDT UPDATED FRI, NOV 5 2021 2:23 PM EDT



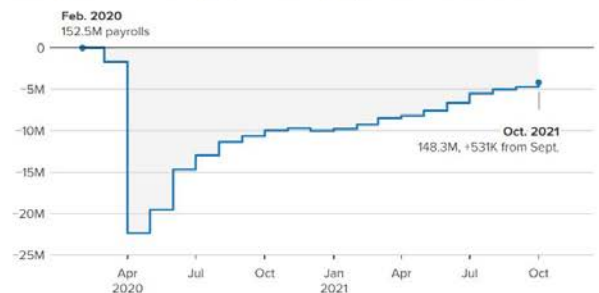
Jeff Cox
@JEFF_COX_7528
@JEFFCOXCNBCOM

WATCH LIVE

KEY POINTS

- Nonfarm payrolls increased by 531,000 in October, beating the estimate of 450,000.
- The unemployment rate fell to 4.6%, a new pandemic low and better than expectations.
- Wages rose 0.4% for the month and were up 4.9% from a year ago.
- Leisure and hospitality led job creation, followed by professional and business services and manufacturing.

Change in total U.S. employment from pre-pandemic levels in Feb. '20



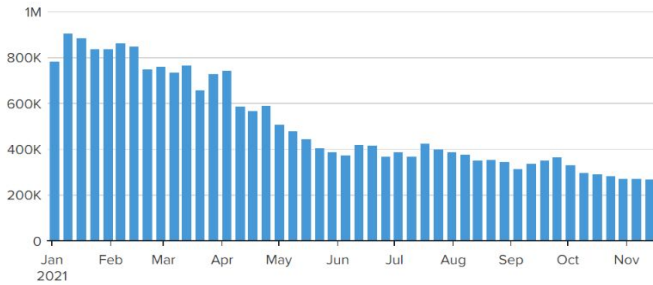
Source: Bureau of Labor Statistics. Data is seasonally adjusted.



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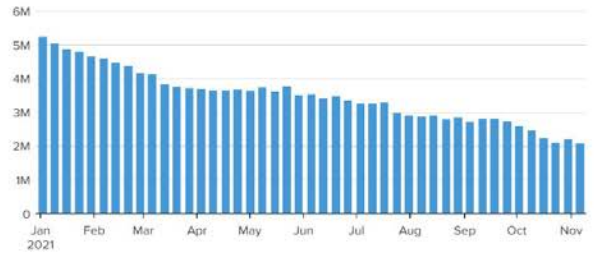
Initial claims for unemployment insurance



Source: Dept. of Labor. Data is seasonally adjusted and through Nov 13, 2021.



Continuing claims for unemployment insurance



Source: Dept. of Labor. Data is seasonally adjusted and through Nov 6, 2021.



What's Paulie Up To?

Cash Flow Planning

Goto Forum and search "Cash Flow"

Forum.PediatricSupport.com

Plan Year End Distributions

Home Latest Top Items

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

Paulie

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 \(43.8 KB\)](#)

