

**The Sugar Land Walk-In Orthopedic Injury Clinic:  
A Step in Improving Patient Access to Orthopedic Care and  
Patient Centered Care**

Strategic Business Plan

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## **Project Summary**

This business plan is for a walk-in orthopedic injury clinic to help expand the orthopedic surgery service line for a hospital owned physicians practice in Sugar Land, Texas. This practice is the Sugar Land Orthopedic Group and currently has a total of 24 providers, consisting of 12 orthopedic surgeons, 3 primary care sports medicine physicians, 9 physician assistants, and 1 nurse practitioner. The clinic volume is between 250 and 300 patients a day depending on how many providers are in clinic. Unfortunately, the practice is having a difficult time getting patients in to see their providers.

On average, it takes patients a little over a week to be seen by one of the providers depending on the body part that the patient needs to have evaluated. The patient population in Sugar Land, Texas is somewhat more affluent than other suburbs within the city of Houston, which means that these patients have high expectations. Patients expect to be able to get in to see one of the providers within a day or two and currently, that is not possible. Since patients are not able to get in to be seen in an efficient manner, they give the practice low scores in the Access to Care section of the Clinician and Group Consumer Assessment of Healthcare Providers and Systems (CG-CAHPS) Survey. Here are the practice's Access to Care scores for the past 2 years that show the providers are consistently below the national threshold:

Sugar Land Orthopedic Group Overall Score based upon Doctor Rating 0-10 for Most Recent Visit	2017 Goals			2017	
	Threshold 60th	Target 75th	Superior 90th	N	Top Box %
	<b>86.8</b>	<b>88.4</b>	<b>90.2</b>	<b>1,703</b>	<b>85.7</b>
Access to Care within the Last 3 Months (Composite)	80.6	81.8	84.7	1,717	78
How Often Get Appointment Right Away within the Last 3 Months	92.7	94.1	96.0	1,023	91.5
How Often Get Routine Appointment as Needed within the Last 3 Months	95.4	96.3	97.4	521	94.3
How Often Get Answer Same Day within the Last 3 Months	64.1	67.7	70.2	364	63.2
How Often Phone Office After Hours and Get Answer Same Day within the Last 3 Months	67.9	69.4	73.2	71	63.9
How Often See Provider within 15 Minutes of Appointment Time During Your Most Recent Visit	82.6	85.3	89.9	1,712	79.3

Sugar Land Orthopedic Group Overall Score based upon Doctor Rating 0-10 for Most Recent Visit	2018 Goals			2018	
	Threshold 60th	Target 75th	Superior 90th	N	Top Box %
	<b>87.8</b>	<b>89.2</b>	<b>90.8</b>	<b>1,784</b>	<b>87.3</b>
Access to Care within the Last 3 Months (Composite)	81.5	82.6	85.0	1,788	80.5
How Often Get Appointment Right Away within the Last 3 Months	93.2	94.4	96.4	1,025	91.5
How Often Get Routine Appointment as Needed within the Last 3 Months	96.3	96.9	98.1	660	93.0
How Often Get Answer Same Day within the Last 3 Months	65.9	68.6	72.5	472	62.8
How Often Phone Office After Hours and Get Answer Same Day within the Last 3 Months	69.1	72.1	75.5	73	65.7
How Often See Provider within 15 Minutes of Appointment Time During Your Most Recent Visit	84.2	86.2	90.1	1,780	82.1

The practice has tried opening same day appointment slots on all of the providers' schedules, but that still has not solved the problem. The wait times for an appointment were still long and it was still difficult to get to see one of the providers. The physicians and practice leadership are hoping that this walk-in orthopedic injury clinic will be the answer to the Access to Care problems, which is the ultimate goal.

## **Executive Summary**

**The Company:** The Sugar Land Walk-In Orthopedic Injury Clinic will be focused on patient centered care and operations management. It will be operating under the Sugar Land Hospital System. It will be staffed with 2 orthopedic surgeons, 2 primary care sports medicine physicians, and 2 physician assistants. The clinic is unique because it will be the only walk-in orthopedic injury clinic in the city and no appointment will be necessary.

**Mission Statement:** To provide high quality and cost-effective orthopedic care that delivers unparalleled value to the patients in the community.

