

Business Model Development to Prepare for Sustainability

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Collaborators



*School Based Health Services:
Because healthy students learn better*



This work made possible through a grant from....

- the U. S. Department of Education,
Safe and Drug Free Schools,
for Integrating Mental Health in Schools

AND BY

- The New Mexico Department of Health,
Office of School and Adolescent Health



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Presentation Objectives

- You will learn essential components of a business plan,
- how a business plan can help you become more flexible when circumstances require change.
- how to use a business plan to facilitate grant development.

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Outline

- Problem & Solution description
- Development discussion
- Business Plan description
- Cash Flow Projection Tool description

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The Problem

- Insufficient funding
- Unreliable funding
- Surprise financial realities
- Inability to raise funds

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The Solution

- Develop full business model as a planning tool
- Develop a cash flow projection tool
- Test to see if tools work

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Why a business plan?

- So SBHCs have a systematic way to:
 - Understand their finances
 - Describe their finances
 - Plan into the future
 - Maintain a text & financial boilerplate

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What can an SBHC use the plan for?

- Internal strategic & fiscal planning
- Grant writing
- Share with funding entities
- Share with BOD, School Board, fiscal agent
- Obtain a line of credit from a bank, partners or suppliers

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Early Development Steps

- Business plan research/web search
- Identify/select service models
- Compile sections w/ explanatory text
- Select sections
- Organize sections
- Partners developed each section based on their expertise
- NMASBHC took draft & refined it
- Develop Cash Flow Projection tool
- *Envision* tested Cash Flow Projection tool

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Business Plan Evolution

Early Section List	Final Section List
Introduction	Executive Summary
Executive Summary	Needs Statement
Business Description	Business Overview
Competitive Analysis	Operations & Management Plans
Market Strategies	Personnel and Resources
Design & Development Plan	Market Strategies
Operations & Management Plans	Competitive Analysis
Financial Components	Financial Components
Risk Management	Risk Management
	Exit Strategy

User Friendliness Business Plan (Word.doc)

- **The items in blue text and in boxes are “instructions/ explanations” for you and should be deleted when you are done.**
- **Text in red indicates you need to “insert” information. Red text should also be deleted when you are done.**

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Business Plan Utilization Considerations

- This takes time
- Requires protected time
- Low level of computer skills needed
- Format resembles many grant applications
- Needs periodic updating

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Structure

- Word template with 10 sections
- Excel template with 9 sheets
- Excel information feeds into section VIII of Word document

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Section Details

Executive Summary

- Business Plan summary in a few paragraphs, no longer than 1 page.
- Address what the SBHC does, for whom, SBHC history, financial requirements for operations, short & long term financial outlook, and a plan to keep your SBHC financially healthy.
- Complete this after the following sections are completed.

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Document View 1

The screenshot shows a Microsoft Word document titled "Business Plan Template 4-09.doc [Compatibility Mode]". The document is displayed in a window with the following content:

I. Executive Summary

Here you summarize your business plan in a few paragraphs, no longer than 1 page. Be sure to address what the SBHC does and for whom, SBHC history, financial requirements for operations, your short and long term financial outlook as well as what you plan to do to keep your SBHC financially healthy. Complete this after the following sections are completed.

II. Needs Statement

A. Needs statement

Describe why your community needs a SBHC. Explain why the SBHC is the best option for addressing this need vs. outpatient community clinic, school nurse, PCPs, etc. Use adolescent health data to support your case. This data may include: local Youth Risk and Resiliency Survey (YRRS) data, teen pregnancy, obesity, motor vehicle, suicide, depression, substance abuse and STD rates. Your local public health office may be able to help provide you this data. Office contact information can be found at: <http://www.health.state.nm.us/ph-local.html>.

Our community needs a SBHC because

B. Demographics

In this section explain the demographics of the community the SBHC is in and the demographics of the school. For an existing SBHC, include the demographics of your clients. Demographics include population numbers, ethnicities, gender, age, free and reduced lunch statistics, poverty statistics, and client descriptors (numbers seen, gender, age). For school populations the PED has most of this at <http://www.ned.state.nm.us/IT/schoolFactSheets.html>.

