

Income Statement for Year

Income		1,938,769
Expenses		1,833,705
Personnel	1,368,850	
Standard Equipment	33,369	
Special Equipment		
Salary related levies & taxes	-	
Assistant/Locum fees	1,480	
Professional dues & continuing education	26,109	
Protective clothing and uniforms	643	
Rental of space	61,259	
Building maintenance & repairs	12,639	
Services	9,833	
Medical waste removal and cleaning	8,935	
Security	4,642	
Accounting, audit and management fees	25,148	
Advertising & marketing	11,691	
EDI and medical scheme administration fees	7,242	
Software licensing & support	15,403	
Communication costs	50,200	
Legal expenses	835	
Debt Collection Fees	6,169	
Postage and courier services	-	
Printing and stationery	14,077	
Transport costs	64,476	
Bank charges & interest	23,467	
Credit card commission	2,025	
Bad debt costs	44,725	
Practice risk insurance	17,709	
Malpractice risk insurance	13,390	
Indirect material	4,190	
Donations	2,075	
General office expenses	3,124	
Nett income		105,064

Note:

Specail Equipment has been excluded due to the fact that Psychiatrist own no special equipment

Appendix E

Fee Items

by: HealthMan (Pty) Ltd

Rand conversion factor (VAT excl) 24.75
 Rand conversion factor (VAT incl) 28.21

Fee Items

Code	Terminology	Average Duration Professional	Average Duration Assistant	Special Equipment Time	Responsibility Factor	Direct Labour	Overhead	Relative Value Unit	Price (VAT exclusive)	Price (VAT inclusive)	Estimated Time Use Profile	Estimated Utilisation	Revenue	Mean Time per Code (Minutes)	Mean Time Spent (Minutes)	Max Time per Code (Minutes)	Max Time Spent (Minutes)	
Consultations:																		
0109	Follow-up visit	15.00			1	208.10	163.13	15.00	371.20	423.20	0.94%	50.00	18,560	15.0	750	15.0	750	
0129	Prolonged first/follow-up consultation : 15 min	15.00			1	208.10	163.13	15.00	371.20	423.20	0.14%	7.00	2,598	15.0	105	15.0	105	
0130	Telephone Consultation	12.00			1	166.48	130.50	12.00	297.00	338.60	0.13%	-	-	12.0	-	12.0	-	
0132	Repeat Script	6.00			1	83.24	65.25	6.00	148.50	169.30	0.52%	69.00	10,247	5.0	345	5.0	345	
0133	Special Motivation	9.00			1	124.86	97.88	9.00	222.70	253.90	0.36%	32.00	7,126	9.0	288	9.0	288	
0161	Consultation :10-20 min.	15.00			1	208.10	163.13	15.00	371.20	423.20	1.54%	81.00	30,067	15.0	1,215	20.0	1,620	
0162	Consultation :20-35 min.	27.50			1	381.51	299.07	27.50	680.60	775.90	2.34%	67.00	45,600	28.0	1,876	35.0	2,345	
0163	Consultation :30-45 min.	40.00			1	554.92	435.01	40.00	989.90	1,128.50	1.22%	24.00	23,758	40.5	972	45.0	1,080	
0164	Consultation :45-60min.	52.50			1	728.34	570.95	52.50	1,299.30	1,481.20	0.57%	9.00	11,694	53.0	477	60.0	540	
0166	Hospital Consultation :10-20 min.	15.00			1	208.10	163.13	15.00	371.20	423.20	3.88%	205.00	76,096	15.0	3,075	20.0	4,100	
0167	Hospital Consultation :20-35 min.	27.50			1	381.51	299.07	27.50	680.60	775.90	1.52%	44.00	29,946	28.0	1,232	35.0	1,540	
0168	Hospital Consultation :30-45 min.	40.00			1	554.92	435.01	40.00	989.90	1,128.50	0.57%	11.00	10,889	40.5	446	45.0	495	
0169	Hospital Consultation :45-60 min.	52.50			1	728.34	570.95	52.50	1,299.30	1,481.20	0.46%	7.00	9,095	53.0	371	60.0	420	
0145	Consultation : Away from doctor's room	6.00			1	83.24	65.25	6.00	148.50	169.30	0.24%	32.00	4,752	-	-	-	-	
0146	Unscheduled consultation: Emergency (cons.room)	8.00			1	110.98	87.00	8.00	198.00	225.70	0.00%	-	-	-	-	-	-	
0147	Unscheduled consultation:Emergency(not cons.room)	14.00			1	194.22	152.25	14.00	346.50	395.00	0.34%	19.00	6,584	-	-	-	-	
0199	Chronic Medicine Forms	21.43			1	297.30	233.05	21.43	530.40	604.60	0.55%	20.00	10,608	21.4	429	21.4	429	
	Sub-Total										15.32%	677.00	297,620		11,580		14,057	
Procedures:																		
2957	Individual psychotherapy incl.play therapy children (20min)	20.00			1	277.46	217.50	20.00	495.00	564.30	12.26%	486.00	240,570	15.0	7,290	20.0	9,720	
															-	-	-	
															-	-	-	
2968	Group Therapy	26.00			1	360.70	282.75	26.00	643.50	733.50	0.46%	14.00	9,009	40.0	560	80.0	1,120	
2970	Electro-convulsive treatment	25.00			1	346.83	271.88	25.00	618.70	705.30	0.33%	10.00	6,187	17.0	170	17.0	170	
2973	Psychometry (per session)	20.00			1	277.46	217.50	20.00	495.00	564.30	0.08%	3.00	1,485					
2974	Individual psychotherapy incl.play therapy children (40min)	40.00			1	554.92	435.01	40.00	989.90	1,128.50	43.15%	855.00	846,365	30.5	26,078	40.0	34,200	
2975	Individual psychotherapy incl.play therapy children (60min)	60.00			1	832.39	652.51	60.00	1,484.90	1,692.80	27.43%	362.00	537,534	50.5	18,281	60.0	21,720	
	Unspecified										0.97%				-	-	-	
	Sub-Total										84.68%	1,730.00	1,641,149		52,379		66,930	
	TOTAL										100.00%	2,407.00	1,938,769		63,959		80,987	