**Market Opportunity:** Since this will be the only walk-in orthopedic injury clinic in the city, this creates a huge opportunity in the market. The demand for orthopedics and sports medicine services is strong in Sugar Land and is increasing due to more people changing their lifestyles to be more active in fitness, working out, and sports. Unfortunately, people sometimes get hurt from over-exercising or from injuries due to sports. If patients in Sugar Land or surrounding areas need to get in to be evaluated for any orthopedic or sports medicine related issues, they are used to making appointments to be seen for those issues. Now patients can be seen on the same day and will not have to make appointments.

**Management:** The management team will consist of a Practice Administrator and a Clinical Practice Manager.

The Practice Administrator has a Bachelor of Business Administration degree in Management from the University of Texas at Arlington as well as Master of Business Administration and Master of Project Management degrees from DeVry University. He also holds the certified medical practice executive certification from the American College of Medical Practice Executives. He has a strong passion for customer service and patient satisfaction. His

leadership skills, knowledge of the healthcare industry, and relationships in the community make him a great addition to the management team and organization.

The Clinical Practice Manager received her Bachelor of Science in Nursing degree from Columbia University. She also has her Master of Science in Nursing degree from Texas Women's University. The Clinical Practice Manager has a strong passion for quality care and patient safety. She has served on many quality committees and is a certified healthcare quality professional. Having her as a part of the management team will ensure that all employees are trained and educated on the best clinical techniques and practices.

**Competitors:** The competitors in the market are the emergency rooms, urgent care clinics, and established orthopedic practices. There are currently 10 emergency rooms, 13 urgent care clinics, and 5 established orthopedic practices in the area.

#### Strengths for Emergency Rooms and Urgent Care Clinics

- Appointments are not necessary
- Insurance referrals are not needed
- Any patients can be seen with or without insurance due to EMTALA
- Onsite X-Ray, CT, and Ultrasound

#### Weaknesses for Emergency Rooms and Urgent Care Clinics

- Patients will still need to follow-up with an orthopedic surgeon after being evaluated
- Patients must pay emergency room copays versus office visit copays
- Possibly higher wait times

#### Strengths for Established Orthopedic Practices

- If patients had good experiences, they will continue going to orthopedic practices that they know or have already been to.

- Onsite X-Ray, Casting, and Splinting

#### Weaknesses for Established Orthopedic Practices

- Appointments are necessary
- Appointment availability
- Wait times in clinic

#### The Business' Competitive Advantages

The Sugar Land Walk-In Orthopedic Injury Clinic has a few competitive advantages. The first advantage is the clinic's office hours. The clinic will be open from 8:00am – 9:00pm Monday – Thursday and 8:00am – 5:00pm on Fridays. All the established orthopedic practices close at 5pm Monday – Friday. The emergency rooms and urgent care clinics are usually open late hours but if there is a walk-in orthopedic clinic, patients with orthopedic related issues won't have to go to the emergency room or urgent care.

The second competitive advantage is the guarantee to see a physician. The urgent care clinics and emergency rooms in the area don't always have physician coverage and sometimes patients must see a nurse practitioner or physician assistant. At the Sugar Land Walk-In Orthopedic Injury Clinic, there will always be a physician available.

The third competitive advantage is that the Sugar Land Walk-In Orthopedic Injury Clinic is a one stop shop. Patients who go to emergency rooms or urgent care clinics for orthopedic related issues typically have to follow-up with an orthopedic specialist after being seen. That means that patients will have to pay an additional copay. At the Sugar Land Walk-In Orthopedic Injury Clinic, patients can be seen by a physician, get any necessary imaging exams done, go to physical therapy, and go to surgery all within the same vicinity. None of the competitors have this kind of setup.

## **Financial Information**

Capital Requirements: The Sugar Land Walk-In Orthopedic Injury Clinic will be 100% funded and supported by the Sugar Land Hospital System which it will function under so no funding will be required from investors. The capital needed will be \$1,000,000 for 2 X-Ray machines, \$100,000 for 2 Ultrasound machines, \$5,000 for cast saws, and \$20,000 for braces, slings, or other durable medical equipment.

