

USING SERVICE LINE ANALYSIS TO IMPROVE YOUR BOTTOM LINE



AGENDA



Service Line Definition



Common data used



Compiling data



Results

SERVICE LINE ANALYSIS:
CALCULATES CONTRIBUTION AND OPERATING MARGINS BY SERVICE LINE

- Identifies service lines
- Calculates cost to provide services
- Assigns direct costs and allocates overhead
- Identifies who pays you what
- Results in the contribution and operating margins



DATA

- Cost report
- General ledger/financial statements
- Payer mix
- Reimbursement rates



COMPILING DATA

- Requires estimates and judgement
- Consider ease of use and maintenance
- Embrace imperfect data but use it wisely



RESULTS

- Overall profitability indicator
- Contribution margins
- Trends
- Identify service lines requiring further analysis

QUESTIONS?

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