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Summary Business Plan for SunFlower Center

NOTE: This summary business plan has been condensed significantly and modified to exclude data and/or key metrics considered proprietary by the authors.

Executive Summary

A cancer diagnosis can result in depression and suicide due to fear of death, as well as changes in one's life plan, self-esteem, and body image. In 2016, 15%-20% of the estimated 685,210 newly diagnosed cancer cases suffered from mental instabilities that are commonly not assessed or are untreated in clinical settings. The SunFlower Center (SFC), a service-oriented support facility, is modeled on Alberta Bandura's self-efficacy theory. The Center's services will address the behavioral, environmental and personal/cognitive factors that influence self-efficacy and will aim to restore the mental and emotional stability in cancer patients and their families. The objectives of the SunFlower Center include focused mental health awareness and its importance of treating cancer patients through patient & family education and counseling.

The Chief Executive Officer (CEO), an experienced advanced practice nurse (APN), brings extensive oncology and mental health expertise in performing psychological assessments, developing treatment plans, educating, prescribing and managing medications that support patients who are depressed and struggling with this devastating diagnosis. Local clinical competitors do not offer *the unique combination of clinical oncology and mental health* – a hallmark of the SunFlower Center, which is designed to deliver effective prescriptive and emotionally based treatment plans. Targeted marketing

includes partnerships/collaboration with existing oncology practices, hospital cancer centers, and local community organizations such as schools and churches.

The CEO seeks $100,000 to augment a personal investment of $40,000 for start-up costs, overhead and salaries during the first year of operation. Estimated year two profitability projections include an annual projected patient volume of 1560 and associated revenue of $194,804 based on catchment area payer mix data. Breakeven and profitability achieved early in year two enables loan repayment to commence in year three.

A 50% projected client growth in years two and three, a 35% growth in year four and projected continued growth in later years enables a stable outlook for this new ambulatory practice. The need for expanded psychological support for cancer-induced depression and emotional struggle spans all demographics. Providing expert support, therapy, and prescriptive intervention serves all those who are fighting cancer and supports their families and the community.

Introduction

It has been estimated that 685,210 new cases of cancer will be diagnosed in 2016. New cases include solid tumor and hematological malignancies. About one-fourth of men and women diagnosed with cancer experience depression; the same risk exists for family members. According to the National Cancer Institute, 15-25% of cancer patients suffer from depression and suicide. A cancer diagnosis disrupts mental stability by introducing fear of death, and changes in one's life plan, self-esteem and body image. In collaboration

with oncologists and primary care providers, the SunFlower Center will assist cancer patients and their families to identify and address the psychological effects of a cancer diagnosis, and will prescribe appropriate medications and non-pharmaceutical interventions.

Mission

The SunFlower Center is dedicated to improving the quality of life for cancer patients and their families by providing counseling and treatments that will mitigate the negative impact of a cancer diagnosis.

Vision

The Center will enable emotional and mental stability in cancer patients and their families who are facing a cancer diagnosis.

SunFlower Center Goals

The SunFlower Center will restore mental stability and improve the quality of life for cancer patients through counseling and support services for patients and families, medication prescription and management, development of customized support groups, and robust patient and family educational programs on disease processes and coping mechanisms. The Center will also work with healthcare providers and members of the community to address the importance of assessing and addressing mental health problems in cancer patients.

Short Term Goals (6 months-1 year):	**Long Term Goals (2-4 years):**
• Establish feeder referral system • Hire marketing liaison • Implement an electronic health record • Develop a stable client base	• Breakeven financially • Hire a social worker, psychiatrist, 2nd APRN • Open a 2nd practice site • Offer virtual therapy sessions

Description of the Business

The SunFlower Center has identified medical office building space in Hartford, CT, as a prime location. While located in one of the wealthiest states in the country, Hartford is one of the poorest cities in the US with more than 34% of Hartford residents living below the poverty line. The proposed practice site is located 3-4 miles from West Hartford. While occupied by some of the wealthiest residents, 8% of residents meet the poverty level threshold. The location of the SunFlower Center allows the practice to service two cities and clients in two economic groups. Approximately 124,775 individuals reside in Hartford; 9% are over the age of 65; 63,324 individuals residing in West Hartford and 17% are over the age of 65. Elderly residents in Hartford use Medicare as primary insurance while younger residents of West Hartford have primary and secondary insurance coverage. Private insurance reimbursement will offset the cost of serving poorer clients in both locations.

The SunFlower Center will provide improved assessment and treatment of mental health and services, which will augment clinical services provided by local oncology practices and hospital practice sites. Center services will include non-pharmaceutical and pharmaceutical interventions including meditation, 1:1 talk therapy, group therapy, disease management and treatment educational programs, and customized support groups. Medication management plans will include antipsychotics, antidepressants, narcotics, anti-emetics, mood stabilizers, and vitamins.