Projections: Leadership is projecting that 500+ patients will be seen in 2020. A physician office visit in an orthopedic surgery/sports medicine practice usually consists of the office visit, x-rays, and some type of durable medical equipment. Also depending on the diagnosis, various steroid and intra-articular injections are given in the office. The average reimbursement for the office visit codes are that the providers bill out is \$120. The average reimbursement for x-rays taken in a physician office of the extremities, joints, or spine is \$30. The average reimbursement for the braces, slings, and other durable medical equipment that the providers bill out is \$700. The average reimbursement for an injection is \$500 depending on what type of drug or medication is injected. That means the average reimbursement per office visit at the Sugar Land Walk-In Orthopedic Injury Clinic would be \$1,350 and seeing 500 patients in the clinic would bring in \$675,000 in revenue. In addition to the office visit revenue, the 2 surgeons will also bring in revenue for the surgeries that they will be performing. Together, they both do about 80 surgeries a month with an average of \$2,000 reimbursement per case. However, since they will sort of be starting fresh with the new clinic, their surgery case load will probably drop to about 10 a month so they would probably do about 50 surgeries in 2020, which would be an additional \$100,000 in revenue for 2020. The total revenue being projected for 2020 is \$775,000 plus any donor contributions that the clinic may receive.



	Year 1	Year 2	Year 3
Account Description			
Patient Revenue	\$775,000	\$1,500,000	\$2,000,000
Donor Contributions	\$775,000	\$1,500,000	\$2,000,000
<b>TOTAL PRACTICE INCOME</b>	<b>\$1,550,000</b>	<b>\$3,000,000</b>	<b>\$4,000,000</b>
<u>Clinic Expenses</u>			
Salaries and Wages (Hospital Covered Expense)	\$0	\$0	\$0
Fringe Benefits (Hospital Covered Expense)	\$0	\$0	\$0
Payroll Taxes (Hospital Covered Expense)	\$0	\$0	\$0
Credit Card Fees	\$5,000	\$10,000	\$15,000
Professional Services	\$0	\$2,000	\$5,000
Billing Services Allocation (6% of Patient Revenue)	\$46,500	\$90,000	\$120,000
EMR Implementation	\$100,000	\$0	\$0
EMR Maintenance	\$25,000	\$25,000	\$25,000
Marketing and Advertising	\$60,000	\$45,000	\$45,000
Rent (Hospital Covered Expense)	\$0	\$0	\$0
Medical Equipment Maintenance	\$12,000	\$15,000	\$18,000
Depreciation	\$0	\$75,000	\$100,000
Malpractice Insurance	\$100,000	\$115,000	\$140,000
Utilities	\$15,000	\$18,000	\$25,000
Office Supplies	\$10,000	\$17,000	\$20,000
Postage and shipping	\$500	\$500	\$750
Continuing Education Travel	\$0	\$12,000	\$12,000
Entertainment	\$10,000	\$10,000	\$10,000
Uniforms	\$5,000	\$5,000	\$7,500
Dues, Licenses, Subscriptions	\$5,000	\$7,500	\$7,500
Drugs (Hospital Covered Expense)	\$0	\$0	\$0
Supplies - Patient Billable	\$50,000	\$60,000	\$70,000
Supplies - Non-Patient Billable	\$10,000	\$20,000	\$25,000
<b>TOTAL EXPENSES</b>	<b>\$454,000</b>	<b>\$527,000</b>	<b>\$645,750</b>
<b>NET PROFIT</b>	<b>\$1,096,000</b>	<b>\$2,473,000</b>	<b>\$3,354,250</b>

## **The Organizational Plan**

**Summary Description of the Business:** The organization will be staffed with 2 orthopedic surgeons, 2 primary care sports medicine physicians, and 2 physician assistants. It will be operating under the Sugar Land Hospital System which will support all capital requirements as well as salary and benefits for the employees.

**Mission:** The short-term goal is to enter the Sugar Land market and increase patient access to care within orthopedic surgery and sports medicine. The long-term goal is to establish walk-in orthopedic injury clinics within the other Hospital System locations within the Houston area. This will include the West Hospital System, the Main Hospital System, the Willowbrook Hospital System, the Woodlands Hospital System, the Clear Lake Hospital System, and the Baytown Hospital System. Doing this will create 7 walk-in Orthopedic injury clinics across the Houston area and accounts for all the major parts of town.