The screenshot also shows the Microsoft Word ribbon with tabs for Home, Insert, Page Layout, References, Mailings, Review, View, Aesthetics, Design, and Layout. The status bar at the bottom indicates "Page 2 of 16", "Words: 4,213", and "English (United States)".

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Section Details

Needs Statement

- Why your community needs an SBHC vs. outpatient community clinic, school nurse, PCPs
- Community Demographics where the SBHC operates **and** service school(s) demographics

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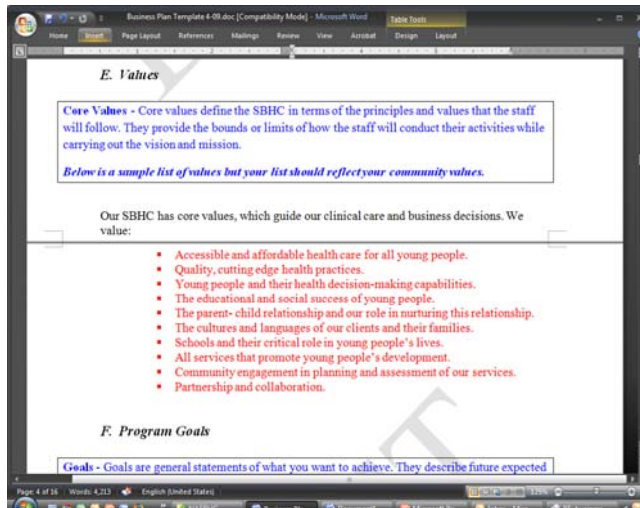
Section Details

Business Overview

- SBHC description
- SBHC history
- Vision
- Mission
- Values
- Program goals

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Document View 2



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Section Details Operations and Management Plans

- Location/ facilities
- Operating procedures
- SBHC services

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Section Details Personnel and Resources

- Directors
- Management team
- SBHC staffing and structure
- Community engagement
- SWOT

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Document View 3

C. SBHC staffing and structure

Describe your staff.

Define who your fiscal agent is, and community partners vs. SBHC volunteers. Your fiscal agent is the agency that is contractually responsible for managing your SBHCs finances. This entity may or may not provide services at your SBHC.

Define your relationship with the school and school board not in terms of "we have a good relationship" but what role they may have in your governance, operation oversight, or how you collaborate together on projects (eg immunizations, screenings, health fairs etc).

SBHC staff	Staff name	Degree	Role (ex: nurse practitioner, physician, dentist, clinical assistant)	Hrs/ wk at SBHC
	INSERT	INSERT	INSERT	INSERT

Fiscal agent	INSERT
Relationship with school that houses SBHC	INSERT

Relationship with school board	INSERT
SBHC community partners	Name of agency/ role in SBHC: INSERT

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Section Details **Market Strategies**

- Product
- Service delivery
- Pricing
- Messaging
- Advertising

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Section Details **Niche Analysis**

- Competition
- Key assets of competitor
- Key assets of SBHC
- Plan for addressing competition

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Section Details Financial Components

- Key assumptions
- Projected balances
- Financial summary
- Best and worst case scenarios
- Sustainability plan
- Overall assessment