"Back Of The Napkin" Cash Flow Calculator				PEDIATRIC MANAGEMENT INSTITUTE			
1	Today's Bank Account Balance	\$	35,000				
2	Outstanding Checks To Clear The Bank	\$	32,000				
3	Credit Card Balances	\$	7,500				
4	Est Available Cash	\$	15,500				
5							
6							
7							
8							
9	Week Of	Estimated Weekly Deposits	Estimated Payroll Expense	Vaccine Invoices Due	Rent Payments	All Other Office Expenses	Running Balance
10	3/29/2020	\$ 20,000	\$ 15,000	\$ 5,500	\$ 5,000	\$ 1,500	\$ 8,500
11	4/5/2020	\$ 20,000	\$ -	\$ 2,500	\$ -	\$ 1,500	\$ 24,500
12	4/12/2020	\$ 17,500	\$ 15,000	\$ 1,750	\$ -	\$ 1,500	\$ 23,750
13	4/19/2020	\$ 7,500	\$ -	\$ 1,750	\$ -	\$ 1,500	\$ 28,000
14	4/26/2020	\$ 7,500	\$ 15,000	\$ 1,500	\$ 5,000	\$ 1,500	\$ 12,500
15	5/2/2020	\$ 7,500	\$ -	\$ 2,000	\$ -	\$ 1,500	\$ 16,500
16	5/9/2020	\$ 5,000	\$ 15,000	\$ 2,000	\$ -	\$ 1,500	\$ 2,500
17	5/17/2020	\$ 5,000	\$ -	\$ 1,750	\$ -	\$ 1,500	\$ 4,250
18	5/24/2020	\$ 5,000	\$ 15,000	\$ 1,500	\$ -	\$ 1,500	\$ (3,750)
19	5/31/2020	\$ 5,000	\$ -	\$ 1,200	\$ 5,000	\$ 1,500	\$ (3,450)
20	6/7/2020	\$ 5,000	\$ 15,000	\$ 900	\$ -	\$ 1,500	\$ (23,850)

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2022 Budgeting



"A budget tells us what we can't afford, but it doesn't keep us from buying it."

William Feather

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What's One Thing Budgeting & Vaccine Hesitancy Have In Common?

If you are educated, you realize that there's
nothing to be afraid of..

The greatest value derived
from the budgeting process
is taking the time to think
through what you think will
happen...and measure the
impact...

Step 1: Estimate Revenue

		January	February	March	April	May	June	July	August	September	October	November	December	Total	
Provider 1															
A	Number of Encounters	Estimate	351	393	319	239	242	472	212	336	312	296	301	315	3,788
B	Revenue Per Encounter	Historic	\$ 186.45	\$ 188.22	\$ 160.64	\$ 187.94	\$ 178.45	\$ 207.96	\$ 216.59	\$ 215.20	\$ 234.79	\$ 207.95	\$ 211.40	\$ 181.80	
C	Provider 1 FFS Revenue	A.X.B	\$ 65,446	\$ 73,969	\$ 51,244	\$ 44,917	\$ 43,186	\$ 98,156	\$ 45,917	\$ 72,307	\$ 73,253	\$ 61,554	\$ 63,630	\$ 57,266	\$ 750,845
Provider 2															
D	Number of Encounters	Estimate	286	357	229	232	146	393	269	291	272	259	250	283	3,267
E	Revenue Per Encounter	Historic	\$ 187.95	\$ 166.48	\$ 162.83	\$ 198.98	\$ 187.19	\$ 212.67	\$ 221.00	\$ 215.66	\$ 200.28	\$ 208.39	\$ 173.73	\$ 170.74	
F	Provider 2 FFS Revenue	D.X.E	\$ 53,755	\$ 59,433	\$ 37,289	\$ 46,163	\$ 27,329	\$ 83,579	\$ 59,448	\$ 62,758	\$ 54,476	\$ 53,973	\$ 43,433	\$ 48,318	\$ 629,953
Provider 3															
G	Number of Encounters	Estimate	226	343	214	205	215	361	252	200	231	252	234	238	2,971
H	Revenue Per Encounter	Historic	\$ 206.74	\$ 154.07	\$ 177.13	\$ 176.22	\$ 159.20	\$ 191.67	\$ 196.55	\$ 196.88	\$ 199.71	\$ 210.57	\$ 205.76	\$ 199.57	
I	Provider 3 FFS Revenue	G.X.H	\$ 46,723	\$ 52,847	\$ 37,907	\$ 36,124	\$ 34,227	\$ 69,195	\$ 49,531	\$ 39,376	\$ 46,134	\$ 53,065	\$ 48,148	\$ 47,498	\$ 560,774
Nurse/Shot/Flu Visits															
J	Number of Nurse/Shot/Flu Encounters	Estimate	136	98	65	30	53	114	76	111	275	520	433	171	2,082
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	\$ 52.13	\$ 50.76	\$ 64.05	
L	Nurse/Shot/Flu Revenue	J.K.K	\$ 9,495	\$ 8,039	\$ 5,438	\$ 3,708	\$ 3,786	\$ 11,339	\$ 11,005	\$ 14,033	\$ 15,206	\$ 27,107	\$ 21,978	\$ 10,952	\$ 142,087
M	Practice Total FFS Revenue	C.F.F.I.I.I	\$ 175,419	\$ 194,287	\$ 131,877	\$ 130,913	\$ 108,528	\$ 262,268	\$ 165,902	\$ 188,474	\$ 189,069	\$ 195,698	\$ 177,189	\$ 164,034	\$ 2,083,660
N	Incentive/Quality Payments	Estimate	\$ 4,750	\$ 5,200	\$ 3,600	\$ 4,850	\$ 4,900	\$ 3,750	\$ 4,200	\$ 6,500	\$ 5,250	\$ 4,500	\$ 5,150	\$ 6,120	\$ 58,770
Capitation Payments															
O	Lives	Estimate	255	235	225	260	275	250	235	240	260	225	235	245	
P	Rate	Historic	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	
Q	Total Capitation Revenue	O.X.P	\$ 3,825	\$ 3,525	\$ 3,375	\$ 3,900	\$ 4,125	\$ 3,750	\$ 3,525	\$ 3,600	\$ 3,900	\$ 3,375	\$ 3,525	\$ 3,675	\$ 44,100

