

| Cost Type | Organization Total | | | | | | Hospice | | | | | Inpatient 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 | 281,572 | 2.7% | 5.0% | 18.5% | 2.9% | 5.41 | 242,342 | 5.1% | 19.1% | 5.4% | 6.06 | 5,877 | 0.1% | 4.4% | 0.1% | 0.84 | 33,353 | 3.6% | 27.3% | 2.9% | 6.67 |
| Clinical Management | 404,945 | 3.8% | 2.5% | 26.6% | 4.1% | 7.79 | 229,786 | 4.9% | 18.1% | 5.1% | 5.74 | 116,907 | 2.4% | 88.1% | 2.8% | 16.70 | 58,253 | 6.3% | 47.7% | 5.1% | 11.65 |
| Compliance/QAPI | - | - | 0.3% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Education | - | - | 8.0% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Finance | 140,512 | 1.3% | 3.0% | 9.2% | 1.4% | 2.70 | 140,512 | 3.0% | 11.1% | 3.1% | 3.51 | - | - | - | - | - | - | - | - | - | - |
| HR | - | - | 0.5% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Marketing | 82,810 | 0.8% | 2.4% | 5.4% | 0.8% | 1.59 | 76,720 | 1.6% | 6.1% | 1.7% | 1.92 | - | - | - | - | - | 6,090 | 0.7% | 5.0% | 0.5% | 1.22 |
| Medical Director | - | - | 1.3% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Medical Records | - | - | 1.6% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| MIS | 37,464 | 0.4% | 1.0% | 2.5% | 0.4% | 0.72 | 37,464 | 0.8% | 3.0% | 0.8% | 0.94 | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | 1.8% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | 947,304 | 8.9% | 27.3% | 62.2% | 9.6% | 18.22 | 726,825 | 15.4% | 57.3% | 16.1% | 18.17 | 122,784 | 2.5% | 92.5% | 2.9% | 17.54 | 97,696 | 10.5% | 80.0% | 8.6% | 19.54 |
| Operational Costs | | | | | | | | | | | | | | | | | | | | | |
| Accounting/Audit | 6,100 | 0.1% | 0.2% | 0.4% | 0.1% | 0.12 | 6,100 | 0.1% | 0.5% | 0.1% | 0.15 | - | - | - | - | - | - | - | - | - | - |
| Answering Service | 2,160 | 0.0% | 0.6% | 0.1% | 0.0% | 0.04 | 1,406 | 0.0% | 0.1% | 0.0% | 0.04 | - | - | - | - | - | 754 | 0.1% | 0.6% | 0.1% | 0.15 |
| Bank Service | 1,759 | 0.0% | 0.0% | 0.1% | 0.0% | 0.03 | 1,759 | 0.0% | 0.1% | 0.0% | 0.04 | - | - | - | - | - | - | - | - | - | - |
| Computer Expenses | 526 | 0.0% | 0.7% | 0.0% | 0.0% | 0.01 | 526 | 0.0% | 0.0% | 0.0% | 0.01 | - | - | - | - | - | - | - | - | - | - |
| Consulting/Professional Fees | 11,248 | 0.1% | 0.3% | 0.7% | 0.1% | 0.22 | 11,072 | 0.2% | 0.9% | 0.2% | 0.28 | 108 | 0.0% | 0.1% | 0.0% | 0.02 | 68 | 0.0% | 0.1% | 0.0% | 0.01 |
| Continuing Education | 13,231 | 0.1% | 0.6% | 0.9% | 0.1% | 0.25 | 9,562 | 0.2% | 0.8% | 0.2% | 0.24 | 1,922 | 0.0% | 1.4% | 0.0% | 0.27 | 1,746 | 0.2% | 1.4% | 0.2% | 0.35 |
| Copier Expense | 10,178 | 0.1% | 0.3% | 0.7% | 0.1% | 0.20 | 7,144 | 0.2% | 0.6% | 0.2% | 0.18 | 2,403 | 0.0% | 1.8% | 0.1% | 0.34 | 630 | 0.1% | 0.5% | 0.1% | 0.13 |
