Do You Know Your Numbers?-
If not, how do you determine them?

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Jerry A. Jenkins, M.Ed., LADAC, MAC

Do You Know Your Numbers?-
If not, how do you determine them?

Welcome
Objectives
Presentation Format – Lecture, Vignettes, Q&A
Welcome

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Promoting and Practicing Connectivity – Collaboration – Integration – Resource Sharing

Anchorage and surrounding area are Dena'ina Elnena (Dena'ina Country), the traditional homelands of the Dena'ina Athabascan people.

Welcome

We have all heard ‘no margin – no mission’ in the nonprofit world.

Same holds true for all business models. Reimbursement aka payment for services must at a minimum match or cover the costs of doing the service(s) or business.

This workshop will delve into how to determine what reimbursement needs to be regardless of whether in fee for service, case rate, episode of care, managed care, value based or any other reimbursement model.

Knowing how to assess reimbursement in the current economic environment is critical particularly with inflation and the need to have adequate staffing supported by adequate reimbursement/income.

The approaches and tools presented will provide information for developing or adjusting organizational budgets as well preparing grant applications or advocating for rate adjustments based on current economic conditions.
Welcome

Overriding theme of this presentation is “consider everything being supported by or impacting the bottom line!” from Jakob Emerson article, March 24, 2023

Nonprofit hospitals’ investment losses shouldn’t be subsidized by taxpayers: health economists (beckershospitalreview.com)

"The real crisis in healthcare is operational," according to Matt Swafford, CFO of Bend Oregon based St. Charles Health when discussing operating income and investment income. “... Operations require daily/weekly/monthly/annual ongoing performance and risk management work...”

Do you know your numbers?

It is not uncommon for clinical and administrative staff to aspire to leadership positions – program director, chief of operations, chief of compliance, HR director, Executive Director/CEO or similar roles and responsibilities. College courses and majors along with workshops, seminars, webinars, books and other educational tools are used to help prepare for the everchanging area of managing and leading people and organizations and ensuring a business model that ‘pays the bills.’

This workshop will focus on identifying everything to factor when determining revenue models in behavioral health.
Do you know your numbers? If not, how to determine them? - Objectives

Objective 1
List at least three (3) regulatory bodies impacting the cost of doing business in behavioral health.

Objective 2
Describe how to capture the costs of doing behavioral health care.

Objective 3
Explain how to calculate cost of doing business.

Objective 4
Create a charge master for services.

Do you know your numbers? If not, how to determine them? – Regulatory bodies impacting behavioral health
Do you know your numbers? If not, how to determine them? – Regulatory bodies impacting behavioral health

Mission: To foster, promote, and develop the welfare of the wage earners, job seekers, and retirees of the United States; improve working conditions; advance opportunities for profitable employment; and assure work-related benefits and rights. (https://www.dol.gov/general/aboutdol)

- Employee Retirement Income Security Act (ERISA) by Employee Benefits Security Administration
- Davis-Bacon Act – aka Davis Bacon wage determinations for construction projects with federal funding over $2k.
- Family and Medical Leave Act (FMLA)*
- Fair Labor Standards Act (FLSA)
- Occupational Safety and Health Act (OSHA)
- Americans with Disabilities Act (ADA)*

The U.S. Equal Employment Opportunity Commission (EEOC) is responsible for enforcing federal laws that make it illegal to discriminate against a job applicant or an employee because of the person's race, color, religion, sex (including pregnancy, transgender status, and sexual orientation), national origin, age (40 or older), disability or genetic information. Most employers with at least 15 employees are covered by EEOC laws (20 employees in age discrimination cases). Most labor unions and employment agencies are also covered.

The laws apply to all types of work situations, including hiring, firing, promotions, harassment*, training, wages, and benefits. https://www.eeoc.gov/overview
Do you know your numbers? If not, how to determine them? –
Regulatory bodies impacting behavioral health

The IRS is a bureau of the Department of the Treasury and one of the world's most efficient tax administrators. 