Step 2: Estimate Operating Expenses

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Salaries-Administration	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 75,000
Salaries-Billing	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400	\$ 124,800
Salaries-Clinical Support (Nurses & MA's)	\$ 23,400	\$ 23,400	\$ 23,400	\$ 23,400	\$ 23,400	\$ 23,400	\$ 23,400	\$ 23,400	\$ 23,400	\$ 23,400	\$ 23,400	\$ 23,400	\$ 280,800
Salaries- Receptionists	\$ 5,200	\$ 5,200	\$ 5,200	\$ 5,200	\$ 5,200	\$ 5,200	\$ 5,200	\$ 5,200	\$ 5,200	\$ 5,200	\$ 5,200	\$ 5,200	\$ 62,400
Salaries-Other	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
Support Staff 401K	\$ 1,388	\$ 1,388	\$ 1,388	\$ 1,388	\$ 1,388	\$ 1,388	\$ 1,388	\$ 1,388	\$ 1,388	\$ 1,388	\$ 1,388	\$ 1,388	\$ 16,650
Support Staff Per Diem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Support Staff Bonuses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,500
Payroll Taxes	\$ 3,573	\$ 3,573	\$ 3,573	\$ 3,573	\$ 3,573	\$ 3,573	\$ 3,573	\$ 3,573	\$ 3,573	\$ 3,573	\$ 3,573	\$ 3,573	\$ 43,436
Support Staff Insurance - Medical	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 66,000
Support Staff Insurance - Dental	\$ 1,265	\$ 1,265	\$ 1,265	\$ 1,265	\$ 1,265	\$ 1,265	\$ 1,265	\$ 1,265	\$ 1,265	\$ 1,265	\$ 1,265	\$ 1,265	\$ 15,180
Support Staff Insurance - Life & ADD	\$ 495	\$ 495	\$ 495	\$ 495	\$ 495	\$ 495	\$ 495	\$ 495	\$ 495	\$ 495	\$ 495	\$ 495	\$ 5,940
Support Staff Insurance - STD	\$ 1,485	\$ 1,485	\$ 1,485	\$ 1,485	\$ 1,485	\$ 1,485	\$ 1,485	\$ 1,485	\$ 1,485	\$ 1,485	\$ 1,485	\$ 1,485	\$ 17,820
Support Staff Insurance - Workers' Compensation	\$ 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
Support Staff Insurance - Vision	\$ 1,265	\$ 1,265	\$ 1,265	\$ 1,265	\$ 1,265	\$ 1,265	\$ 1,265	\$ 1,265	\$ 1,265	\$ 1,265	\$ 1,265	\$ 1,265	\$ 15,180
Building and Facilities Rent/Lease	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 102,000
Common Area Maintenance Expense	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 14,400
General Maintenance	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 3,000
Utilities-Water	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 780
Utilities-Electricity	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 5,700
Utilities-Waste Disposal	\$ 185	\$ 185	\$ 185	\$ 185	\$ 185	\$ 185	\$ 185	\$ 185	\$ 185	\$ 185	\$ 185	\$ 185	\$ 2,220
Property Taxes	\$ 130	\$ 130	\$ 130	\$ 130	\$ 130	\$ 130	\$ 130	\$ 130	\$ 130	\$ 130	\$ 130	\$ 130	\$ 1,560
Housekeeping/Maintenance	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 14,400

