

How to Calculate the True P&L of a Test Panel

Know your real margin on every test you run

Article 6 of 22

8 min-minute read

15-25%

CPRR is typically higher than simple cost/test

\$7.00

Avg labor cost for 10 min of tech time per panel

85%

Typical collection rate on Medicare panels

Most lab owners know the reagent cost per test, but that is only one piece of the profitability puzzle. A true profit-and-loss analysis for a test panel requires you to account for every cost that goes into producing that result.

1 Start with Direct Reagent Costs

For each test in the panel, calculate the reagent cost per test. Divide the kit price by the number of reportable tests you actually get—not the manufacturer's claimed number, but your real-world yield after accounting for QC, calibrations, dead volume, and failed runs.

QUICK TIP: Use real-world yield, not manufacturer claims.

2 Add Consumables and Supplies

Include sample collection tubes, pipette tips, cuvettes, printer labels, and any other disposable materials consumed per test. These are easy to overlook but can add \$0.50 to \$2.00 per test depending on methodology.

3 Allocate Labor

Estimate hands-on tech time per test including sample prep, instrument loading, result review, and reporting. Multiply by the fully loaded labor rate. For a tech earning \$65,000 with 30% benefits, the loaded rate is roughly \$42/hour. If a panel takes 10 minutes, that is \$7.00 in labor.

QUICK TIP: Loaded rate = salary + benefits + taxes / productive hours per year.

4 Include Overhead

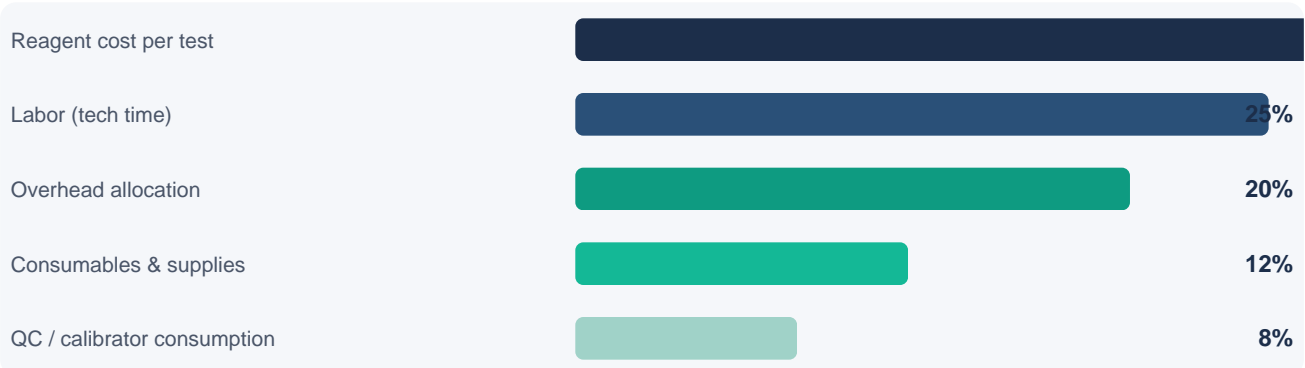
Overhead includes rent, utilities, LIS fees, analyzer lease or depreciation, maintenance contracts, insurance, and admin staff. Divide total monthly overhead by total monthly test volume for overhead cost per test. For more accuracy, allocate analyzer-specific costs directly.

5 Calculate the Margin

Subtract total costs from effective reimbursement (reimbursement x collection rate). Multiply margin per test by volume for monthly contribution. You may find that some high-volume panels are marginally profitable while lower-volume panels are deeply unprofitable.

QUICK TIP: Run this for your top 5 panels by volume. The results will surprise you.

ANATOMY OF TEST PANEL COST



Typical cost breakdown for a routine chemistry panel

BOTTOM LINE: Run this analysis for your top five panels by volume. The results will likely surprise you and will immediately clarify where to focus cost reduction or volume growth efforts.

FREE TOOLS TO GET STARTED

Template	What It Does
Test Panel P&L; Calculator	Plug in costs and reimbursement to see real margin per panel
CPRR Calculator	Cost-per-reportable-result accounting for QC, calibrators, and repeats

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