

Indirect Analysis

Sunny Day Hospice
YTD December 2023



Cost Type	Organization Total						Hospice				IP Unit				Home Health						
	Actual Costs	Actual NPR%	Model NPR%	Indirect Cost %	% of Total Costs	Patient Day Cost	Actual Costs	Actual NPR%	Indirect Cost %	% of Total Costs	Patient Day Cost	Actual Costs	Actual NPR%	Indirect Cost %	% of Total Costs	Patient Day Cost	Actual Costs	Actual NPR%	Indirect Cost %	% of Total Costs	Patient Day Cost
Indirect Labor																					
Administration	\$ 318,278	3.9%	5.0%	23.9%	5.3%	\$ 6.12	\$ 220,086	3.8%	26.0%	5.2%	\$ 5.50	\$ 37,245	1.9%	21.6%	3.3%	\$ 5.32	\$ 60,947	12.7%	19.3%	10.1%	\$ 12.19
Clinical Management	277,747	3.4%		20.8%	4.6%	5.34	197,509	3.4%	23.3%	4.6%	4.94	30,861	1.6%	17.9%	2.7%	4.41	49,377	10.3%	15.7%	8.2%	9.88
Compliance/QAPI	2,338	0.0%	0.3%	0.2%	0.0%	0.04	1,601	0.0%	0.2%	0.0%	0.04	229	0.0%	0.1%	0.0%	0.03	508	0.1%	0.2%	0.1%	0.10
Education	25,649	0.3%	8.0%	1.9%	0.4%	0.49	19,393	0.3%	2.3%	0.5%	0.48	2,502	0.1%	1.5%	0.2%	0.36	3,753	0.8%	1.2%	0.6%	0.75
Finance	151,378	1.8%	3.0%	11.3%	2.5%	2.91	126,494	2.2%	14.9%	3.0%	3.16	14,516	0.8%	8.4%	1.3%	2.07	10,368	2.2%	3.3%	1.7%	2.07
HR	2,929	0.0%	0.5%	0.2%	0.0%	0.06	2,585	0.0%	0.3%	0.1%	0.06	258	0.0%	0.2%	0.0%	0.04	86	0.0%	0.0%	0.0%	0.02
Marketing	37,562	0.5%	2.4%	2.8%	0.6%	0.72	31,214	0.5%	3.7%	0.7%	0.78	2,645	0.1%	1.5%	0.2%	0.38	3,703	0.8%	1.2%	0.6%	0.74
Medical Director	44	0.0%	1.3%	0.0%	0.0%	0.00	33	0.0%	0.0%	0.0%	0.00	2	0.0%	0.0%	0.0%	0.00	9	0.0%	0.0%	0.0%	0.00
Medical Records	553	0.0%	1.6%	0.0%	0.0%	0.01	399	0.0%	0.0%	0.0%	0.01	21	0.0%	0.0%	0.0%	0.00	133	0.0%	0.0%	0.0%	0.03
MIS	33,692	0.4%	1.0%	2.5%	0.6%	0.65	27,746	0.5%	3.3%	0.7%	0.69	991	0.1%	0.6%	0.1%	0.14	4,955	1.0%	1.6%	0.8%	0.99
Other	1,225	0.0%	1.8%	0.1%	0.0%	0.02	923	0.0%	0.1%	0.0%	0.02	17	0.0%	0.0%	0.0%	0.00	285	0.1%	0.1%	0.0%	0.06
Total	\$ 851,394	10.4%	24.8%	63.8%	14.2%	\$ 16.37	\$ 627,982	10.8%	74.2%	14.7%	\$ 15.70	\$ 89,287	4.7%	51.9%	7.9%	\$ 12.76	\$ 134,125	28.0%	42.5%	22.2%	\$ 26.83
Operational Costs																					
Accounting/Audit	\$ 6,579	0.1%	0.2%	0.5%	0.1%	\$ 0.13	\$ 4,201	0.1%	0.5%	0.1%	\$ 0.11	\$ 1,268	0.1%	0.7%	0.1%	\$ 0.18	\$ 1,110	0.2%	0.4%	0.2%	\$ 0.22
Answering Service	1,407	0.0%	0.6%	0.1%	0.0%	0.03	987	0.0%	0.1%	0.0%	0.02	311	0.0%	0.2%	0.0%	0.04	110	0.0%	0.0%	0.0%	0.02