Others:
• US Department of Commerce – National Institute of Standards and Technology (NIST) (IT security)
• US Department of Defense – TRICARE as well as contracts with DOD.
• US Department of Education – if you have a residential educational component.
• US Housing and Urban Development (HUD) – Grants and vouchers e.g., Community Development Block Grants (CDBG); Section 8, McKinney-Vento Homeless Assistance Act; Veterans Affairs Supportive Housing (VASH)
• US Department of Justice – US Drug Enforcement Administration if you have prescribers or a pharmacy as well as enforcing ADA regulations governing states and local government services and public accommodations.
• US Department of Veterans Affairs (VA) – if you contract to serve veterans.
• US Department of Transportation – if you have commercial fleet for transportation of people or supplies.
Do you know your numbers? If not, how to determine them? – Regulatory bodies impacting behavioral health

Respective state and local governments.

Map from https://geology.com/world/the-united-states-of-america-satellite-image.shtml
Do you know your numbers? If not, how to determine them? –
Other entities impacting cost of doing business

- Various licensing requirements and other regulators including fire, building and food handling codes.
- FASB – The Financial Accounting Standards Board who establishes GAAP - Generally Accepted Accounting Principles.
- Compliance with guidance from US DHHS OIG et al (https://oig.hhs.gov/compliance/)
- Board of Directors – number, terms, skills and interests vary – May also have an owner or owner group if in for-profit company.
- Union or non-union employer?
- Court and Labor Relation determinations.

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Do you know your numbers? If not, how to determine them? –
- Impact???

✓ ALL of the preceding potentially impact the cost of doing business.
✓ Some are ‘offensive’ meaning that income is not missed or as some say ‘left on the table.’ Offensive includes making sure the revenue cycle promotes not missing any billable services or income opportunities.
✓ Some are ‘defensive’ like an active compliance program where any identified overpayment or problematic billing is adjusted ASAP. Defensive includes trying to prevent any major impact from post billing auditing.
Do you know your numbers? If not, how to determine them? – How do you keep up with all this???

- Try to hire best staff available. Direct reports need to be competent in understanding the business model.
- Strong Financial and Compliance Oversight and consultation either within company or available through other means. (I normally get several calls a year about reviewing calculations or compliance plans.)
- Retain legal counsel to monitor and minimize operational financial risks in areas like HR, policies and procedures, etc. (I recommend being on speed dial.)
- Build peer relationships – you need someone to talk to share ideas or when events occur.
- Make sure company insurance is up to date – General liability, cyber, D&O, Professional liability.

Do you know your numbers? If not, how to determine them? Here we go!

Objective 1
List at least three (3) regulatory bodies impacting the cost of doing business in behavioral health.

Objective 2
Describe how to capture the costs of doing behavioral health care.

Objective 3
Explain how to calculate cost of doing business.

Objective 4
Create a charge master for services.
Do you know your numbers? If not, how to determine them?
Here we go!

But first, thanks to those who helped me learn about numbers over the years.
• Bobby Freeman, Ph.D., CEO; Chris Wyre, MBA, CAO et al at Volunteer Behavioral Health in Tennessee as we adjusted to TennCare – transitioned from fee for service to capitated 100% managed care Medicaid with 1/3\textsuperscript{rd} reduction in first year – 1994-2002
• Jon Watkins, MBA, CFO at Anchorage (AK) Community Mental Health Services – 2007-2017
• Katherine Tompkins McDonald, Office of Rate Review, Alaska Department of Health; Tom Chard, CEO, Alaska Behavioral Health Association; Randall Burns, Director, Alaska Division of Behavioral Health et al – 2015-2017 as we did the 1\textsuperscript{st} rebasing of behavioral health rates in 25 years.

Do you know your numbers? If not, how to determine them?
Here we go! Capturing THE costs – Which services?

Categorical Types of Behavioral Health Services:
• Clinic Services
  • Assessments
  • Psychotherapy (Individual; Group; Family)
  • Psychological Testing
  • Neuropsychological Testing
  • Comprehensive Medication Services
  • Short-term Crisis Intervention Services
Do you know your numbers? If not, how to determine them?
Here we go! Capturing THE costs – Which services?

Categorical Types of Behavioral Health Services:
• Clinic Services
• Rehabilitation Services
  • Case Management
  • Peer Support
  • Therapeutic Behavioral Health Services
• Substance Use Services - ASAM
  • Day Treatment
  • Oral Medication Administration
  • Methadone Administration
  • Ambulatory Detoxification
  • Medically Managed Detoxification
  • Clinically Managed Detoxification
  • Medical Evaluation
  • Screening, Brief Intervention and Referral for Treatment (SBIRT)
  • Residential SUD Treatment –
Do you know your numbers? If not, how to determine them?
Here we go! Where to start?

