



Lesson Worksheet :

Module 4, Lesson 4 – Worksheet A

Calculating Your Profitable Fee per Minute

This is an exercise few holistic practitioners do, but it is very useful in realistically calculating what you need to charge for your services and packages to reach your financial goals.

Fill in the blanks and do the simple math. Look in your recent financial statements or tax returns to find some of these numbers. If you use a bookkeeping program like Quickbooks it is much easier to access these numbers. Just do the best you can and use guestimates so you don't get bogged down.

See example on page two of this handout.

Your Financial Goal: Start by calculating monthly Gross income (Go at least 25% higher than your initial comfort range!). Make sure this number allows money for recurring expenses, enjoyment, travel, savings/investment, gifts and emergency needs:

\$ _____
Amount you want to net per month (after taxes) **Avg number of hours you want to work each week**

Before tax income: \$ _____ x 1.3 = \$ _____
 (adjust % to your tax bracket) Net monthly income (30% taxes) Gross income/month needed

\$ _____ + \$ _____ = \$ _____ divided by 4 = \$ _____
 Gross income/month Total monthly Total income approximate gross income
 Needed bus. overhead needed needed/week

Patient contact hours: Figuring you need at least 30% of your work hours for admin, marketing, errands, meetings, etc, calculate how many patient contact hours that leaves you (adjust % to your reality if necessary):

_____ X 70% = _____ multiplied by 60 = _____
 Total work hours/week Patient contact hours/wk Patient contact minutes/wk

Now, adjust for non-treatment time: Even during the 70% of your time when you are doing patient contact, you are not actually treating all that time. You need to factor in time between patients, breaks, people who are late or don't pay and other things. To be conservative, assume that you are only actually getting paid for treating patients for 75% of your allotted patient treatment time. Make this additional adjustment:

_____ times 75% = _____
 Patient contact minutes/week Adjusted minutes/week that you are actively treating patients

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What you need to charge/minute of treatment time: Now plug in the numbers from above lines to figure out what you need to charge per minute of patient contact time to meet your financial goals:

$$\frac{\text{Gross income needed/week}}{\text{Adjusted patient contact minutes/wk}} = \text{What you need to charge/min of pt services to reach your goal}$$

Example of filled out worksheet:

Your Financial Goal: Start by calculating monthly Gross income (Go at least 25% higher than your initial comfort range!). Make sure this number allows money for recurring expenses, enjoyment, travel, charity, savings/investment, gifts and emergency needs:

\$ 5,000		32 (8 hours/day, 4 days/week)
Amount you want to net per month (after taxes)		Avg number of hours you want to work each week

Before tax income:	\$ 5,000	x 1.33 =	\$ 6,650
(adjust % to your tax bracket)	Net monthly income		Gross income/month needed

\$ 6,750	+	3,225	=	9,975	\$ divided by 4 =	\$ 2494
Gross income/month Needed		Total monthly bus. overhead (from worksheet)		Total income needed		approximate gross income needed/week

Patient contact hours: Figuring you need at least 30% of your work hours for admin, marketing, errands, meetings, etc, calculate how many patient contact hours that leaves you (adjust % to your reality if necessary):

32	X 70% =	22.4 hrs	multiplied by 60 =	1344
Total work hours/week		Patient contact hours/wk		Patient contact minutes/wk

Now, adjust for non-treatment time: Even during the 70% of your time when you are doing patient contact, you are not actually treating all that time. You need to factor in time between patients, working with staff, breaks and other miscellaneous time expenditures. To be conservative, assume that you are only actually doing paid treatments for 80% of your patient treatment time. Make this additional adjustment:

1344	times 80% =	1075
Patient contact minutes/week		Adjusted minutes/week that you are actively treating patients

What you need to charge/minute of treatment time: Now plug in the numbers from above lines to figure out what you need to charge per minute of patient contact time to meet your financial goals:

2,494	divided by	1075	=	\$2.35
Gross income needed/week		Patient contact minutes/wk		What you need to charge/min of patient service time to reach goals, rounded up to 2.35 from 2.32