

## Family Planning Cost Analysis Tool Instructions Summary

The Cost Analysis Tool is an Excel file that has six tabs located on the file.

- The first Tab has printable instructions that will be helpful in working through the Tool.
- The second Tab provides definitions of the four functional cost centers.
- The third Tab is for the majority of Michigan agencies and excludes South East Michigan.
- The fourth Tab is for South East Michigan agencies; South East Michigan is defined as the City of Detroit; and Macomb, Oakland, Washtenaw, and Wayne Counties. You will use just one of these two Tabs to calculate your agency's costs.
- The fifth Tab shows how the formula works to apply the Geographic Practice Cost Indices (GPCI) between the majority of Michigan and South East Michigan.
- The sixth Tab is an explanation tab that is used if the developed fee schedule is set below the recommended cost per procedure; you will use this tab to document the methodology and process of the setting of the fee schedule.

Also attached you will find a PDF file called: The Basics: Relative Value Units (RVU's). This information will provide an overview of RVU's.

Another PDF file you will find is called: A Guide to Cost Analysis – Allocation of Costs. This file provides information about how to determine costs for your functional cost centers. There are three methods described to determine your cost center allocations for staff time; one uses a time study method to determine these allocations. There is a file called: Time Study Example Sheet that can be used for the time study method referenced in the information.

Between the Excel Cost Analysis Tool file and the supporting information attached, your agency should be able to implement a pricing structure that represents your agency's cost of providing Family Planning services to your clients.

### Attachments:

Cost Analysis Tool

The Basics: RVU's

A Guide to Cost Analysis – Allocation of Costs

Time Study Example Sheet

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