Bank Service	1,943	0.0%	0.0%	0.1%	0.0%	0.04	1,188	0.0%	0.1%	0.0%	0.03	343	0.0%	0.2%	0.0%	0.05	411	0.1%	0.1%	0.1%	0.08
Computer Expenses	581	0.0%	0.7%	0.0%	0.0%	0.01	348	0.0%	0.0%	0.0%	0.01	96	0.0%	0.1%	0.0%	0.01	137	0.0%	0.0%	0.0%	0.03
Consulting/Professional Fees	10,791	0.1%	0.3%	0.8%	0.2%	0.21	7,194	0.1%	0.8%	0.2%	0.18	1,870	0.1%	1.1%	0.2%	0.27	1,727	0.4%	0.5%	0.3%	0.35
Continuing Education	6,826	0.1%	0.6%	0.5%	0.1%	0.13	4,288	0.1%	0.5%	0.1%	0.11	1,050	0.1%	0.6%	0.1%	0.15	1,488	0.3%	0.5%	0.2%	0.30
Copier Expense	6,870	0.1%	0.3%	0.5%	0.1%	0.13	4,456	0.1%	0.5%	0.1%	0.11	1,021	0.1%	0.6%	0.1%	0.15	1,393	0.3%	0.4%	0.2%	0.28
Depreciation-Major Moveable	607	0.0%	0.6%	0.0%	0.0%	0.01	419	0.0%	0.0%	0.0%	0.01	89	0.0%	0.1%	0.0%	0.01	98	0.0%	0.0%	0.0%	0.02
Dues, Licenses & Subscriptions	28,564	0.3%	0.4%	2.1%	0.5%	0.55	17,519	0.3%	2.1%	0.4%	0.44	3,428	0.2%	2.0%	0.3%	0.49	7,617	1.6%	2.4%	1.3%	1.52
EMR System	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Insurance-All Other	43,149	0.5%	0.5%	3.2%	0.7%	0.83	21,105	0.4%	2.5%	0.5%	0.53	3,752	0.2%	2.2%	0.3%	0.54	18,291	3.8%	5.8%	3.0%	3.66
Insurance-Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Interest-Operating	230	0.0%	0.4%	0.0%	0.0%	0.00	181	0.0%	0.0%	0.0%	0.00	29	0.0%	0.0%	0.0%	0.00	21	0.0%	0.0%	0.0%	0.00
Lease/Rent Equipment	1,368	0.0%	0.1%	0.1%	0.0%	0.03	949	0.0%	0.1%	0.0%	0.02	375	0.0%	0.2%	0.0%	0.05	44	0.0%	0.0%	0.0%	0.01
Legal	6,791	0.1%	0.2%	0.5%	0.1%	0.13	4,017	0.1%	0.5%	0.1%	0.10	1,530	0.1%	0.9%	0.1%	0.22	1,243	0.3%	0.4%	0.2%	0.25
Maintenance-Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Marketing Other	37,403	0.5%	0.5%	2.8%	0.6%	0.72	21,299	0.4%	2.5%	0.5%	0.53	7,792	0.4%	4.5%	0.7%	1.11	8,312	1.7%	2.6%	1.4%	1.66
Meeting Expense	2,989	0.0%	0.2%	0.2%	0.0%	0.06	1,758	0.0%	0.2%	0.0%	0.04	615	0.0%	0.4%	0.1%	0.09	615	0.1%	0.2%	0.1%	0.12
Mileage-Non-Patient	9,577	0.1%	0.2%	0.7%	0.2%	0.18	4,669	0.1%	0.6%	0.1%	0.12	1,556	0.1%	0.9%	0.1%	0.22	3,352	0.7%	1.1%	0.6%	0.67
Minor Equipment	9,855	0.1%	0.1%	0.7%	0.2%	0.19	4,567	0.1%	0.5%	0.1%	0.11	1,442	0.1%	0.8%	0.1%	0.21	3,846	0.8%	1.2%	0.6%	0.77
Miscellaneous	9,783	0.1%	0.2%	0.7%	0.2%	0.19	4,644	0.1%	0.8%	0.2%	0.16	1,922	0.1%	1.1%	0.2%	0.27	1,398	0.3%	0.4%	0.2%	0.28
Office Supplies	35,699	0.4%	0.6%	2.7%	0.6%	0.69	14,604	0.3%	1.7%	0.3%	0.37	4,057	0.2%	2.4%	0.4%	0.58	17,038	3.6%	5.4%	2.8%	3.41
