Employment Classification

- W-2 Full Time or Part Time
- 1099 Contract Labor
Most Common Relationship

- Few taxable write-offs for employee
- Benefits offered
- Taxes deducted by employer and matched

W-2 Employee
1099/Contract Labor

- Taxes paid by individual
- All benefits paid by employee
- Should have CPA opinion
- IRS Tax code specific requirements
- Could result in penalties for employer AND Individual.
- **BE CAREFUL!!!!!**
IRS Classification for 1099

- May earn profit or suffer loss from job
- Furnishes tools and supplies
- Is paid by the job
- Works for more than one client at a time
- Pays own business and travel expenses
- Hires and pays assistants
- Sets own working hours
Contracts

• Should spell out the BASICS of the deal
• Generally not about fine details
• Should have a start and end date/renewal
• Should allow either party an escape.
• Should define “cause”
• Should have legal review by both parties
• May be subject to State Law
Seek Assistance

- Legal Aspects
- Accounting
- Practice/State Regulations
- Billing
- Recruiting/Placement Agency
Billing

- Best handled by knowledgeable agent
- Highly Technical
- Legal liability/Implications
- Expensive Startup
- Coding Accuracy Essential
- Must be efficient and speedy
Collections

- Time Consuming
- Some are difficult
- May “make or break” your company
- A necessary “evil”
- May contract out to agency
Reimbursement Calculations

- AL 2004 Conversion factor $16.82
- CF x (Base + time units) = fee
- Time units = 15 minute blocks
Other Billing Issues

- Payers have different requirements
- May dictate provider credentials
- Requirements may exceed State/Federal Law
Benefit Package

- Expensive
- Time Consuming
- Federal/State Regulations
- Employer “Fiduciary Responsibility”
- Negotiated Annually
- Value to individuals highly variable
- “CASH IS KING”??!!
Negotiation Skills

- Decide What You Must Have
- Ask For Things You Would Like
- Know "Community Standard"
- Decide on "Reasonable" trade offs
- Matter of Fact/All Business/Professional
- Never Apologize While Negotiating
Key Points

Be Bold
Why are you different
What makes you “special”
Be Reasonable
Willing to “Make it work”
Persistent
Demonstrate Value
Potential Consequences