What payment model(s) will you have?
• Fee for service and are there daily limits to services? (Published rates)
• Daily rate and what does it include?
• Case rate - daily; weekly; monthly and are there minimums?
• Value based care with defined benchmarks and what all is included?
• Episode of care or DRG
• Managed care arrangement with per member per month (PMPM) or other calculation and what are the minimum requirements?

Fee for service example

<table>
<thead>
<tr>
<th>Code</th>
<th>Desc.</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>90832</td>
<td>Psychotherapy, Individual</td>
<td>16-17 min</td>
</tr>
<tr>
<td>90834</td>
<td>Psychotherapy, Individual</td>
<td>38-52 min</td>
</tr>
<tr>
<td>90837</td>
<td>Psychotherapy, Individual</td>
<td>53-60 min</td>
</tr>
<tr>
<td>90846</td>
<td>Psychotherapy, Family (w/o patient present)</td>
<td>60 min</td>
</tr>
<tr>
<td>90847</td>
<td>Psychotherapy, Family (w/ patient present)</td>
<td>60 min</td>
</tr>
<tr>
<td>90849</td>
<td>Psychotherapy, Multi-family group</td>
<td>60 min</td>
</tr>
<tr>
<td>90853</td>
<td>Psychotherapy, Group</td>
<td>60 min</td>
</tr>
<tr>
<td>H10031</td>
<td>Mental Health Intake</td>
<td>Assessment</td>
</tr>
<tr>
<td>H20100</td>
<td>Comprehensive Medicaid Services</td>
<td>1 visit</td>
</tr>
<tr>
<td>89484</td>
<td>Short term Crisis Intervention</td>
<td>1 hour</td>
</tr>
<tr>
<td>91791</td>
<td>Psychiatric Assessment - Diag Eval</td>
<td>Assessment</td>
</tr>
<tr>
<td>96136</td>
<td>Neuropsychological Testing</td>
<td>30 min</td>
</tr>
<tr>
<td>96137</td>
<td>Neuropsychological Testing</td>
<td>30 min</td>
</tr>
<tr>
<td>96138</td>
<td>Psychological Testing</td>
<td>60 min</td>
</tr>
<tr>
<td>96139</td>
<td>Psychological Testing</td>
<td>60 min</td>
</tr>
<tr>
<td>96142</td>
<td>Neuropsychological Testing</td>
<td>60 min</td>
</tr>
<tr>
<td>96133</td>
<td>Neuropsychological Testing</td>
<td>60 min</td>
</tr>
</tbody>
</table>
Do you know your numbers? If not, how to determine them? Here we go! Capturing THE costs – Which services and who does them?

Fee for service example – Clinic Services

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Time</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>98032</td>
<td>Psychotherapy, Individual</td>
<td>16.37</td>
<td>$67.87</td>
</tr>
<tr>
<td>98034</td>
<td>Psychotherapy, Individual</td>
<td>38.52</td>
<td>$191.81</td>
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<tr>
<td>98037</td>
<td>Psychotherapy, Individual</td>
<td>53-60</td>
<td>$135.75</td>
</tr>
<tr>
<td>98046</td>
<td>Psychotherapy, Family (w/ patient present)</td>
<td>60 min</td>
<td>$142.79</td>
</tr>
<tr>
<td>98047</td>
<td>Psychotherapy, Family (w/ patient present)</td>
<td>60 min</td>
<td>$138.72</td>
</tr>
<tr>
<td>98049</td>
<td>Psychotherapy, Multi-family group</td>
<td>60 min</td>
<td>$55.49</td>
</tr>
<tr>
<td>98053</td>
<td>Psychotherapy, Group</td>
<td>60 min</td>
<td>$54.30</td>
</tr>
<tr>
<td>10001</td>
<td>Mental Health Intake</td>
<td>Assessment</td>
<td>$437.50</td>
</tr>
<tr>
<td>12010</td>
<td>Comprehensive Medicaid Services</td>
<td>1 visit</td>
<td>$145.16</td>
</tr>
<tr>
<td>12046</td>
<td>Short term Crisis Intervention</td>
<td>1 hour</td>
<td>$128.40</td>
</tr>
<tr>
<td>12079</td>
<td>Psychiatric Assessment - Drug Eval</td>
<td>Assessment</td>
<td>$599.07</td>
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<tr>
<td>96136</td>
<td>Neuropsychological Testing</td>
<td>30 min</td>
<td>$70.40</td>
</tr>
<tr>
<td>96137</td>
<td>Neuropsychological Testing</td>
<td>30 min</td>
<td>$70.40</td>
</tr>
<tr>
<td>96138</td>
<td>Psychological Testing</td>
<td>60 min</td>
<td>$149.91</td>
</tr>
<tr>
<td>96139</td>
<td>Psychological Testing</td>
<td>60 min</td>
<td>$149.91</td>
</tr>
<tr>
<td>96132</td>
<td>Neuropsychological Testing</td>
<td>60 min</td>
<td>$165.42</td>
</tr>
<tr>
<td>96133</td>
<td>Neuropsychological Testing</td>
<td>60 min</td>
<td>$165.42</td>
</tr>
</tbody>
</table>