| Depreciation-Major Moveable | - | - | 0.6% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Dues, Licenses & Subscriptions | 30,110 | 0.3% | 0.4% | 2.0% | 0.3% | 0.58 | 29,308 | 0.6% | 2.3% | 0.7% | 0.73 | 469 | 0.0% | 0.4% | 0.0% | 0.07 | 333 | 0.0% | 0.3% | 0.0% | 0.07 |
| EMR System | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Insurance - All Other | 36,091 | 0.3% | 0.5% | 2.4% | 0.4% | 0.69 | 36,091 | 0.8% | 2.8% | 0.8% | 0.90 | - | - | - | - | - | - | - | - | - | - |
| Insurance - Liability | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest-Operating | 316 | 0.0% | 0.4% | 0.0% | 0.0% | 0.01 | 316 | 0.0% | 0.0% | 0.0% | 0.01 | - | - | - | - | - | - | - | - | - | - |
| Lease/Rent Equipment | - | - | 0.1% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Legal | 7,360 | 0.1% | 0.2% | 0.5% | 0.1% | 0.14 | 7,360 | 0.2% | 0.6% | 0.2% | 0.18 | - | - | - | - | - | - | - | - | - | - |
| Maintenance - Equipment | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Marketing Other | 42,737 | 0.4% | 0.5% | 2.8% | 0.4% | 0.82 | 39,975 | 0.8% | 3.2% | 0.9% | 1.00 | 1,154 | 0.0% | 0.9% | 0.0% | 0.16 | 1,608 | 0.2% | 1.3% | 0.1% | 0.32 |
| Meeting Expense | 3,486 | 0.0% | 0.2% | 0.2% | 0.0% | 0.07 | 3,382 | 0.1% | 0.3% | 0.1% | 0.08 | 78 | 0.0% | 0.1% | 0.0% | 0.01 | 26 | 0.0% | 0.0% | 0.0% | 0.01 |
| Mileage-Non-Patient | 16,860 | 0.2% | 0.2% | 1.1% | 0.2% | 0.32 | 12,932 | 0.3% | 1.0% | 0.3% | 0.32 | - | - | - | - | - | 3,928 | 0.4% | 3.2% | 0.3% | 0.79 |
| Minor Equipment | 9,249 | 0.1% | 0.1% | 0.6% | 0.1% | 0.18 | 9,249 | 0.2% | 0.7% | 0.2% | 0.23 | - | - | - | - | - | - | - | - | - | - |
| Miscellaneous | 16,201 | 0.2% | 0.2% | 1.1% | 0.2% | 0.31 | 15,240 | 0.3% | 1.2% | 0.3% | 0.38 | 306 | 0.0% | 0.2% | 0.0% | 0.04 | 655 | 0.1% | 0.5% | 0.1% | 0.13 |
| Office Supplies | 34,397 | 0.3% | 0.6% | 2.3% | 0.3% | 0.66 | 31,217 | 0.7% | 2.5% | 0.7% | 0.78 | 1,781 | 0.0% | 1.3% | 0.0% | 0.25 | 1,399 | 0.2% | 1.1% | 0.1% | 0.28 |
| Other Expenses | 2,131 | 0.0% | 0.1% | 0.1% | 0.0% | 0.04 | 2,131 | 0.0% | 0.2% | 0.0% | 0.05 | - | - | - | - | - | - | - | - | - | - |
| Pagers (Non-Patient) | 493 | 0.0% | 0.0% | 0.0% | 0.0% | 0.01 | 493 | 0.0% | 0.0% | 0.0% | 0.01 | - | - | - | - | - | - | - | - | - | - |
| Postage/Mailings | 24,400 | 0.2% | 0.2% | 1.6% | 0.2% | 0.47 | 21,940 | 0.5% | 1.7% | 0.5% | 0.55 | 1,125 | 0.0% | 0.8% | 0.0% | 0.16 | 1,335 | 0.1% | 1.1% | 0.1% | 0.27 |
| Printing | 33,355 | 0.3% | 0.5% | 2.2% | 0.3% | 0.64 | 32,270 | 0.7% | 2.5% | 0.7% | 0.81 | 432 | 0.0% | 0.3% | 0.0% | 0.06 | 654 | 0.1% | 0.5% | 0.1% | 0.13 |
| Service Contracts-Operating | 701 | 0.0% | 0.2% | 0.0% | 0.0% | 0.01 | 701 | 0.0% | 0.1% | 0.0% | 0.02 | - | - | - | - | - | - | - | - | - | - |
| Telehealth | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Telephone | 30,854 | 0.3% | 0.6% | 2.0% | 0.3% | 0.59 | 24,310 | 0.5% | 1.9% | 0.5% | 0.61 | 174 | 0.0% | 0.1% | 0.0% | 0.02 | 6,369 | 0.7% | - | 0.6% | 1.27 |
