

DATE:

TO: VP Finance – Region

FROM: Hospital/Tenet Facility CFO

SUBJECT: Cash Pay Rate Proposal for [TENET FACILITY]

[TENET FACILITY] would like to offer cash pricing to its uninsured patients at its outpatient imaging center. This is a practice common to outpatient imaging centers and is needed to service the community.

Uncomplicated Pricing Schedule

The [TENET FACILITY] management team decided on a schedule that was both simple and comprehensive to quote prices in each major modality category. These prices could be easily identified, quoted and collected.

Cash Pay Pricing Schedule

Attached is the Proposed Cash Pay Schedule for [TENET FACILITY] which will be used for all patients eligible per the Cash Pay policy. The schedule shows the Medicare reimbursement (technical rate), and the proposed Cash Pay Pricing rate. The proposed cash pay rate was set so that an incremental profit margin was achieved for each procedure. .

The proposed Cash Pay Pricing rate was established using the guidelines set forth by the Tenet Cash Pay Rate Policy. Under the policy, the cash pay rates must be set at or above “cost” and Medicare.

Description	Previous DIC Self Pay Rate	Medicare Rate (Avg)	Proposed Flat Rate	Cost
MRI - WITHOUT CONTRAST		\$328	\$330	\$189
MRI - WITH CONTRAST		\$378	\$400	\$230
MRI - WITH & WITHOUT CONTRAST		\$484	\$500	\$246
CT - WITHOUT CONTRAST		\$176	\$200	\$58
CT - WITH CONTRAST		\$269	\$275	\$71
CT - WITH & WITHOUT CONTRAST		\$290	\$300	\$98
Ultrasound		\$96	\$125	\$95
X-Ray		\$58	\$75	\$54

***** Estimated Costs provided through Showcase (Fixed + Variable Cost Only)**

I would appreciate your review and approval of the proposed pricing schedule for [TENET FACILITY’S] outpatient imaging center. Upon your acceptance we will proceed with implementation.