Do you know your numbers? If not, how to determine them? Here we go! The Model!

Modeled methodology

- Wages
- Fringe Benefits
- Productivity
- Program Support
- Administration and General
Do you know your numbers? If not, how to determine them? Here we go! Capturing THE costs – What is #1?

What is the biggest cost factor in behavioral health care?

Do you know your numbers? If not, how to determine them? Here we go! Where to start?

What is the biggest, most hughest cost factor in behavioral health care?

Personnel/Human Resources/Human Capital/Labor in the form of employees or contractors.

What are the major considerations in costing Personnel?
Do you know your numbers? If not, how to determine them? Here we go! Where to start?

What are the major considerations in costing Personnel?

Wages and Fringe Benefits

What factors do you use as the basis? Said another way, what is a full-time equivalent aka FTE? 40 hours per week (2,080) or 37.5 hours (1,950)?
Do you know your numbers? If not, how to determine them? Here we go! Where to start?

What are the major considerations in costing Personnel?

Wages and Fringe Benefits

What factors do you use as the basis? Said another way, what is a full-time equivalent aka FTE? 40 hours per week (2,080) or 37.5 hours (1,950) or do you use another scheme due to shift and overtime pay requirements?

Do you know your numbers? If not, how to determine them? Here we go! Where to start? What is an FTE?

FTE determines the hourly, shift, daily, weekly, monthly and annual wage.

Question: How do you determine hourly rate?
Do you know your numbers? If not, how to determine them? Here we go! Where to start? What is an FTE?

FTE determines the hourly, shift, daily, weekly, monthly and annual wage.

Question: How do you determine hourly rate?

**Answer:** What it takes to recruit and retain a particular skill or position.

<table>
<thead>
<tr>
<th>Position</th>
<th>Hourly Wage Model Inputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physician / Psychiatrist</td>
<td>$160.02</td>
</tr>
<tr>
<td>Physician Assistant</td>
<td>$76.52</td>
</tr>
<tr>
<td>Advanced Nurse Practitioner</td>
<td>$73.71</td>
</tr>
<tr>
<td>Registered Nurse</td>
<td>$51.42</td>
</tr>
<tr>
<td>Licensed Practical Nurse</td>
<td>$35.81</td>
</tr>
<tr>
<td>Psychologist</td>
<td>$75.59</td>
</tr>
<tr>
<td>Mental Health Professional Counselor</td>
<td>$40.36</td>
</tr>
<tr>
<td>Behavioral Health Clinical Associate</td>
<td>$24.34</td>
</tr>
<tr>
<td>Substance Use Disorder Counselor</td>
<td>$27.32</td>
</tr>
</tbody>
</table>
Do you know your numbers? If not, how to determine them? What is an FTE and how much is annual pay?

<table>
<thead>
<tr>
<th>Position</th>
<th>Hourly Rate</th>
<th>Annual Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physician/Psychiatrist</td>
<td>$160</td>
<td>$332,800</td>
</tr>
<tr>
<td>Advanced Nurse Practitioner</td>
<td>73.71</td>
<td>$153,317</td>
</tr>
<tr>
<td>Registered Nurse</td>
<td>$51.42</td>
<td>$106,954</td>
</tr>
<tr>
<td>MH Professional Counselor</td>
<td>$40.36</td>
<td>$83,949</td>
</tr>
<tr>
<td>SUD Counselor</td>
<td>$27.32</td>
<td>$56,826</td>
</tr>
</tbody>
</table>

Question: Is this all this position costs?
Do you know your numbers? If not, how to determine them? What is an FTE and how much is annual pay?