| Training-Groups | 30 | 0.0% | 0.1% | 0.0% | 0.0% | 0.00 | 30 | 0.0% | 0.0% | 0.0% | 0.00 | - | - | - | - | - | - | - | - | - | - |
| Vehicle Exp-Owned/Lease | - | - | 0.2% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | 333,970 | 3.1% | 8.4% | 21.9% | 3.4% | 6.42 | 304,513 | 6.5% | 24.0% | 6.8% | 7.61 | 9,952 | 0.2% | 7.5% | 0.2% | 1.42 | 19,505 | 2.1% | 10.8% | 1.7% | 3.90 |
| Facility-Related Costs | | | | | | | | | | | | | | | | | | | | | |
| Alarm System | - | - | 0.1% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cleaning & Paper | 11,105 | 0.1% | 0.2% | 0.7% | 0.1% | 0.21 | 10,986 | 0.2% | 0.9% | 0.2% | 0.27 | - | - | - | - | - | 119 | 0.0% | 0.1% | 0.0% | 0.02 |
| Depreciation-Building | 101,735 | 1.0% | 1.0% | 6.7% | 1.0% | 1.96 | 100,475 | 2.1% | 7.9% | 2.2% | 2.51 | - | - | - | - | - | 1,260 | 0.1% | 1.0% | 0.1% | 0.25 |
| Exterminating | - | - | 0.2% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Insurance - Property | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest-Facility | - | - | 2.4% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Landscaping | 1,010 | 0.0% | 0.0% | 0.1% | 0.0% | 0.02 | 192 | 0.0% | 0.0% | 0.0% | 0.00 | - | - | - | - | - | 818 | 0.1% | 0.7% | 0.1% | 0.16 |
| Maintenance - Building | 4,257 | 0.0% | 0.3% | 0.3% | 0.0% | 0.08 | 3,285 | 0.1% | 0.3% | 0.1% | 0.08 | - | - | - | - | - | 973 | 0.1% | 0.8% | 0.1% | 0.19 |
| Maintenance Salaries | - | - | 3.3% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other-Facility | 166 | 0.0% | 1.8% | 0.0% | 0.0% | 0.00 | 166 | 0.0% | 0.0% | 0.0% | 0.00 | - | - | - | - | - | - | - | - | - | - |
| Property Taxes | - | - | 0.1% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rent | 114,524 | 1.1% | 1.8% | 7.5% | 1.2% | 2.20 | 114,524 | 2.4% | 9.0% | 2.5% | 2.86 | - | - | - | - | - | - | - | - | - | - |
| Service Contracts-Facilities | 513 | 0.0% | 0.2% | 0.0% | 0.0% | 0.01 | 143 | 0.0% | 0.0% | 0.0% | 0.00 | - | - | - | - | - | 370 | 0.0% | 0.3% | 0.0% | 0.07 |
| Utilities | 7,666 | 0.1% | 0.4% | 0.5% | 0.1% | 0.15 | 6,255 | 0.1% | 0.5% | 0.1% | 0.16 | - | - | - | - | - | 1,411 | 0.2% | 1.2% | 0.1% | 0.28 |
| Total | 240,975 | 2.3% | 11.7% | 15.8% | 2.4% | 4.63 | 236,026 | 5.0% | 18.6% | 5.2% | 5.90 | - | - | - | - | - | 4,950 | 0.5% | 4.1% | 0.4% | 0.99 |
| Total Indirect Costs | 1,522,249 | 14.3% | 47.3% | 100.0% | 15.4% | 29.27 | 1,267,364 | 26.9% | 100.0% | 28.1% | 31.68 | 132,736 | 2.7% | 100.0% | 3.1% | 18.96 | 122,150 | 13.1% | 94.8% | 10.8% | 24.43 |

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.

| NPR% by Category | Current NPR% | Historic Average | MVI Model |
|---------------------------|--------------|------------------|-----------|
| Total Indirect Salaries % | 8.9% | 23.0% | 20.0% |
| Total Operational Cost % | 3.1% | 8.5% | 7. |