

# How To Calculate The Bill Rate & The Blended Rate



## What's The Bill Rate Again?:

The bill rate is what the hospital is willing to pay a company per hour..in order to have a traveler come and work for them.

The HOSPITAL sets the tone for what your pay package will look like...based on what their bill rate is.

The bill rate will create the big pot of cash..the company has to start with...that EVERYONE will get paid from!!

Some hospitals have lower bill rates..some have higher rates..it just depends!

## How To Calculate The Bill Rate?:

(Keeping in mind you probably won't know what the bill rate is)

**So if the bill rate of the hospital is \$80 an hour.**

You would multiply **\$80 x 40 hours per week**

(or however many hours your scheduled to work)

**\$80 x 40 = \$3200 a week they are willing to pay for you to work**

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Now you take that **\$3200** and multiply that by the number of weeks your contract (Standard contract is 13 weeks)

$$\mathbf{\$3200 \times 13 = \$41,600}$$

So **\$41,600** is the “The Big Pot Of Cash” the company has to start with

The company gets paid from that pot..and so do you!!!

But that number is all the hospital is willing to pay for you to come and work for them.

Your Company has to work within that bill rate.

## What The Blended Rate Again?:

The blended rate is what the company is actually paying you hourly. So it may look like your only making \$25 an hour hourly...but that's just your taxable income.You also get tax free reimbursement money..and thats included into your hourly wage.

What your truly making an hour is what we call the blended rate. It includes the taxable hourly rate..and your tax free stipend money.

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## Why Do I Need To Know What My Blended Rate Is?:

This is good to know when negotiating a higher OT & On Call rate..we go over this in the negotiations module...but this is just to show you how to calculate the numbers!!

## How To Calculate The Blended Rate:

So if your gross pay is **\$2500 a week**

you would divide that by 40 hours

**\$2500 divided by 40 is \$62.50**

\$62.50 is what the company is actually paying you to work every hour.  
( you would want your OT & On Call pay closer to this number...not your taxable hourly wage)

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## How To Calculate What Your Actually Bringing Home Each Hour:

You would just use your net pay..so the amount you are actually putting into the bank at the end of the week.

**So if you Net \$2100 you would divide that by 40 hours**

**\$2100 divided by 40 is \$52.50**

**\$52.50** is what your truly making every hour that your working

These are also good numbers to know when comparing contracts...which we talk about in the negotiation module.

# COMMON TRAVEL TERMINOLOGY

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