Physician/Psychiatrist hourly rate of $160 = $332,800
Advanced Nurse Practitioner – 73.71 = $153,317
Registered Nurse - $51.42 = $106,954
MH Professional Counselor - $40.36 = $83,949
SUD Counselor - $27.32 = $56,826

Question: Is this all this position costs?

Answer: No!!

Examples:
- Social Security @ 6.2%
- Medicare @ 1.45%
- State Federal Unemployment Insurance @ 3.5%
- Worker’s Comp. (estimate) @ 1.7%
- Retirement (estimate) @ 4.9%
- Other Insurances (Life; Short- and Long-Term Disability)(estimate/optional) @ .6%

This estimate alone adds 18.35% to cost of position.
Do you know your numbers? If not, how to determine them?
What is an FTE and how much is annual cost per position?

Question: Is this all this position costs?
Answer: No. What is missing for many providers?

Health Insurance

This is a complicated area to calculate as it depends on the types of coverage offered (comprehensive; limited; type of deductible) and whether individual, family or some combination thereof. Plus, is the company self insured or what is excluded, are there incentives and what are limits?

For today, we will use a SWAG of 16%.
Do you know your numbers? If not, how to determine them?
What is an FTE and how much is annual cost per position?

Question: Is this all this position costs?
Answer: No. How about days of paid leave and holidays?

For today, we are using 12 holidays and 28 days of paid leave. These are estimated averages.

Calculating 40 days of PTO means 320 hours/15.4% of available time is ‘paid off time.’ The employee is not a work and can not provide billable services!

Do you know your numbers? If not, how to determine them?
What is an FTE and how much is annual cost per position?

Question: Is this all this position costs?
Answer: No. Examples:
- Social Security, Medicare, Unemployment, Workers’ Comp, Retirement plus other insurances is estimated alone to add 18.35% to cost of position.

Paid Time = 15.4%
Health Insurance = 16%
Calculated fringe benefit = 49.75%
Do you know your numbers? If not, how to determine them? What is an FTE and how much is annual cost per position?

Question: Is this all this position costs?

So, a position that pays $20.00 per hour now costs $29.95 per hour. Annually that means a $41,600 position is now $62,296 when using calculated fringe benefit of 49.75%

Answer: No. What program support costs are involved. Program support expenses are neither direct care nor administrative. Such activities are program specific but not billable independent of direct services. Examples include:

- Training personnel and material specifically related to provision of service
- Vehicle or other transportation related expenses
- Background checks
- Office space, furnishings and depreciation
Do you know your numbers? If not, how to determine them? What is an FTE and how much is annual cost per position?

Question: Is this all this position costs?

Answer: No. What program support costs are involved. Program support expenses are neither direct care nor administrative. Such activities are program specific but not billable independent of direct services.

For this example, Program Support will be estimated at 53% after Productivity* is determined.

*Teaser

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Do you know your numbers? If not, how to determine them? What is an FTE and how much is annual cost per position?

Question: Is this all this position costs?

Answer: No. What are the administrative support costs involved. (non-exhaustive listing!)

- Accounting Staff wages and benefits
- Accreditation unless program specific
- Building rent for all admin staff
- Consulting
- Corporate management wages and benefits
- Depreciation
- Home office costs or management fees
- Human Resources
Do you know your numbers? If not, how to determine them? What is an FTE and how much is annual cost per position?

Question: Is this all this position costs?
Answer: No. What are the administrative support costs involved? (Continued from previous slide.)

- IT
- Legal
- Office supplies
- Audit fees
- Subscriptions
- Utilities of administrative space

Do you know your numbers? If not, how to determine them? What is an FTE and how much is annual cost per position?

Question: Is this all this position costs?
Answer: No. What are the administrative support costs involved?

For this example, Administrative costs will be estimated at 19.1%
Do you know your numbers? If not, how to determine them?
What is an FTE and how much is annual cost per position?