Step 3: Estimate Provider Expenses

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Employed Physician Salary	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$150,000
Employed Physician Payroll Taxes	\$ 938	\$ 938	\$ 938	\$ 938	\$ 938	\$ 938	\$ 938	\$ 938	\$ 938	\$ 938	\$ 938	\$ 938	\$ 11,250
Employed Physician Insurance - Medical	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 10,500
Employed Physician Insurance - Dental	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 1,380
Employed Physician Insurance - Life & ADD	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 900
Employed Physician Insurance - STD	\$ 135	\$ 135	\$ 135	\$ 135	\$ 135	\$ 135	\$ 135	\$ 135	\$ 135	\$ 135	\$ 135	\$ 135	\$ 1,620
Employed Physician Insurance - Long Term Disability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employed Physician Insurance - Long Term Care	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employed Physician Insurance - Vision	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 1,380
Employed Physician 401K	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
Employed Physician Professional Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employed Physician Bonuses	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Employed Physician Other benefits	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 9,000
Employed Physician Professional Development- Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employed Physician Professional Development- Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Extender (NP/PA) Provider Salary	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 85,000
Extender (NP/PA) Provider Payroll Taxes	\$ 531	\$ 531	\$ 531	\$ 531	\$ 531	\$ 531	\$ 531	\$ 531	\$ 531	\$ 531	\$ 531	\$ 531	\$ 6,375
Extender (NP/PA) Provider Insurance - Medical	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 10,500
Extender (NP/PA) Provider Insurance - Dental	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 1,380
Extender (NP/PA) Provider Insurance - Life & ADD	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 900
Extender (NP/PA) Provider Insurance - STD	\$ 135	\$ 135	\$ 135	\$ 135	\$ 135	\$ 135	\$ 135	\$ 135	\$ 135	\$ 135	\$ 135	\$ 135	\$ 1,620
Extender (NP/PA) Provider Insurance - Long Term Disability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Extender (NP/PA) Provider Insurance - Long Term Care	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Step 5: Review Summary

	January	February	March	April	May	June	July	August	September	October	November	December	Total
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
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
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
Non-Deductable Loan Payments	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250
Other Capital Expenses	\$ 2,500	\$ 1,500	\$ 850	\$ -	\$ 1,500	\$ 1,500	\$ 850	\$ 1,200	\$ -	\$ -	\$ -	\$ 7,000	\$ 16,900
Monthly Cash Position	\$ 5,200	\$ 35,618	\$ (27,891)	\$ (18,418)	\$ (43,878)	\$ 102,525	\$ 9,433	\$ 13,593	\$ 13,325	\$ 13,617	\$ (11,654)	\$ (49,377)	
Accumulated Cash Position	\$ 5,200	\$ 40,818	\$ 12,927	\$ (5,490)	\$ (49,368)	\$ 53,157	\$ 62,590	\$ 76,183	\$ 89,507	\$ 103,125	\$ 91,471	\$ 42,093	

Budgeting Challenge



Two Largest Expenses...