**Business Model:** All patients will be seen and evaluated by a primary care sports medicine physician. The primary care sports medicine physicians will get all necessary work-up done, including diagnostic testing, casts, durable medical equipment, etc. If they determine that surgery is needed, they will refer patients to one of the orthopedic surgeons.

### **SWOT Analysis:**

#### **Strengths**

- No appointment is necessary
- Onsite X-Ray, Casting, Splinting, and Bracing (Durable Medical Equipment)
- Onsite Physical Therapy and Occupational Therapy
- Office visit pricing
- Connected to one of the best hospital systems in the market

- Access to top quality diagnostic imaging equipment
- The orthopedic surgeons offer minimally invasive surgical techniques
- Video visits available for post-operative appointments

#### Weaknesses

- Insurance referrals will be necessary if the patient has an HMO insurance plan. This will cause a longer wait time.
- Some insurance plans may not be accepted due to being out of network.

#### Opportunities

- Better patient access to care
- Increase in patient volumes

#### Threats

- More urgent care clinics could potentially open in the area.
- Established orthopedic practices may hear about the walk-in clinic and start their own.

**Strategy:** The Sugar Land Walk-In Orthopedic Injury Clinic will provide high quality and cost-effective treatment to patients. This will be done by analyzing the fee schedules of the Sugar Land Hospital System along with Medicare's 2019 fee schedule. A comparison of all potential Current Procedural Terminology (CPT) codes and Healthcare Common Procedure Coding System (HCPCS) codes that will be billed out in the clinic will be done. Based on those results, the prices and charges set will be fair and competitive with the market. If costs are too high, patients will not want to go to the walk-in clinic. All billing will be done by the clinic and not the hospital. The clinic will use Epic as its practice management, electronic medical record, and billing system.

The strategy to address the weaknesses in the SWOT analysis is the use of the clinic's insurance verification and referral coordinator. She will have access to all insurance company websites and that will allow her to verify benefits and eligibility online, as well as check to see if a referral from a primary care physician is required. If she can't verify these items online, she will call the insurance companies to get the necessary information.

Regarding the threats in the SWOT analysis, there will always be competition when it comes to any type of business. A company comes up with some innovative or unique idea that no one else is doing and then someone else tries to take that same idea and make it better or build on it. Urgent care clinics open all the time in this area but most of the time, those patients will have to follow-up with an orthopedic surgeon so that doesn't make urgent care clinics a major threat. It is very likely that established orthopedic practices may hear about the walk-in clinic and start their own and that is a major threat. However, if the Sugar Land Walk-In Orthopedic Injury Clinic provides top notch customer service, satisfaction, and high-quality treatment to patients that is unparalleled, patients will continue to come to the Sugar Land Walk-In Orthopedic Injury Clinic and minimize the risk of having patients go somewhere else.

