

Estimated Costs of “Dr. New” Hiring

- 1. Complete the following worksheet to determine cash requirements: \$ _____

- a. New doctor's annual (guaranteed) salary including \$ _____
 - o employer paid FICA, FUTA
 - o other employer paid taxes (payroll, local tax, etc.)

- b. Cost of new doctor benefits (including health, life and disability insurances) \$ _____

- c. New doctor's malpractice insurance cost (use 12 month cost) plus any bond or other up-front cost \$ _____

- d. New doctor business expense costs including:
 - o licenses (annual cost) \$ _____
 - o society dues (annual cost) \$ _____
 - o hospital staff fees (annual cost) \$ _____
 - o auto reimbursement (cost for 3 months) \$ _____
 - o travel and education (allowance for 1st year) \$ _____
 - o non-owner's auto liability premium \$ _____
 - o parking costs \$ _____
 - o beeper service \$ _____

- o other contractually agree expenses (moving, signing bonus, etc.) \$ _____
- e. Cost of new equipment \$ _____
- f. Cost of new furniture \$ _____
- g. Cost of additional clinical supplies \$ _____
- h. Cost of redesigned office supplies:
 - o stationery \$ _____
 - o business cards \$ _____
 - o superbills or charge tickets \$ _____
 - o patient account cards \$ _____
 - o computer system adjustments \$ _____
- i. Promotional expenses:
 - o patient announcements \$ _____
 - o other announcements \$ _____
 - o open house/welcoming party \$ _____
 - o telephone listing \$ _____

Total Costs

\$ _____

j. Cost of additional staff, if needed

\$ _____

k. Other anticipated costs:

Assume marginal rate of overhead

\$ _____

\$ _____

\$ _____

Total Expected Associate Startup Costs

\$ _____

Estimated Annual Collections for Associate

(\$ _____)

Estimated Shortfall/Overage

\$ _____

2. Contact local banks to shop financing costs for line of credit arrangements to satisfy financing needs.



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