Labor



Vaccines

Most Important Variables



Revenue per Encounter



Encounters per Day



Days per Year the Provider Works

1. Revenue per Encounter



Encounter Revenue / Office Encounters
 $\$500,000 / 4,000$
 $\$125$

2. Encounters per Day



Total Encounters / Provider Days
4,000 / 200
20

3. Days per Year



Count weeks & week / year



Count actual days by month

Need Data!!

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

Step 1

Estimate Revenue

	A	B	C A X B	D	E C X D	F	G E X F
	Days Per Week	Estimated Work Weeks per Year	Estimated Provider Days	Patients Per Day	Patients to be Seen	Revenue Per Encounter	Estimated Revenue Generated
Provider 1	2	48	96	18.24	1,751	\$ 123.36	\$ 216,000
Provider 2	4	50	200	18.00	3,600	\$ 117.25	\$ 422,100
Provider 3	2	50	100	18.75	1,875	\$ 121.92	\$ 228,600
Provider 4 (Owner)	4.5	50	225	20.00	4,500	\$ 117.90	\$ 530,550
					11,726		\$ 1,397,250

Overall practice "Revenue Per Encounter" = \$119.16

Step 2

Estimate
Expenses based
on previous year

Employee Gross Pay	\$ 220,100	Professional fees expense	\$ 13,500
Employer ER Taxes & Contr.	\$ 55,400	Medical supplies/Vaccine	\$ 259,100
401K employer contr.	\$ 26,000	Computer services	\$ 6,500
Advertising	\$ 4,600	Electronic medical record	\$ 24,000
Telephone	\$ 10,200	Meals & representation	\$ 200
Dues and subscriptions	\$ 1,100	Training	\$ 5,500
Office supplies & postage	\$ 13,600	Rent - Office	\$ 46,700
Bank fees	\$ 5,600	Rent - mini storage	\$ 1,900
Admin fee - health insurance	\$ 300	Contributions	\$ 1,800
Repairs & maintenance	\$ 3,600	Janitorial services	\$ 12,000
Taxes & licenses	\$ 1,400	Utilities	\$ 11,600
Insurance expense	\$ 21,700	Interest expense	\$ 3,800
Health Insurance- Employer	\$ 40,000	Total Practice Expense	\$ 790,200

Step 3- Determine Margin Before Provider Compensation



Revenue	\$ 1,397,250
Operational Expenses	\$ 790,200
Margin	\$ 607,050

Step 4- Determine Provider Costs to Calculate Margin Before Shareholder Compensation

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Provider 1	\$ 65,000
Provider 2	\$ 80,000
Provider 3	\$ 160,000 (Plus Bonus)
	\$ 305,000

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Step 5

Verify Margin on
Two Providers With
No Bonus Potential
(Providers 1 & 2)

Revenue Generated (From Above)	\$216,000
Calculate Overhead (Expense / Revenue)	56.55%
Allocated Overhead	\$122,148
Provider 1 Salary	\$65,000
Earnings on Provider 1	\$28,852

Revenue Generated (From Above)	\$228,600
Calculate Overhead (Expense / Revenue)	56.55%
Allocated Overhead	\$129,273
Provider 3 Salary	\$80,000
Earnings on Provider 3	\$19,327

Step 6- Estimate Production Bonus Cost for Provider

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Part A	Revenue Generated (From Above)	\$ 422,100
	Calculate Overhead (Expense / Revenue)	56.55%
	Allocated Overhead	\$ 238,698
	Provider 2 Salary	\$ 160,000
	Earnings on Provider 3	\$ 23,402
Part B	Determine Threshold	\$ 370,000
	Determine Rate	15%
Part C	Expected Revenue Above Threshold	\$ 52,100
	Estimated Bonus	\$ 7,815
	Estimated Profit From Provider 3	\$ 15,587

Refinements include payroll taxes, benefits, CME, malpractice, recruitment costs, etc. For this example, such costs were accounted for since we included them in the overhead rate used.