Question: Is this all this position costs? Remember, using $20 as hourly rate of pay.
• Answer: No.
Calculated fringe benefit = 49.75% = $20x1.4975=29.95
Calculated Program Support estimated at 53% = $29.95x1.53=$45.82
Calculated Administrative Costs = 19.1% = $45.82x1.191=$54.58

Annualized per position =
Pay = $41,600
With Fringe Benefits = $62,296
With Program Support = $95,313
With Administration = $113,518
Do you know your numbers? If not, how to determine them?
What is an FTE and how much is annual cost per position?

Question: Is this all this position costs? Remember, using $20 as hourly rate of pay.
• Answer: No.
Calculated fringe benefit = 49.75% = $20x1.4975=29.95
Calculated Program Support estimated at 53% = $29.95x1.53=$45.82
Calculated Administrative Costs = 19.1% = $45.82x1.191=$54.58

Annualized per position =
Pay = $41,600 fully loaded with fringe benefits, program support and Administrative costs = $113,518

Questions about how we got to this point?
Do you know your numbers? If not, how to determine them? So, how much must this position bill per hour to cover costs?

Annualized per position =
Pay = $41,600 fully loaded with fringe benefits, program support and Administrative costs = $113,518

Works 2,080 hours so divide $113,518/2,080 = $54.58 per hour??

What is wrong with this calculation?
Do you know your numbers? If not, how to determine them?
What is an FTE, how much is annual pay and how much time is available to do revenue generation aka productivity?

**Remember, we started with 2,080 hours for a full-time equivalent aka (FTE).**

What do we know that already impacts availability to do billable work?

**Holidays?**

**PTO?**

**What else????**

---

Do you know your numbers? If not, how to determine them?
What is an FTE, how much is annual pay and how much time is available to do revenue generation aka productivity?

**Remember, we started with 2,080 hours for a full-time equivalent aka (FTE).**

What else???? (These are SWAGs based on a recent analysis.)
Supervision – using 1 hour per week average = 52 hours
Case Conferences – using annual average = 52 hours
Clinical Meetings - using annual average = 60.8 hours
Administrative Meetings – using annual average = 36 hours
Other Meetings – using annual average = 70.3 hours
Training including continuing education = 55 hours
**Subtotal = -326.1 hours from 2,080 = 1,753.9 hours**

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Presented by: Jerry Jenkins, MEd, LADAC, MAC
Do you know your numbers? If not, how to determine them? What is an FTE, how much is annual pay and how much time is available to do revenue generation aka productivity?

Remember, we started with 2,080 hours for a full-time equivalent aka (FTE).

What else???? (These are SWAGs based on a recent analysis.)

Training including continuing education = 55 hours
Subtotal = 2,080 - 326.1 hours = 1,753.9 hours

Therefore, Productivity Factor subtotal (Total Time/Billable Time) = 18.6%

Do you know your numbers? If not, how to determine them? How does productivity impact the final cost?

Therefore, Productivity Factor subtotal (Total Time/Billable Time) = 18.6%

Question: Is this all this position costs? Remember, using $20 as hourly rate of pay.

• Answer: No.

Annualized per position =
Pay = $41,600 fully loaded with fringe benefits, program support and Administrative costs = $113,518
Productivity = 1.186x$113,518 = 134,761
Do you know your numbers? If not, how to determine them? How does productivity impact the final cost?

Therefore, Productivity Factor subtotal (Total Time/Billable Time) = 18.6%

Question: Is this all this position costs? Remember, using $20 as hourly rate of pay.

- Answer: No.

Annualized per position =

Productivity = 1.186 x $113,518 = 134,761

Annualized per position =

Pay = $41,600 fully loaded with fringe benefits, program support, Administrative costs and accounting for other costs = $134,761

Works 2,080 hours so divide $134,761 / 2,080 = $64.79 per hour??

Anything wrong with this calculation?

Do you know your numbers? If not, how to determine them?

What else is impacting final the final determination?

Remember, we started with 2,080 hours for a full-time equivalent aka (FTE).

What do we know that already impacts availability to do billable work?

- Holidays?
- PTO?
- What else????
Do you know your numbers? If not, how to determine them?
Anything else to consider?

Remember, we started with 2,080 hours for a full-time equivalent aka (FTE).

What do we know that already impacts availability to do billable work?
Subtotal = 2,080 - 326.1 hours = 1,753.9 hours
Holidays and PTO = 320 hours
Subtotal = 1,754 – 320 = 1,434 hours

What else???

