

Developing a business plan for your clinical program

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Objectives

- ▶ Communicate your vision for a new clinical program
- ▶ Identify the key components of a business proposal
- ▶ Describe various ways to demonstrate return on investment
- ▶ Construct a basic budget and financial projection



Introductions

- ▶ Partner up: 2-3 people
- ▶ Introduce yourself:
 - ▶ Name
 - ▶ Role
 - ▶ Institution
 - ▶ What would you LIKE to accomplish
 - ▶ What would you LOVE to accomplish
- ▶ Introduce your partner to the group



Vision

- ▶ What is the desired future state of your program?
- ▶ What is the inspiration/motivation?



Proposed services

- ▶ Rationale
- ▶ Services to be offered
- ▶ Goals and objectives
- ▶ Project timeline, implementation plan



How does it relate to the institution?

- ▶ **Mission statement**
- ▶ **Strategic plan**
- ▶ **SWOT analysis**
 - ▶ Strengths (and success factors)
 - ▶ Weaknesses
 - ▶ Opportunities
 - ▶ Threats (and barriers)
- ▶ **Demand/capacity analysis**



Establish need

- ▶ **Market analysis: current and trends**
 - ▶ Potential patients: catchment, # pts, demographics
 - ▶ Insurance/payer breakdown
- ▶ **Policy context: impact of regulations, health care laws**
- ▶ **Competition**
 - ▶ What programs are offered locally, identify gaps
 - ▶ Who are the regional/national leaders?
- ▶ **Consider engaging outside consultants**



Program structure

- ▶ **Physician staffing needs**
 - ▶ Staffing model (24/7, home call, seasonal flex)
 - ▶ FTE for leadership roles
 - ▶ Account for unexpected leaves
- ▶ **Non-physician staffing**
 - ▶ Clerical/administrative
 - ▶ Billing and authorizations
- ▶ **Organizational chart**
- ▶ **Training needs**
- ▶ **Impact on other areas of the hospital**
- ▶ **Range of options: Plan A, B, and C**



Small group activity: Mission, Vision, and Values

- ▶ **Vision:** “The dream;” how you will change the world
- ▶ **Mission:** The purpose; what you do and for whom
- ▶ **Values:** Ideals and principles that everyone in the institution agrees upon

Example: Institute for Healthcare Improvement

- ▶ **Vision:** Everyone has the best care and health possible.
- ▶ **Mission:** Improve health and healthcare worldwide.
- ▶ **Values:** People Matter, Boundarilessness, Innovation and Systems Thinking, Equity Diversity and Inclusion, Generosity, Transparency, Speed and Agility, Celebration and Thankfulness



Metrics and expected outcomes

- ▶ Productivity
- ▶ Quality and safety
- ▶ Patient experience
- ▶ Staff retention and satisfaction
- ▶ Visibility/recognition, marketing
- ▶ Financials
- ▶ Accountability
- ▶ Publicly reported measures
 - ▶ U.S. News and World Report
 - ▶ Leapfrog group
 - ▶ The Joint Commission, NQF, CMS



Quality and safety

- ▶ HCAHPS/ Press-Ganey/ PRC
- ▶ Healthcare associated conditions
- ▶ Adverse events
- ▶ Timeliness and appropriateness of care
 - ▶ PHIS, KID, peer benchmarking software
- ▶ Use of evidence-based guidelines



Utilization and efficiency

- ▶ Length of stay
 - ▶ Discharge efficiency
 - ▶ Transfer delays (from ED, OR, ICU, etc)
- ▶ Improved DRG payments
- ▶ Delays in care, insurance denials
- ▶ Readmissions
- ▶ Unnecessary studies/treatments
- ▶ Capacity backfill
 - ▶ Space (beds, OR – missed referrals due to capacity)
 - ▶ Staff (more time for procedures, outpatient visits)
 - ▶ Resource (MRI)



Expenses

- ▶ Staff
 - ▶ Benefits
 - ▶ Incentive structures, risk sharing
 - ▶ Stipend for leadership roles
 - ▶ Moonlighting
 - ▶ Consider range depending on experience
- ▶ Equipment and supplies
- ▶ Other costs (space, licensing, insurance, privileging)
- ▶ Billing and collections

- ▶ Ask for the minimum necessary to get the program started; show your program will be lean



Financial projections

- ▶ Encounters (ADC, discharges, encounters)
- ▶ Estimated charges and collections
 - ▶ Payment models
 - ▶ Payer mix
- ▶ Sensitivity analysis
- ▶ Cost per unit of service
- ▶ Profitability – over 1 year, 5 years



Building your team

- ▶ Buy-in and collaboration from key stakeholders
 - ▶ What is your organization's governance structure?
 - ▶ Who are key decision makers and stakeholders?
 - ▶ Include patients and families
- ▶ Include people who are potentially oppositional
- ▶ Show team members have skills and demonstrated past ability to execute



Pitching your idea: 3 min with the CEO

- ▶ Work in groups, prepare your 3 min speech
- ▶ Know your audience
- ▶ Why are you doing this?
- ▶ What will your program do for the hospital?
 - ▶ How will it help achieve strategic goals?
 - ▶ How will it save lives/time/money?
- ▶ Tell a personal story
- ▶ Think of a few questions you might be asked and be prepared to answer them



Suggested changes for future practice

- ▶ Utilize SWOT analysis in a proposal for a new program or for changes to an existing program
- ▶ Analyze return on investment of a new or existing program to be presented at your next budget negotiation

