



Compute Your Coding Costs

A. Yearly Wages for ER Coders on Staff \$ _____

B. Yearly Wages for ER Coding Supervisors \$ _____

C. Total Direct Wages (add lines A & B) \$ _____

D. Employer Contribution/Coding Staff Benefits \$ _____

FICA & other tax contributions, health insurance, vacations, holidays, etc. This is usually 25% or 33% of wages (multiply Line C by .25 or .33)

E. Office Supplies and Expenses \$ _____

Yearly cost of telephones, computers, manuals, and general office supplies used by coding and supervisory staff

F. Allocation of Overhead* \$ _____

Rent and building expense, utilities other than telephone, business insurance, etc. used by the coding department. These expenses might be allocated by a percent of floor space used by coding staff, and/or by percent of staff that are in coding department

G. Allocation of Management Expense* \$ _____

A percentage of upper management expense (management salaries and overhead). This is an estimate, based on the amount of management's time the coding department takes to run

H. Other Expenses \$ _____

I. Total of All Coding Expenses \$ _____

(Add lines C through I)

J. Total Number of ER Visits Coded per Year _____

K. Cost for Coding per Record \$ _____

(Line I divided by Line J)

* While these expenses, at first, may not seem directly assignable to coding, remember that if coding operations were streamlined, these resources could be better utilized in other profit-making activities.