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Step 7

Determine How Much Left for Owner After Expenses and Providers Paid

Revenue	\$ 1,397,250
Expenses	\$ (790,200)
Margin	\$ 607,050
Provider 1 Salary	\$ (65,000)
Provider 2 Salary	\$ (80,000)
Provider 3 Salary	\$ (160,000)
Provider 3 Bonus	\$ (7,815)
Owner Clear	\$ 294,235

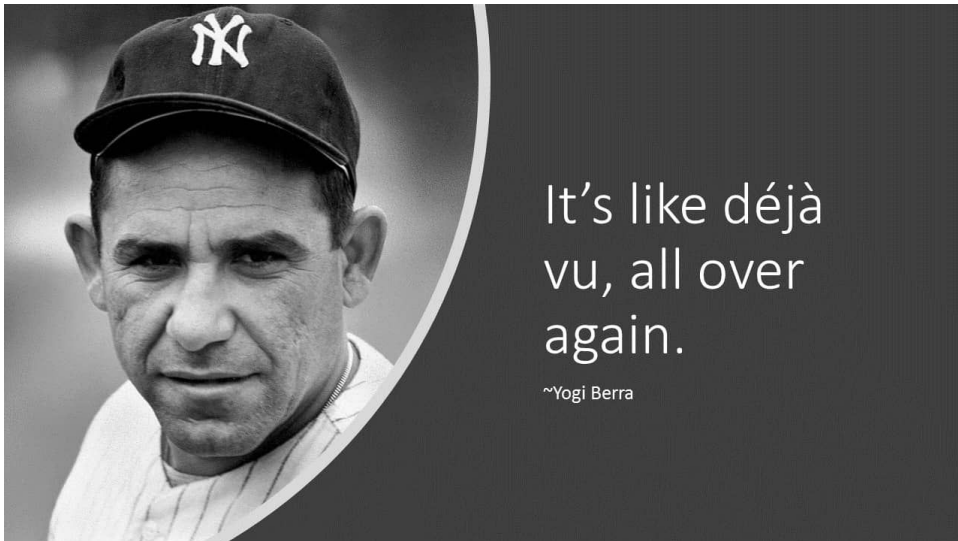
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Owner Earnings Breakdown

Provider 1 Margin	\$ 28,852
Provider 2 Margin	\$ 19,327
Provider 3 Margin	\$ 15,587
	\$ 63,766
Owner Clear	\$ 294,235
Estimated Owner Margin	\$ 230,469
Percent from Employed	21.67%
Percent from Self	78.33%



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Budgeting For Pediatric Practices

Progress 0%

Budgeting For Pediatric Practices Course Video

Expand all

1. Downloads / Resources

2. Course Video

View The Course

3. Assessment

View The Course

Revenue Per Encounter

By Provider:

- Number of office visits
- 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

22:36

Budgeting For Pediatric Practices

Progress 0%

Budgeting For Pediatric Practices Downloads / Resources

Expand all

1. Downloads / Resources

Course Files & Links

2. Course Video

3. Assessment

Course Materials:

[Slide Deck](#)

[Sample Budget Spreadsheet](#)

www.P

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Complimentary Budgeting Course

1. Visit Learn.PediatricSupport.com
2. Select Course
3. Enter coupon code: **episode2**
4. View whenever you feel up to it...

www.PediatricSupport.com





www.Learn.PediatricSupport.com



PEDIATRIC MANAGEMENT INSTITUTE PMI Learning Portal Catalog News

Catalog

 Complete Certification Begin your journey towards certification. 1 item	 Complimentary Courses Complimentary courses offered from PMI's CPOE program. 1 item	 Individual Course Purchases Purchase individual courses offered in the Certified Pediatric Office Executive program. 20 items
 Non-Certification Bundles 1 item		

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PEDIATRIC MANAGEMENT INSTITUTE PMI Learning Portal Catalog News