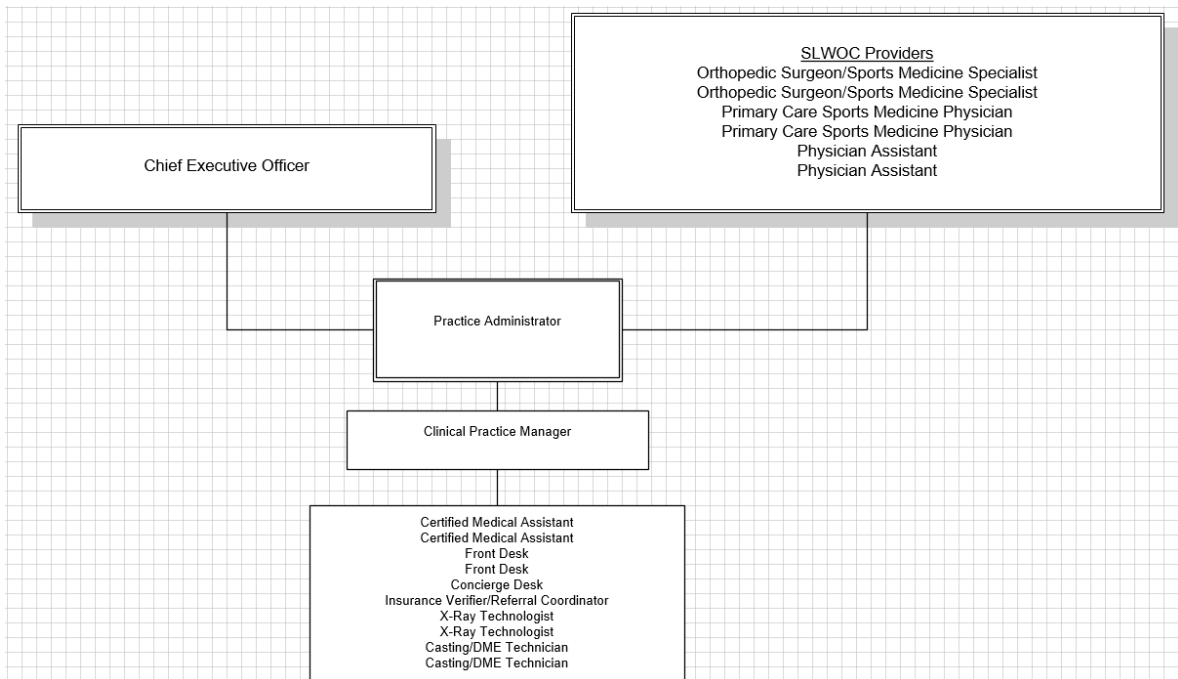
**Strategic Relationships:** The Sugar Land Walk-In Orthopedic Injury Clinic will have strategic relationships with Mission Bend Independent School District and with the Sugar Land Hospital System. Since the physicians of the Sugar Land Orthopedic Group are the official providers for Mission Bend Independent School District, this gives all students and their families the opportunity to come into the clinic and be evaluated for any orthopedic issues. Since the Orthopedic Injury Clinic will operate under the Sugar Land Hospital System, patients will have easy access to physical and occupational therapy, diagnostic imaging and testing, surgery, as well as many other services that the hospital provides. In addition to Mission Bend Independent School District, the Sugar Land Orthopedic Group are also the official providers for the Houston Texans professional football team and the Houston Astros professional baseball team.

**Key Stakeholders/Key Decision Makers:** The key stakeholders/decision makers will be the Sugar Land Hospital System CEO, the Sugar Land Walk-In Orthopedic Injury Clinic physicians, and the Sugar Land Walk-In Orthopedic Injury Clinic management team. The physicians and management team believe the CEO will decide to proceed with opening the clinic due to the access to orthopedic care problem that is being experienced.

### Services

The Sugar Land Walk-In Orthopedic Injury Clinic will provide orthopedic care for patients who are 3 years old and up, as well as multiple treatment options to create a complete health care solution. The clinic will also provide services including x-rays, casting, bracing, steroid injections, and much more.

### The Administrative Plan



**Approval Plan:** The decision to proceed with the walk-in orthopedic injury clinic will come from the CEO. The CEO has been very concerned with seeing below threshold or “Red” Access to

Care scores for so long. The scores will play a big part in his decision to proceed with this project.

**Responsibilities:**

- The Chief Executive Officer will provide strategic leadership to the clinic. He will work with the management team to establish all goals, strategies, plans and policies. In addition, he will work directly with all investors and strategic partners. He will be responsible for business development and creating new strategic relationships.
- The Practice Administrator is responsible for planning, directing, and overseeing the operations of the clinic. He will manage the project timeline and will assist the Clinical Practice Manager with her responsibilities as needed.
- The Clinical Practice Manager will ensure accurate timekeeping and payroll for all employees and will be responsible for all HR functions of the clinic including the hiring, training, and performance management of employees.

**The Operational Plan**

The Sugar Land Walk-In Orthopedic Injury Clinic will be in an ambulatory space within the existing orthopedic practice adjacent to the Sugar Land Hospital. The clinic will offer immediate and specialized orthopedic care for unexpected injuries. It will be staffed by orthopedic surgeons, primary care sports medicine physicians, and physician assistants who will be able to quickly evaluate and treat injuries to get patients back to their active lifestyles. The hours of operation will be Monday - Thursday 8:00am - 9:00pm and Friday 8:00am - 5:00pm.