* Utilisation % is based on 2011 claims submitted to funders

Indirect Labour	268,850
Direct Labour	1,100,000

Personnel

	Staff category	Annual leave	Sick leave	Work hours per day	Productivity factor	Available work minutes per annum	Expected annual remuneration	% allocation to direct labour	Adjusted Standard Volume	Labour Rate per minute	Notes
1	Health Care Professional	22	8	8	75.0%	79,290	1,100,000	100%	79,290	R 13.87	
2	Accounting/Fees	22	8	8	100.0%	105,720	130,350	0%	NAD	R -	
3	Receptionist	22	8	8	100.0%	105,720	110,000	0%	N/A	R -	
4	Cleaner	22	8	8	100.0%	105,720	28,500	0%	N/A	R -	
Total							1,368,850				

*** Note: Staff Salaries have been adjusted with the Median Value of the latest HealthMan Staff Salary Survey**

Equipment Overheads

33,369

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Equipment	Cost	Life Span	Amortised Cost/annum	Maintenance % per annum	Insurance% per annum	Annual contribution to overheads
Reception						
Desk and pedestal	6,822	6	1,498.16	0%	1%	1,566
Chair	1,450	6	318.43	0%	1%	333
Side table (2)	1,160	6	254.74	0%	1%	266
Coffee table	884	6	194.13	0%	1%	203
Visitor chairs (10)	7,060	6	1,550.43	0%	1%	1,621
Administration Office						
IT Equipment	30,000	3	11,746.18	0%	1%	12,046
Practice Management System	6,000	3	2,349.24	0%	1%	2,409
Filing System - Optiplan(2 units)	11,222	6	2,464.43	0%	1%	2,577
Base workstation and pedestal (2)	6,000	6	1,317.64	0%	1%	1,378
Built-in cupboard	1,590	6	349.18	0%	1%	365
Chairs (2)	2,900	6	636.86	0%	1%	666
Telephone system	6,000	6	1,317.64	0%	1%	1,378
Telephone answering	1,500	6	329.41	0%	1%	344
Fax Machine	1,800	6	395.29	0%	1%	413
Photocopier	3,000	6	658.82	0%	1%	689
Doctor's Office						
Desk and credenza	9,938	6	2,182.46	0%	1%	2,282
Wall unit	11,073	6	2,431.71	0%	1%	2,542
Chairs (3)	4,587	6	1,007.34	0%	1%	1,053
Examination couch	2,668	6	585.91	0%	1%	613
Examination chair	2,720	6	597.33	0%	1%	625
Baumanometer	600	5	152.26	0%	1%	158
Total:	118,974		32,338		1,189.74	33,527