Market & Competition Analysis

Several mental health practices and two hospitals – Saint Francis Hospital and Hartford Hospital, with established cancer centers with associated mental health services – are located near the SunFlower Center. Local medical practitioners include social workers, a licensed marriage and family therapist, a psychologist, and a psychiatrist. These practitioners lack an oncology focus and have limited office hours. Two hospital social work departments are the only other competitors; these departments focus on mitigating the financial burden that accompanies a cancer diagnosis.

The SunFlower Center will offer office hours Monday-Friday from 8:00am-6:00pm with/without an appointment, and Saturdays and Sundays by appointment. The Center will offer exceptional customer service delivered in a warm, welcoming environment. A private oncology practice with no mental health resources is located in the same building. Establishing a strong collaborative relationship with this practice will be a priority for the Center.

The CEO brings 10 years of APN experience to caring for cancer patients in both in-patient and outpatient clinical settings with emphasis on mental health and emotional stability. As an APN in the state of Connecticut, the CEO has prescriptive authority that enables her to prescribe and manage medications for clients. The combination of clinical hematology/oncology experience and prescriptive authority differentiates this practitioner from other local advanced practice practitioners. The CEO's relationships with area providers will enable profitable referral streams and practice collaboration with oncologists, oncology APRNs, radiation oncologists, clinical trial coordinators/nurses, oncology nurses, and primary care physicians. The anticipated revenue for services will be generated from private insurance, Medicare, and cash payments.

The CEO/APN has many years of experience as a clinician, and is a new business owner. Therefore, the SunFlower Center will engage an experienced office and financial manager, and an experienced medical biller/coder. Prior to opening the SunFlower Center, the CEO/APN will provide evidence to the Connecticut (CT) Department of Public Health of an APN license of three years, collaboration with a CT physician of at least three years with more than 2,000 hours of practice in CT, and a written notice to the Department of the APRN plan to begin independent practice.

SWOT Analysis

Strengths	**Weaknesses**
• APN oncology experience • Personable provider experienced in caring for cancer patients • History of successful multiple cancer practices collaboration in Hartford, CT - good referral base • Experienced office staff	• New business owner • Specialized population • Lack of experience in practice development • Start-up funds required
Opportunities	**Threats**
• Become the 1st & only mental health practice that focuses *solely* on oncology in the Hartford, CT market • Collaborate with local practices, hospitals and support groups expanding practice and service catchment areas • Potential purchase of Practice by competitors thereby expanding dominance and influence in market area	• Several mental health providers with established practices can compete by establishing dedicated oncology services. in area • Two hospitals in the area already that have established Cancer centers with associated mental health services; any expansion constitutes serious competition. • Independent mental health providers sprinkle the Hartford, CT market with established mental health practices.

Marketing Strategy

The marketing strategy for the SunFlower Center will promote the unique combination of the provider as both a prescriber and oncology clinician. Marketing sources include the Center's website, Facebook page, pamphlets, pens, and community events. The marketing liaison's responsibilities include assessing and reassessing marketing strategies during the first and third quarters. The Center's services will include counseling, support groups and educational programming that can improve the psychological challenges that accompany a cancer diagnosis. These include cancer support groups, bereavement counseling, individual, couples and group counseling, medication management, and a host of educational programs on sexuality, biology of cancer, symptom management, anger management, positive growth, and body image.

Development Plan and Schedule

Goal 1: Prepare to open practice (12 months)

- Submit CT Department of Health paperwork to practice independently (free).
- Renovate office/set up; purchase office furniture.
- Identify collaborating providers.
- Create contracts with insurance companies.
- Hire part-time staff (medical biller, finance manager, marketing liaison, office manager).
- Adjust malpractice insurance coverage.
- Purchase rental insurance.
- Create website.
- Establish electric and telephone accounts.
- Install electronic healthcare record information system.

Goal 2: Become the practice that receives referrals from surrounding oncologists (Years 1-2): this will allow the practice to increase patient volume that translates into a financial benefit for the practice.

- Develop a company website with links to the Facebook and Twitter page.
- Publish a monthly column in a local paper.
- Coordinate a meet-and-greet for oncology healthcare professionals in the area.
- Maintain relationships with the oncology community in the area.
- Advertise educational programs and services.
- Offer local oncology support groups use of space.
- Attend oncology conferences.

Goal 3: Expand practice (Years 2-4)

- Hire social worker to conduct home visits.
- Hire psychologist to see patients in office.
- Transition office staff to full time.

Goal 4: Educate the community about mental health in cancer: This allows the practice to align with the mission and goals of the practice to educate the community (Year 2).