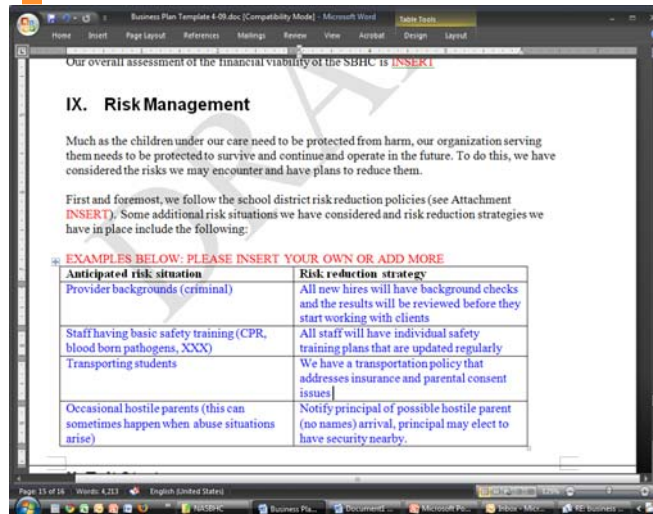
25

Section Details Risk Management

- Provide overview of how your SBHC manages risk

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Document View 4



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Section Details

Exit Strategy

- Outlines under what conditions your SBHC will terminate operations; ethical considerations associated with maintaining continuity of care for clients, where records and assets will go, etc **AND**
- protects your personal & group reputation.

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Cash Flow Projection Tool

What Next? Or How to use it?

Examples of Use

- Managing Cash Flow – looking at monthly \$
- Planning expansion – changing services
- Budgetary adjustments – dealing with cuts

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Cash Flow Projection Tool

- No calculations/Auto calculations
- Data on hand
- Monthly sensitivity
- Discovery (\$10,000 on exam table paper??!!!)
- Record keeping or planning/projections

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Cash Flow Projection Tool Multiple Data Entry Sheets

1. Instructions
2. Grant revenue
3. Medicaid revenue
4. Other revenue
5. Medical supplies
6. Office and other supplies
7. Operational expenses
8. Salaries
9. Marketing
10. Cash flow projections

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Grant Revenues

Grant Funds	Jan-00	Jan-00	Mar-00	Apr-00	May-00	Jun-00	Jul-00	Aug-00	Sep-00	Oct-00	Nov-00	Dec-00	Annual Total
State funds													\$0
School District funds													\$0
Federal funds													\$0
Community funds													\$0
Foundation funds													\$0
Other funds													\$0
Carryover													\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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Medicaid Revenue

Medicaid Revenue

In column A, select from the drop down list a CPT code and the two columns to the right will auto populate.

CPT Code	Description	Code	Reimbursement	Jan-00	Jan-00	Mar-00	Apr-00	May-00	Jun-00	Jul-00	Aug-00	Sep-00	Oct-00	Nov-00	Dec-00
10060	I&D of abscess (simple)	#0A	\$93.53												
16000	Initial treatment of first degree burn (local), do	#0A	\$68.62												
17170	Excision of nail and nail matrix, partial or comp	#0A	\$158.45												
12001	Simple repair of superficial wounds	#0A	\$143.23												
12031	Layer closure of wounds of scalp, axillae, trunk and/or extremities (excluding hands and feet); 2.5 cm. or less	#0A	\$172.43												
16000	Initial treatment of first degree burn (local), do	#0A	\$68.62												
17110	Destruction of flat warts	#0A	\$84.83												
26641	Closed treatment of carpometacarpal dislocat	#0A	\$331.93												
28190	Removal of foreign body, foot, subcutaneous	#0A	\$205.83												
29130	Application of finger splint (static)	#0A	\$38.62												
30300	Removal of foreign body, intranasal	#0A	\$208.01												
36415	Routine venipuncture	#0A	\$3.00												
54050	Destruction of lesion(s), penis	#0A	\$110.79												
56501	Destruction of lesion(s), vulva	#0A	\$130.47												
57170	Diaphragm or cervical cap fitting with instruct	#0A	\$92.37												
58300	Insertion of intrauterine device (IUD)	#0A	\$40.92												
58904	Removal of intrauterine device (IUD)	#0A	\$102.47												
Total Medicaid			\$0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A