Do you know your numbers? If not, how to determine them?
How much does documentation and admin requirements take away billable time?

Remember, we started with 2,080 hours for a full-time equivalent aka (FTE).

What do we know that already impacts availability to do billable work?
Subtotal = 2,080 - 326.1 hours = 1,753.9 hours
Holidays and PTO = 320 hours
Subtotal = 1,754 – 320 = 1,434 hours

What else???
How do you calculate time for documentation? What is your estimate for completing assessments and allied supporting documentation, treatment planning, progress notes, and other related documentation and admin requirements? What is your SWAG?
Do you know your numbers? If not, how to determine them?
How much does documentation and admin requirements take away billable time?

Remember, we started with 2,080 hours for a full-time equivalent aka (FTE).

What do we know that already impacts availability to do billable work?
Subtotal = 2,080 - 326.1 hours = 1,753.9 hours
Holidays and PTO = 320 hours
Subtotal = 1,754 – 320 = 1,434 hours

What else???
How do you calculate time for documentation? What is your estimate for completing assessments and allied supporting documentation, treatment planning, progress notes, and other related documentation requirements?

Using 15%, 1,434 x .15 = 215 or 1,219 hours available for doing billable services!

Do you know your numbers? If not, how to determine them?
Do we have everything yet?

Annualized per position =
Productivity = 1.186x$113,526 = 134,641.84
Pay = $41,600 fully loaded with fringe benefits, program support, Administrative costs and accounting for other costs = $134,642

Available to do billable works 1,219 hours so divide $134,761/1,219 = $110.55 per hour??

Anything missing?
Do you know your numbers? If not, how to determine them? Do we have everything yet?

Annualized per position =
Productivity = 1.186x$113,526 = 134,641.84
Annualized per position =
Pay = $41,600 fully loaded with fringe benefits, program support, Administrative costs and accounting for other costs = $134,642

Available hours to do billable work = 1,219 hours so divide $134,642/1,219 = $110.45 per hour??

Anything missing?

How about 'risk margin' just in case something happens like slow payments, denied claims, audit adjustments? It is recommended that the Board of Directors or owners set an an annual percentage.

Questions to this point?
Do you know your numbers? If not, how to determine them?

Variables.

Higher paying positions will have lower benefit percentages as the cost of benefits is less of the gross pay. Said another way, a family health insurance plan for a new residential tech will cost a larger % of the tech’s pay than it will be for the Senior Residential Counselor due to the pay difference.

Therefore, calculations are sometimes based on mid-ranges.

Creating a charge master.

What services will your organization provide?

Recommend using Current Procedural Terminology Codes (CPT) from the American Medical Association and Healthcare Common Practice Coding System (HCPCS) based on CPT. ICD-10 codes will be used to support them.
Do you know your numbers? If not, how to determine them? Creating a charge master.

A chargemaster is a comprehensive list of charges for each service or product provided by a hospital or provider.

A good resource is at: https://healthcaremba.gwu.edu/blog/chargemaster-hospital-administrators-need-know/

Do you know your numbers? If not, how to determine them? Creating a charge master.

What services will your organization provide? Recommend using CPT and ICD codes to define them.

Who are payer sources and how much do they pay?
Do you know your numbers? If not, how do you determine them?

Creating a charge master.

What services will your organization provide? Recommend using CPT and ICD codes to define them.

Who are payer sources and how much do they pay?

<table>
<thead>
<tr>
<th>CPT</th>
<th>Activity Description Code</th>
<th>Unit in Minutes (Mdc only)</th>
<th>Medicare MD 2011</th>
<th>Medicare ANP 2011</th>
<th>Medicare CSW 11</th>
<th>Medicare MD 2010</th>
<th>Medicare ANP 2010</th>
<th>Medicaid Other 10</th>
<th>ACHRS Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>90801</td>
<td>Psychiatric Evaluation (PSYEV)</td>
<td>60</td>
<td>205.23</td>
<td>174.45</td>
<td>264.79</td>
<td>234.55</td>
<td>239.19</td>
<td>339.00</td>
<td></td>
</tr>
<tr>
<td>90802</td>
<td>Psychiatric Evaluation Interactive</td>
<td>60</td>
<td>222.46</td>
<td>189.09</td>
<td>263.75</td>
<td>241.19</td>
<td>339.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>90864</td>
<td>Individual Psychotherapy 20-30 min (NID)</td>
<td>30</td>
<td>89.44</td>
<td>76.05</td>
<td>67.08</td>
<td>110.21</td>
<td>93.68</td>
<td>66.00</td>
<td>79.00</td>
</tr>
<tr>
<td>90866</td>
<td>Individual Psychotherapy 45-50 min (NID)</td>
<td>N/A</td>
<td>123.35</td>
<td>164.85</td>
<td>92.51</td>
<td>150.06</td>
<td>132.65</td>
<td>149.00</td>
<td></td>
</tr>
</tbody>
</table>