- Schedule local speaking engagements surrounding mental health in the oncology setting.
- Organize educational programs for oncology patients and their families.
- Identify oncology educators to run educational programs.
- Collaborate with community leaders such as advocacy groups, support organizations, church and community leaders.

Goal 5: Implement quarter quality improvement measures to identify areas of improvement (Months 3, 6, 9, & 12).

- Consult CONNSTEP **http://www.connstep.org/about/team/**

Goal 6: Increase practice revenue (Year 2-4):

- Generate monthly business reports to understand status cost versus profits.
- Negotiate private insurance contracts.
- Lease office space to independent part time mental health workers on weekends.
- Consider 2nd practice site expansion.
- Institute a pay for service option:
  - Individual counseling $80 per session
  - Couples counseling $100 per session
  - Group counseling $30 per person for 6 week sessions (minimal attendance 6)

Goal 7: Enhance technology for ease patient scheduling and check in (Years 2-3)

- Create link on website for patients to schedule appointments.
- Design system that allows patients to check in by swipe access.
- Implement telehealth capabilities for patient convenience.

Organizational Chart

Analysis of Staff and Qualification Profile

Finance manager. Responsibilities: financial management of entire Practice. Requirements: healthcare industry experience, Master's degree in accounting, finance, economics or business administration, strongly preferred certifications such as Certified Public Account (CPA), Chartered Financial Analyst (CFA) and Certified Management

Account (CMA). Skills required: familiarity with financial regulations and reporting requirements, and exceptional communications skills. Duties: supervising the day-to-day financial operations, generating financial reports, conducting financial analysis including audits, meeting regulatory reporting requirements, and conducting budgeting and controlling business operations for the practice.

Medical Biller/Coder. Responsibilities: ensuring the practice receives reimbursement for provided services. Requirements: medical biller/coder certification, two years' practice experience, strong communication and organization skills. Duties: managing patient account payments, reviewing and submitting insurance claims, resolving patient billing issues, reviewing insurance payments, coding patient services, ensuring reimbursement for rendered services, assuring accurate coding, investigating and resolving denied claims, procuring authorizations/pre-certification as necessary, and obtaining credentials with insurance companies.

Office Manager. Responsibilities: management of daily office operations including scheduling, telephone triage and patient flow, managing supply inventory. Requirements: Bachelor's degree preferred; 2 years' practice experience, exceptional communication and organization skills, and ability to multitask.

Marketing Liaison. Responsibilities: developing and managing marketing and educational initiatives that support the practice's growth, optimizing relationships with oncologists, radiation oncologists, support groups, primary care physicians, advocacy groups and other referral channels in the area, advertising, maintaining and updating the practice's on-line presence, monitoring social networks for patient feedback, providing monthly reports and related corrective action plans. Requirements: excellent communication skills, creativity and the ability to connect with people; marketing degree with at least three years of experience in the healthcare industry.

Financial Overview

Sample of Key Revenue & Expense Metrics

Operating Revenue: *excludes inflation*

Clinical Services *sample for illustrative purposes only*

Clinical Service	Duration (min)	Projected Charges
Psychiatric diagnosis evaluation with medication management	60	$153.47
Individual Psychotherapy	60	$133.70
Family psychotherapy, without the patient	30	$107.21
Individual counseling $100	60	$100
Couples counseling $110	60	$110
Group counseling [six minimum] @ $40/person for six weeks	60	$1440

Projected Payer Mix *assumed stable for four-year projection*

Private Insurance – 40%

Medicare – 50%

Cash Service – 10%

Projected Volume *excludes inflation*

Year	Average Patients/day	Total Volume	Projected Revenue
1	6	1560	$184,804
2	9	2340	$292,206
3	13.5	3510	$438,309
4	18.2	4738.5	$591,717

Operating Expenses *sample for illustrative purposes only*

1. Annual Salaries (based on 1st year part time for all employees except CEO)
   - Finance Manager $19,999.20.
   - Office Manager $10,004.80
   - Medical Biller/Coder $$17,513
   - Marketing Liaison $$18,168
   - CEO $50,000

2. Annual Expenses
   - Liability/malpractice insurance $7,200
   - Comcast bundle package (telephone, internet) $1,800 annually
   - Employee health insurance/paid time off @ 20% of salary $23,157
   - Rental insurance $1,200

3. Annual Building Fees
   - Rent and building fee (heat, hot water, cleaning services) $21,600
   - IT fee $3000 annually
   - Office supplies $2,400
   - Electricity $3,600

4. Opening operating and capital expenses $11,492 inclusive of furnishings, welcome pamphlets, signage, etc.

Financing: Small Business Loan:

1. $100,000 @ 5% interest: $33,333.33/year for 3 years; payback commences in year three.