Individual Course Purchases

 Budgeting For Pediatric Practices Presented by Paul Vanchiere, MBA \$29.99 CPOE_Finance_10	 Corporate Structures Presented by Alex Meyer \$29.99 CPOE_Accounting_01	 Effective Interviews To Find The Right... Presented by Paul Vanchiere, MBA \$29.99 CPOE_HumanResources_06
 Effectively Marketing For Your Pediatric... Presented by Chip Hart \$29.99 CPOE_Marketing_01	 Equipment Lease Versus Purchase Presented by Alex Meyer \$29.99 CPOE_Finance_01	 Financial Key Performance... Presented by Paul Vanchiere, MBA \$29.99 CPOE_Finance_08

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The screenshot shows the PMI Learning Portal interface. At the top, there is a navigation bar with 'Catalog', 'News', 'Contact', and a 'Log in' button. Below this is a dark blue header with a back arrow and the text 'Individual Course Purchases'. The main content area features a course card for 'Budgeting For Pediatric Practices'. The card includes an icon of a hand holding a dollar sign, the course title, and a 'Purchase for \$29.99' button which is circled in red. Below the course card, there are sections for 'About' (with a 'Modules' link), 'Presented by: Paul Vanchiere, MBA', and 'Purpose & Needs of the Course:'. To the right, an 'Info' box lists: 'Style: Self paced', 'Modules: 3', and 'Category: Individual Course Purchases'.

This screenshot shows a modal dialog box titled 'Apply coupon' overlaid on the course page. The dialog has a search input field containing the text 'episode2', which is circled in red. Below the input field is an 'Apply' button. In the background, a 'Review your order' summary is partially visible, showing a table with columns for 'Quantity', 'Discount', and 'Price'. The 'Discount' row shows 'EPISODE2' with a '100%' discount, and the 'Price' row shows '\$0.00', both of which are circled in red.

The 'Review your order' summary is displayed on a green background. It lists the course 'Budgeting For Pediatric Practices' with a trash icon. Below this, it shows 'Quantity: 1', 'Discount - EPISODE2: 100%', and 'Price: \$0.00'. The 'Price' value is circled in red. At the bottom, the 'Total' is listed as '\$0.00'. There is an 'Apply coupon' button at the very bottom of the summary.

This Week's Guest

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WiP x PMI TAKEOVER

JOIN US FOR A Q&A WITH



CAROL COX

Storytelling for Communication,
Connection and Confidence



JAMIE POSLOSKY

Telling Your Brand Story
Through Social Media

THURSDAY, NOVEMBER 18, 2021
8 PM EST/5 PM PST



WomelnPeds.com



You're Invited

WiP x PMI AFTER PARTY

FOOD & DRINKS

MUSIC & DANCING

JANUARY 29, 2022

7:00 – 11:00 p.m.

Location: TBD

TICKETS \$99



PEDIATRIC MANAGEMENT INSTITUTE

WiP x PMI PRE-CON

The Power of Storytelling

January 27, 2022
1:00 – 5:30 p.m.
Disney's Yacht Club Resort



story /stōri/ noun: an account of past events in someone's life or in the evolution of something



1:00 CAROL COX
Storytelling for Communication, Connection and Confidence



3:15 JENNI GUERRY
Hit Me with Your Best Shot



3:45 JAMIE POSLOSKY
Telling Your Brand Story Through Social Media



Receive a deluxe curated gift bag exclusive to WiP x PMI attendees.



Registration includes a 1:1 photoshoot to update your headshot.



Collaborate with your peers to develop a social media calendar for 2022.

JANUARY 27, 2022
1:00 – 5:30 p.m.
Disney's Yacht Club Resort

REGISTER HERE:



SEATING IS LIMITED

\$299



WIPXPMI

10% off any website purchase

TO DO LIST

- Register for [WiP Pre Con](#)
- Buy [WiP After-Party tickets](#) for everyone
- Sign up for [headshot session](#)
- Register for [WiP Retreat 2022](#)

Your Pediatric Update With Chip & Paulie

Third Thursday Of The Next Two Months

Thursday December 16, 2021
Thursday January 20, 2022
New Time: @ 8:00PM(ET)



Physicians vs. Extenders

RVU-based bonuses for providers