Sample from CPT Code List

CPT Codes	Description	Amnt (12/2009)	Type
10060	I&D of abscess (simple)	\$93.53	Integumentary system/surgery
10120	I&D of foreign body, subcutaneous (simple)	\$129.77	Integumentary system/surgery
11730	Avulsion of nail plate (simple)	\$86.31	Integumentary system/surgery
11740	Evacuation of subungual hematoma	\$35.56	Integumentary system/surgery
11750	Excision of nail and nail matrix, partial or comp	\$158.45	Integumentary system/surgery
12001	Simple repair of superficial wounds	\$143.23	Integumentary system/surgery
12031	Layer closure of wounds of scalp, axillae, trunk and/or extremities (excluding hands and feet); 2.5 cm. or less	\$172.43	Integumentary system/surgery
16000	Initial treatment of first degree burn (local), do	\$68.62	Integumentary system/surgery
17110	Destruction of flat warts	\$84.83	Integumentary system/surgery
26641	Closed treatment of carpometacarpal dislocat	\$331.93	Integumentary system/surgery
28190	Removal of foreign body, foot, subcutaneous	\$205.83	Integumentary system/surgery
29130	Application of finger splint (static)	\$38.62	Integumentary system/surgery
30300	Removal of foreign body, intranasal	\$208.01	Integumentary system/surgery
36415	Routine venipuncture	\$3.00	Cardiovascular system/surgery
54050	Destruction of lesion(s), penis	\$110.79	Male genital system/surgery
56501	Destruction of lesion(s), vulva	\$130.47	Female genital system/surgery
57170	Diaphragm or cervical cap fitting with instruct	\$92.37	Female genital system/surgery
58300	Insertion of intrauterine device (IUD)	\$40.92	Female genital system/surgery
58904	Removal of intrauterine device (IUD)	\$102.47	Female genital system/surgery

Other Revenue

	A	B	C	D	E	F	G
1							SBHC Name
2							Contact Name &
3							
4	Other Revenue	Jan-00	Jan-00	Mar-00	Apr-00	May-00	Jun-00
5	Medicaid (MSBS/Special Ed) revenue						
6	Private Insurance revenue						
7	Private Insurance co-pays						
8	Cash additional income						
9	Donations additional income						
10	Other additional income						
11	Total Revenue	\$0	\$0	\$0	\$0	\$0	\$0
12							
13							
14							
15							
16							
17							

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Medical Supplies

	A	B	C	D	E	F
4	Medical Supplies	Jan-00	Jan-00	Mar-00	Apr-00	May-00
5	Bundled Medical Supplies					
6	Pharmaceuticals for uninsured					
7	Bandages					
8	Ace wraps					
9	Suture removal kits					
10	Tongue blades					
11	BMI Wheels/percentile graphs					
12	Ear speculums					
13	Vaginal speculums					
14	Specimen cups					
15	Exam drapes					
16	Flouroscein strips					
17	Glass slides					
18	Cover slips					
19	Normal Saline					
20	KOH solution					
21	Syringes					
22	Scissors					
23	Charts					
24	Medical Supplies not listed					
25	Medical Supplies Total	\$0	\$0	\$0	\$0	\$0
26						
27						
28						

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Office & Other Supplies

	A	B	C	D	E
1					
2					
3					
4	Office and Other	Jan-00	Jan-00	Mar-00	A
5	Bundled office supplies				
6	Pens, staples, etc.				
7	Paper				
8	Toner				
9	Postage				
10	Patient Forms				
11	Duplication				
12	Cleaning supplies				
13	Patient education				
14	Supplies not listed above				
15	Other Supplies Total	\$0	\$0	\$0	
16					
17					
18		◀ Previous Sheet	Next Sheet ▶		
19					

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Operational Expenses

	A	B	C	D	E
1					
2					
3					
4	Operational Expenses	Jan-00	Jan-00	Mar-00	Apr-00
5	Rent/Mortgage payments				
6	Facilities insurance				
7	License fees				
8	Malpractice insurance				
9	Telecommunications				
10	Utilities				
11	Office furniture				
12	Office equipment (e.g. computers, copiers)				
13	Medical equipment (e.g. otoscopes, BP cuffs)				
14	Equipment rental (e.g. copier)				
15	Travel, in-state				
16	Travel, out-of-state				
17	Conference fees				
18	Food				
19	Other expenses not listed				
20	Total Other Expenses	\$0	\$0	\$0	
21					
22		◀ Previous Sheet	Next Sheet ▶		
23					