Equipment	Cost	Life Span	Amortised Cost/annum	Maintenance % per annum	Insurance% per annum	Total Cost per annum	Base Std Volume	Productivity factor	Adjusted Std Volume	Overhead Rate
NO SPECIAL EQUIPMENT										

Total overheads	733,705
Confidence interval as % of mean	0.0% Must be calculated from the surveyed overhead submissions
Adjusted overheads	<u>733,705</u>

Overheads

Description	Amount	Notes
Personnel costs		
Indirect labour costs	268,850	Calculated per Labour overhead Schedule
Assistant/Locum Fees	-	
Salary related levies & taxes	1,480	UIF, Skills levy, RSC levies
Professional dues & continuing education	26,109	Includes Prof Subs, SAMA, HPCSA and SAPA
Protective clothing and uniforms	643	
Premises		
Rental of space	61,259	
Building maintenance & repairs	12,639	
Services	9,833	Water & electricity, local authority rates & taxes
Medical waste removal and Cleaning	8,935	
Security	4,642	
Practice Management & Administration		
Accounting, audit and management fees	25,148	
Advertising & marketing	11,691	
EDI and medical scheme administration fees	7,242	
Software licensing & support	15,403	Includes computer expenses
Communication costs	50,200	Telephone, internet, postage & courier
Debt Collection Fees	835	
Legal expenses	6,169	Exclude malpractice insurance & legal fees associated with bad debts
Postage and courier services	-	Included in Communication costs
Printing and stationery	14,077	
Transport costs	64,476	
Financing & Insurance costs		
Bank charges & interest	23,467	Exclude equipment financing charges
Credit card commission	2,025	
Bad debt costs	44,725	Calculated
Practice risk insurance	17,709	Exclude equipment insurance and adjusted with MPS
Malpractice risk insurance	13,390	Adjusted to MPS Annual MPS Fees
Indirect material	4,190	
Sundry expenses		
Donations	2,075	
General Expenses	3,124	
Standard Equipment	33,369	Calculated

NOTE

All overhead costs should be exclusive of VAT

Weighted mean responsibility value

1.00

Fee Items

Code	Description	Knowledge	Judgement	Skill	Risk	Score	Responsibility Value	Utilisation	Weighted Utilisation
	<u>Consultations:</u>								
0109	Follow-up visit	1	1	0	0	2	1	50	50
0129	Prolonged first/follow-up consultation : 15 min	1	1	0	0	2	1	7	7
0130	Telephone Consultation	1	1	0	0	2	1	-	-
0132	Repeat Script	1	1	0	0	2	1	69	69
0133	Special Motivation	1	1	0	0	2	1	32	32
0161	Consultation :10-20 min.	1	1	0	0	2	1	81	81
0162	Consultation :20-35 min.	1	1	0	0	2	1	67	67
0163	Consultation :30-45 min.	1	1	0	0	2	1	24	24
0164	Consultation :45-60min.	1	1	0	0	2	1	9	9
0166	Hospital Consultation :10-20 min.	1	1	0	0	2	1	205	205
0167	Hospital Consultation :20-35 min.	1	1	0	0	2	1	44	44
0168	Hospital Consultation :30-45 min.	1	1	0	0	2	1	11	11
0169	Hospital Consultation :45-60 min.	1	1	0	0	2	1	7	7
0145	Consultation : Away from doctor's room	1	1	0	0	2	1	32	32
0146	Unscheduled consultation: Emergency (cons.room)	1	1	0	0	2	1	-	-
0147	Unscheduled consultation:Emergency(not cons.room)	1	1	0	0	2	1	19	19
0199	Chronic Medicine Forms	1	1	0	0	2	1	20	20
	<u>Procedures:</u>								
2957	Individual psychotherapy incl.play therapy children (20min)	1	1	0	0	2	1	486	486
2968	Group Therapy	1	1	0	0	2	1	14	14
2970	Electro-convulsive treatment	1	1	0	0	2	1	10	10
2973	Psychometry (per session)	1	1	0	0	2	1	3	3
2974	Individual psychotherapy incl.play therapy children (40min)	1	1	0	0	2	1	855	855
2975	Individual psychotherapy incl.play therapy children (60min)	1	1	0	0	2	1	362	362
	TOTAL							2,407	2,407