A potential roadblock is that walk-in orthopedic injury clinic may not be a priority for the Sugar Land Hospital System. If that is the case, the CEO may not approve the project until 2021 or even 2022. The physicians and the practice leadership will have to hope that the voice and

frustrations of patients who aren't able to get timely access to orthopedic care will speak high enough volumes.

Another potential issue that the Sugar Land Walk-In Orthopedic Injury Clinic might incur is with scheduling. Once the clinic gets up and running and has been operating for a while, patients who are trying to schedule follow-up appointments with the walk-in clinic providers might have difficulty since the clinic can't predict how many patients will walk-in daily. The contingency plan for this scenario will be that patients will follow-up with one of the providers from the Sugar Land Orthopedic Group since all the providers are partners.

**Project Timeline:**

<b>Tasks</b>	<b>Responsible Party</b>	<b>Time It Will Take to Complete Task</b>
Project Approval	Chief Executive Officer	5 months
Purchase X-Ray Equipment	Practice Administrator	4 months
Purchase Ultrasound Equipment	Practice Administrator	4 months
Purchase Durable Medical Equipment	Practice Administrator	3 months
Purchase Cast Saws	Practice Administrator	3 months
Purchase Computers	Clinical Practice Manager	2 months
Purchase Phones	Clinical Practice	2 months

	Manager	
Purchase Fax Machines/Scanners/Printers	Clinical Practice Manager	2 months
Interview Employees	Clinical Practice Manager	4 months
Train Employees	Clinical Practice Manager	1 month
Build Website	Practice Administrator	1 month
Create Radio Ads	Clinical Practice Manager	1 month
Create Direct Mailers	Clinical Practice Manager	2 weeks
Run Radio Ads	Clinical Practice Manager	4 months
Acquire Items Needed for Open House (Gifts, Door Prizes, etc.)	Practice Administrator	2 weeks
<b>Grand Opening of Clinic - July 6, 2020</b>		

**Operational Workflow:**

1. A patient arrives off the elevator and tells one of the clerks at our concierge desk that they don't have an appointment and would like to be seen in our walk-in injury clinic.



2. The clerk asks the patient for their driver's license and insurance card. If the providers are in-network with the patient's insurance, the clerk hands the patient the walk-in injury clinic questionnaire.
3. The clerk gets the completed questionnaire back from the patient, hands the patient an iPad to complete their new patient questionnaire, asks the patient to have a seat in the lobby, and informs the patient that one of the check-in employees will call them up momentarily to get registered.
4. The clerk takes the walk-in injury clinic questionnaire to any of the available front desk employees.
5. The front desk employee calls the patient up to their desk and registers them in the practice management system, collects a specialist copay, and asks the patient to have a seat back in the lobby until the medical assistant calls back them. If the patient has a HMO or a referral is needed, the front desk employee gives the information to the insurance verifier/referral coordinator to try and obtain. If a referral is not able to be obtained that same day, the patient is informed that they will need to go to the emergency room, urgent care, or reschedule until the referral can be obtained.
6. The medical assistant brings the patient back into the clinic and prepares them for their visit.
7. The medical assistant orders x-rays for the patient and the x-ray technologist comes to get the patient. If the patient went to the emergency room or an urgent care and has their x-rays or images with them, no x-rays will be ordered, and the medical assistant will load those images for the provider to look at before going to speak with the patient.
8. The provider comes into the patient's room to do their assessment and plan for the patient and decides whether more imaging is needed, casting, DME, physical therapy, occupational therapy, or surgery.

9. If more imaging such as a MRI or CT is needed, the medical assistant sends the orders over to the hospital and coordinates with the hospital to contact the patient for scheduling. After the patient completes the imaging, the patient calls the office and schedules a follow-up visit.
10. If casting or DME is needed, the medical assistant will put in orders for it and then the casting/DME technician will come and take the patient to either the cast room or the DME room to get them fit for their casts, braces, slings, etc. After the casting/DME technician is finished with the patient, the technician will walk the patient to check-out to pay for their cast or DME and to make any follow-up appointments if necessary.
11. If physical therapy or occupational therapy is needed, the medical assistant sends the orders over to the physical therapy department and then someone from that department calls the patient to get them scheduled.