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Salaries

SBHC Staff Salaries		Monthly Cost Calculator			Jan-00	Jan-00
		Annual Cost	# of Months	Monthly Cost		
5	Manager/Coordinator	Manager/Coordinator Salary	0	0		
		Benefits	0	0		
		Manager/Coordinator Total			\$0	\$0
7	Medical Provider(s)	Medical Provider(s) Salary	0	0		
		Benefits	0	0		
		Medical Provider(s) Salary Total			\$0	\$0
10	Behavioral Health Provider(s) Salary	Behavioral Health Provider(s) Salary	0	0		
		Benefits	0	0		
		Behavioral Health Provider(s) Salary Total			\$0	\$0
13	Dental Health Provider(s) Salary	Dental Health Provider(s) Salary	0	0		
		Benefits	0	0		
		Dental Health Provider(s) Salary Total			\$0	\$0
16	Clerk/Medical Assistant Salary	Clerk/Medical Assistant Salary	0	0		
		Benefits	0	0		
		Clerk/Medical Assistant Salary Total			\$0	\$0
20	Other Salary (Specify)	Other Salary (Specify) Salary	0	0		
		Benefits	0	0		
		Other Salary (Specify) Total			\$0	\$0
23	Contract Services	Contract Services Expenses	0	0		
	Staffing Total				\$0	\$0

◀ Previous Sheet Next Sheet ▶

Benefits can vary from approximately 15% to 32%

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Marketing

	A	B	C	D	E
4	Marketing	Jan-00	Jan-00	Mar-00	A
5	Printed Material (e.g. brochures, pamphlet's)				
6	Public Advertising (e.g. billboards, stadium signs)				
7	Media advertising (e.g. TV and radio)				
8	Promotional items				
9	Other Marketing Expenses				
10	Marketing Total	\$0	\$0	\$0	

◀ Previous Sheet Next Sheet ▶

17 Other marketing expenses include cost for mailings/postage, costs for health fairs

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Cash Flow Projections

SBHC Name Contact Name & Number												
CASH FLOW PROJECTIONS												
All values in this sheet are calculated from data entered in previous sheets.												
(Add a row of monthly headings to cover one year period)												
	Jan-00	Jan-00	Mar-00	Apr-00	May-00	Jun-00	Jul-00	Aug-00	Sep-00	Oct-00	Nov-00	Dec-00 Annual Total
Monthly Anticipated REVENUES												
Revenue from Grant funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenue from Services Rendered	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Monthly Anticipated EXPENSES												
Payments to Medical Suppliers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payments to Other Suppliers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Salaries and Wages	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Marketing Expense Paid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RECONCILIATION OF CASH FLOW												
OPENING BALANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADD: TOTAL REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DEDUCT: TOTAL EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CLOSING BALANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Positive values in the bottom row means SBHC has enough money to stay in operation.												
Negative values in the bottom row indicate the amount of expenses SBHC will be unable to cover.												
◀ Previous Sheet												
All Source: http://www.tgci.com/magazine/How%20to%20take%20Cash%20Flow%20Projections.pdf												

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Flexibility

- Adding/Cutting staff
- Gaining/Losing funding
- Projecting impact of site changes

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Facilitating Grant Development

- Needs/Problem Statement
- Program Description
- Organization Description
- Management Plan
- Staff Descriptions

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Concluding Comments

- Customize for your purpose
- Make this a living document
 - Add web links to data sources, so you can easily update
 - Update regularly when new school data are available, when there are staff changes

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Results from Users

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Find Tools Here

Link to NMASBHC:

<http://www.nmasbhc.org/pages/financial.html>

http://www.nmasbhc.org/pages/sbhc_resources.html

Annie E Casey Kids Count:

<http://www.aecf.org/MajorInitiatives/KIDSCOUNT.aspx>

US Census: <http://www.census.gov/population/www/>

SMART:

<http://smart.gismapping.info/smart/UserLogin.aspx?ReturnUrl=%2fsmart%2fdefault.aspx>

WISQARS: <http://www.cdc.gov/injury/wisqars/index.html>₆

Contact

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