Model Parameters

Name	Description	Value	Unit
Calendar			
YRDAYS	Days per year	365.25	days
WEDAYS	Weekend days	104	days
PUBDAYS	Public Holidays	11	days
WKHOURS	Working hours per day	8	hours
LEAVE	Annual leave (working days)	22	
SICKLEAVE	Avg sick leave days per annum	8	
Standard Volumes			
BASEVOL	Base Volume (Working minutes per year)	120,120	minutes per yr
OHPROD	Overhead productivity factor	75.00%	
OHSTDVOL	Standard Volume for overheads	79,290	minutes per yr
DLSTDVOL	Standard Volume for direct labour	105,720	
DLPROD	Direct labour productivity factor	75.00%	
Rates			
POVERDRAFT	Prime overdraft rate	8.50%	
BARATE	Bankers' Acceptance Rate	6.50%	
CPIX	Estimated CPIX 2013	6.00%	
VAT	Value added tax	14.00%	
BADDEBT	Bad debt provision	2.50%	
ROR	Expected rate of return after tax	6.50%	
CTAX	Individual Marginal Tax	33.72%	
SCT	Secondary company tax rate	0.00%	
MARKUP	Calculated mark-up before tax on overhead	10.87%	
Remuneration			
REMSPEC	Specialist remuneration	1,100,000	
REMGP	General Practitioner remuneration	-	
REMAUX	Auxilliary remuneration	-	

RATES CALCULATIONS:

OVERHEAD		
EstmOHCost	Estimated overhead costs	733,705
AdjOHCost	Adjusted to 2014 values	777,727
MarkupValOH	Mark-up value on overhead (Return on investment)	84,564
EstmTOHCost	Overhead plus ROI	862,291
PredOHR	Predetermined Overhead Rate (OH RCF)	10.875
DIRECT LABOUR		
EstmDLCost	Estimated direct labour (Exp remuneration)	1,100,000
ProdFDL	Direct labour productivity factor	75%
StdVolDL	Standard Volume for Direct Labour	79,290
PredDLR	Predetermined Direct Labour Rate (DL RCF)	13.873

Statistical Constants			
Alpha		5%	
Beta	Error as % of sample mean	10.0%	
z95	Z-value for 95% confidence limits	1.9600	
Sample Size			
Population	Number of practitioners practising	455	Replace with actual
EstSDEV	Estimated standard deviation of population	199,538	Use sample SDEV
EstMEAN	Estimated population mean	570,778	Use sample mean
SAMPLESIZE	Required sample size	43	

Practice	Overheads
1	133,094
2	204,088
3	244,029
4	278,032
5	291,645
6	298,225
7	302,167
8	314,987
9	321,696
10	340,116
11	340,116
12	354,666
13	367,623
14	384,903
15	397,620
16	407,398
17	434,142
18	437,075
19	437,075
20	437,075
21	437,075
22	437,075
23	441,120
24	441,120
25	448,350
26	453,825
27	464,118
28	470,926
29	486,980
30	502,977
31	506,373
32	511,830
33	519,721
34	538,150
35	550,536
36	552,659
37	553,062
38	553,756
39	566,989
40	568,533
41	576,140
42	577,387
43	588,304
44	597,192
45	604,148
46	612,032
47	613,034
48	616,122
49	627,473
50	633,036
51	652,389
52	652,893
53	663,020
54	670,483
55	677,665
56	696,232
57	702,208
58	704,127
59	706,422
60	708,709
61	715,236
62	761,748
63	761,748
64	789,883
65	791,493
66	795,957
67	812,777
68	861,751
69	871,747
70	882,593
71	893,789
72	922,892
73	950,091
74	950,825
75	954,114
76	1,052,541

Mean	570,778
Standard Deviation	199,538
Confidence Interval (95%)	44,861
Confidence Interval as % of mean	7.9%

	Inflation	Cumilative Inflation	Mesured against	Source
		100.00%		
2008	11.3%	111.30%	CPIX	STATSSA
2009	7.1%	119.20%	CPI	STATSSA
2010	4.3%	124.33%	CPI	STATSSA
2011	5.0%	130.54%	CPI	STATSSA
2012	5.6%	137.85%	CPI	STATSSA