Other Expenses	1,384	0.0%	0.1%	0.1%	0.0%	0.03	969	0.0%	0.1%	0.0%	0.02	249	0.0%	0.1%	0.0%	0.04	166	0.0%	0.1%	0.0%	0.03
Pagers-Non-Patient	288	0.0%	0.0%	0.0%	0.0%	0.01	218	0.0%	0.0%	0.0%	0.01	51	0.0%	0.0%	0.0%	0.01	19	0.0%	0.0%	0.0%	0.00
Postage/Mailings	14,826	0.2%	1.1%	1.1%	0.2%	0.29	9,409	0.2%	1.1%	0.2%	0.24	1,996	0.1%	1.2%	0.2%	0.29	3,421	0.7%	1.1%	0.6%	0.68
Printing	23,903	0.3%	0.5%	1.8%	0.4%	0.46	13,419	0.2%	1.6%	0.3%	0.34	7,129	0.4%	4.1%	0.6%	1.02	3,355	0.7%	1.1%	0.6%	0.67
Service Contracts-Operating	674	0.0%	0.2%	0.1%	0.0%	0.01	282	0.0%	0.0%	0.0%	0.01	146	0.0%	0.1%	0.0%	0.02	246	0.1%	0.1%	0.0%	0.05
Telehealth	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Telephone	24,325	0.3%	0.6%	1.8%	0.4%	0.47	9,477	0.2%	1.1%	0.2%	0.24	4,739	0.2%	2.8%	0.4%	0.68	10,109	2.1%	3.2%	1.7%	2.02
Training-Groups	21	0.0%	0.1%	0.0%	0.0%	0.00	11	0.0%	0.0%	0.0%	0.00	5	0.0%	0.0%	0.0%	0.00	4	0.0%	0.0%	0.0%	0.00
Vehicle Exp-Owned/Lease	537	0.0%	0.2%	0.0%	0.0%	0.01	313	0.0%	0.0%	0.0%	0.01	146	0.0%	0.1%	0.0%	0.02	78	0.0%	0.0%	0.0%	0.02
Total	\$ 286,969	3.5%	8.4%	21.5%	4.8%	\$ 5.52	\$ 154,313	2.7%	18.2%	3.6%	\$ 3.86	\$ 47,007	2.5%	27.3%	4.1%	\$ 6.72	\$ 85,648	17.9%	27.2%	14.2%	\$ 17.13
Total Indirect Costs	\$ 1,333,757	16.3%	44.8%	100.0%	22.2%	\$ 25.65	\$ 846,365	14.6%	100.0%	19.8%	\$ 21.16	\$ 172,045	9.0%	100.0%	15.2%	\$ 24.58	\$ 315,347	65.9%	100.0%	52.2%	\$ 63.07

Current NPR% by Category	Historic Average	MVI Model
Total Indirect Salaries %	10.4%	23.0%
Total Operational Cost %	3.5%	8.5%
Total Facility Related Cost %	2.4%	4.0%
	16.3%	35.5%
Each % point represents:	\$ 81,937	33.0%

We recommend that 33% be your goal for Total Indirect Costs.

Here are some historic averages for these areas. Please reference the BA for updated amounts.

Controlling Indirect Cost is one of the major challenges for hospices. It is the most difficult category of cost to control or design. Many times, the difference between a profitable hospice and an unprofitable hospice lies in the Indirect Cost category.

Our best advice is to "draw a line in the sand" and say "this is ALL we are going to spend (on a percentage of revenue basis) on Indirect Costs." And then, hold it! Over time, Indirect Costs creep upward and they must constantly be forced back behind the line you've drawn.