Physician/Psychiatrist hourly rate was $100 = $208,000 = fully loaded cost of $673,806.87.

Fringe Calculation = $100 x 1.4975 = $149.75
Program Support = $149.75 x 1.53 = $229.12
Admin Support = $229.12 x 1.191 = $272.87
Productivity = $272.88 x 1.186 = $323.36
Billable Expectations = 1,400 hour or $480.83 per billable hour
Do you know your numbers? If not, how to determine them?

Did these company rates cover in 2010?

SUD Counselor - $20 = $41,600 = fully load cost of $134,761.40.

<table>
<thead>
<tr>
<th>Rate</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISD</td>
<td>15</td>
</tr>
<tr>
<td>GSD</td>
<td>15</td>
</tr>
</tbody>
</table>

Fringe Calculation = $20 x 1.4975 = $29.95
Program Support = $29.95 x 1.53 = $45.82
Admin Support = $45.82 x 1.191 = $54.58
Productivity = $54.58 x 1.186 = $64.73
Billable Expectations = 1,200 hour or $ = $112.00 per hour

However, $180 per hour for GSD with a group average of 5.

With these rates of pay knowing what you know, how many of each of the following do you need and how much support?

<table>
<thead>
<tr>
<th>Role</th>
<th>Rate</th>
<th>Hours</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physician/Psychiatrist</td>
<td>$160</td>
<td>20</td>
<td>$32,000</td>
</tr>
<tr>
<td>Advanced Nurse Practitioner</td>
<td>73.71</td>
<td>20</td>
<td>$153,317</td>
</tr>
<tr>
<td>Registered Nurse</td>
<td>$51.42</td>
<td>20</td>
<td>$102,840</td>
</tr>
<tr>
<td>MH Professional Counselor</td>
<td>$40.36</td>
<td>20</td>
<td>$80,720</td>
</tr>
<tr>
<td>SUD Counselor</td>
<td>$27.32</td>
<td>20</td>
<td>$54,640</td>
</tr>
</tbody>
</table>
Do you know your numbers? Do you now know how to determine them or at least where to start?

Questions?

What did we miss?

How did we do?

It is not uncommon for clinical and administrative staff to aspire to leadership positions – program director, chief of operations, chief of compliance, HR director, Executive Director/CEO or similar roles and responsibilities.

College courses and majors along with workshops, seminars, webinars, books and other educational tools are used to help prepare for the everchanging area of managing and leading people and organizations and ensuring a business model that ‘pays the bills.’

This workshop hoped to focus on identifying everything to factor when determining revenue models in behavioral health.
Do you know your numbers? Do you now know how to determine them or at least where to start?– Winding Up

Objective 1
List at least three (3) regulatory bodies impacting the cost of doing business in behavioral health.

Objective 2
Describe how to capture the costs of doing behavioral health care.

Objective 3
Explain how to calculate cost of doing business.

Objective 4
Create a charge master for services.

Do you know your numbers? Do you now know how to determine them or at least where to start?– Questions/Comments?
Do you know your numbers? Do you now know how to determine them or at least where to start? – **Thank You For Attending!**

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Training; Staff Development; Board Development; Organizational Development; Strategic Planning with a particular emphasis on Behavioral Health Care  

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Promoting and Practicing Connectivity – Collaboration – Integration – Resource Sharing  

Anchorage and surrounding area are Dena'ina Elnena (Dena'ina Country), the traditional homelands of the Dena'ina Athabascan people.
Do you know your numbers? Do you now know how to determine them or at least where to start?
And Careful Out There!

Do you know your numbers? Do you now know how to determine them or at least where to start?
The End-