### **The Marketing Plan**

The overall goal of the Sugar Land Walk-In Orthopedic Injury Clinic's marketing strategy and plan is service awareness. Everyone in the community needs to be made aware of the clinic and the services that it offers. The target market and audience for the Sugar Land Walk-In Orthopedic Injury Clinic is anybody that is age 3 and up that needs some orthopedic treatment and care. The Sugar Land and surrounding areas are very diverse communities. These communities include Missouri City, Richmond, and Rosenberg where the average age is 42, people are very educated, and the median household income is \$88,000 a year according to census.gov.

ALL TOPICS	Missouri City city, Texas	Rosenberg city, Texas	Richmond city, Texas	Sugar Land city, Texas
<b>Population estimates, July 1, 2018, (V2018)</b>	<b>74,705</b>	<b>38,061</b>	<b>12,033</b>	<b>118,600</b>
<b>PEOPLE</b>				
<b>Population</b>				
<b>Population estimates, July 1, 2018, (V2018)</b>	<b>74,705</b>	<b>38,061</b>	<b>12,033</b>	<b>118,600</b>
Population estimates base, April 1, 2010, (V2018)	66,531	31,577	11,587	107,850
Population, percent change - April 1, 2010 (estimates base) to July 1, 2018, (V2018)	12.3%	20.5%	3.8%	10.0%
Population, Census, April 1, 2010	67,358	30,618	11,679	78,817
<b>Age and Sex</b>				
Persons under 5 years, percent	△ 6.1%	△ 7.9%	△ 8.2%	△ 5.4%
Persons under 18 years, percent	△ 23.9%	△ 29.6%	△ 26.1%	△ 23.1%
Persons 65 years and over, percent	△ 11.7%	△ 10.1%	△ 12.2%	△ 14.5%
Female persons, percent	△ 51.5%	△ 51.3%	△ 48.4%	△ 50.3%
<b>Race and Hispanic Origin</b>				
White alone, percent	△ 32.5%	△ 72.1%	△ 70.5%	△ 50.1%
Black or African American alone, percent (a)	△ 41.9%	△ 15.5%	△ 12.6%	△ 6.6%
American Indian and Alaska Native alone, percent (a)	△ 0.1%	△ 0.1%	△ 0.2%	△ 0.2%
Asian alone, percent (a)	△ 18.0%	△ 2.1%	△ 6.5%	△ 39.1%
Native Hawaiian and Other Pacific Islander alone, percent (a)	△ 0.2%	△ 0.0%	△ 0.1%	△ 0.0%
Two or More Races, percent	△ 2.5%	△ 1.8%	△ 2.7%	△ 2.4%
Hispanic or Latino, percent (b)	△ 15.5%	△ 60.8%	△ 57.2%	△ 9.6%
White alone, not Hispanic or Latino, percent	△ 22.7%	△ 21.7%	△ 22.8%	△ 42.6%

***Demographics and Statistics found at Census.gov***

The competition in the market are the emergency rooms, urgent care clinics, and established orthopedic practices within the community. Management feels that other hospital systems and orthopedic practices will follow suit though. The current market trend for most hospitals and clinics is that everyone is focusing on patient access to care and patient satisfaction. Patient satisfaction goes down when patients are not able to get in and be evaluated for any problems that they are experiencing. This has been an ongoing problem in orthopedics because patients are not able to get in as quickly as they would like.

**Market Research:**

According to the Center for Disease Control and prevention, there were 150 million emergency room visits in 2018 and these numbers continue to grow. Of the total number of

emergency room visits, only 8% of them resulted in hospital admission (Fast Stats, 2018). 2.5% of the total number of visits were for fractures and 5% of these visits were for sprains and strains (National Hospital Ambulatory Medical Care Survey, 2018). Although the details are not available, due to the low number of total hospital admissions, a large percentage of the fracture, sprain and strain visits could have been triaged and treated outside of the emergency room and in more of an outpatient setting like the Sugar Land Walk-In Orthopedic Injury Clinic.

The Sugar Land Orthopedic group has comment cards placed throughout the clinic that allow patients to provide feedback on their office visits, the staff, the providers, and anything else that they would like the practice leadership to know. Once patients are at check-out, they can fill out a comment card and drop it off in one of the “Your Opinion Matters” boxes. A lot of the feedback that the practice gets is good however, whenever negative feedback is submitted, 90% of it is patients complaining that they couldn’t get in to be seen by a provider fast enough.

