



# SUPPLY PRICING ANALYSIS

Hospitals are moving towards standardizing supply pricing across all departments and services, thus improving compliance issues associated with inconsistent charging practices. Although there is no right or wrong way to structure a markup formula for supplies, **ParaRev** recommends the following:

- Pricing should be developed using the actual cost basis to create a rational markup schedule
- Implants should have a separate markup to provide sensitivity to any contract terms that may have carve-outs
- Fixed Add-On and Minimum Charges should be utilized to compensate for any additional use of departmental resources for handling the supply

The purpose of the **ParaRev Supply Pricing Analysis** is to create a rational, cost-based supply markup using the concepts above.

The **ParaRev Supply Pricing Analysis** deliverables include an identification of non-billable supply items and gross revenue impact, proposed markup, gross and net revenue projections, an item-specific detailed spreadsheet proposed changes, and a full write-up of techniques and findings.

Level	Low	High	Minimum	Multiplier	Fixed Add On
1	0.01	0.25	1.00	6.50	0.00
2	0.26	0.50	0.00	6.50	0.00
3	0.51	1.00	0.00	6.00	0.00
4	1.01	2.00	0.00	5.50	0.00
5	2.01	5.00	0.00	5.00	0.00
6	5.01	10.00	0.00	4.75	0.00
7	10.01	20.00	0.00	4.50	0.00
8	20.01	40.00	0.00	4.25	0.00

  

Level	Low	High	Minimum	Multiplier	Fixed Add On
1	0.01	15.00	1.00	7.50	0.00
2	15.01	50.00	112.50	6.50	0.00
3	50.01	250.00	325.00	5.75	0.00
4	250.01	500.00	1,437.50	5.25	0.00
5	500.01	1,000.00	2,625.00	4.25	0.00
6	1,000.01	5,000.00	4,250.00	3.25	0.00
7	5,000.01	10,000.00	17,500.00	3.25	0.00
8	10,000.01	999,999.99	32,500.00	3.00	0.00

Contact your ParaRev Account Representative to learn more about ParaRev's Supply Pricing program!

Peter Ripper [pripper@pararevenue.com](mailto:pripper@pararevenue.com) (800) 999-3332 x 210  
Sandra LaPlace [slaplace@pararevenue.com](mailto:slaplace@pararevenue.com) (800) 999-3332 x 225  
Violet Archuleta-Chiu [varchuleta@pararevenue.com](mailto:varchuleta@pararevenue.com) (800) 999-3332 x 219