Location: \_\_\_\_\_  
Physician: \_\_\_\_\_  
Date of Service: \_\_\_\_\_

**Overall Experience**  
Please provide an overall rating of your experience for today's visit.

Very Unsatisfied	Unsatisfied	Neutral	Satisfied	Very Satisfied
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Our goal is to provide an optimal patient experience. Do you have recommendations that would help us reach our goal?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Was your primary concern addressed to your satisfaction?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Optional Information**  
Would you like to be contacted regarding this visit?  
Yes      No

Name: \_\_\_\_\_  
Phone: \_\_\_\_\_

022018

**Marketing Strategy:**

Since the Sugar Land Hospital System has one of the best marketing and business development teams, that team is going to handle all the marketing. The marketing team’s goal will be to get the clinic’s name out into the community and tell everyone that if they are having any orthopedic or sports medicine related issues, the Sugar Land Walk-In Orthopedic Injury Clinic is the place to go. They will create flyers and handouts to mail out to all patients that have gone to the Sugar Land Hospital System within the last 2 years, mail out flyers to all of the referring physicians in the community, place ads in the local newspapers and local publications, and create posters in the local malls, grocery stores, and schools in the community. The marketing

and business development team will also put ads all over the Sugar Land Hospital System’s social media pages, including Facebook, Instagram, and Twitter. In addition to the marketing and business development team, the hospital’s outreach athletic trainers will play a role in the marketing of the walk-in clinic as well. Since the primary care sports medicine physicians and orthopedic surgeons are the official healthcare providers for a couple of school districts within the city, the outreach athletic trainers have direct connections with the athletic trainers at those schools. So anytime one of the student athletes needs to be evaluated for an injury, the student can come right over and be evaluated. Our outreach athletic trainers will post the walk-in injury clinic flyers and posters at all the schools, which means that all students and parents would know about the new ease of access to the walk-in clinic.

Here is the marketing budget:

Marketing Item	July	August	September	October	November	December	Subtotals	Totals
<b>ADVERTISING</b>								
Printing	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$18,000	
Radio Ads	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$12,000	
Website	\$500	\$500	\$500	\$500	\$500	\$500	\$3,000	
Postage (Direct Mailers)	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$6,000	
Miscellaneous Items							\$0	
								<b>\$39,000</b>
<b>PROMOTIONS</b>								
Open House	\$7,000						\$7,000	
Grand Opening		\$10,000					\$10,000	
Welcome Gifts/Door Prizes	\$2,000	\$2,000					\$4,000	
Miscellaneous Items							\$0	
								<b>\$21,000</b>
								<b>\$60,000</b>

## **Financials**

Since the Sugar Land Walk-In Orthopedic Injury Clinic will be operating under the Sugar Land Hospital System, no funding will be applied for, nor will it be required from investors. The capital needed will be \$1,000,000 for 2 X-Ray machines, \$100,000 for 2 Ultrasound machines, \$5,000 for cast saws, and \$20,000 for braces, slings, or other durable medical equipment.

The leadership team at the Sugar Land Walk-In Orthopedic Injury Clinic anticipates seeing 500+ patients in 2020. A physician office visit in an orthopedic surgery/sports medicine practice usually consists of the office visit, x-rays, and some type of durable medical equipment. Also depending on the diagnosis, various steroid and intra-articular injections are given in the office. The average reimbursement for the office visit codes are that the providers bill out is \$120. The average reimbursement for x-rays taken in a physician office of the extremities, joints, or spine is \$30. The average reimbursement for the braces, slings, and other durable medical equipment that the providers bill out is \$700. The average reimbursement for an injection is \$500 depending on what type of drug or medication is injected. That means the average reimbursement per office visit at the Sugar Land Walk-In Orthopedic Injury Clinic would be \$1,350 and seeing 500 patients in the clinic would bring in \$675,000 in revenue. In addition to the office visit revenue, the 2 surgeons will also bring in revenue for the surgeries that they will be performing. Together, they both do about 80 surgeries a month with an average of \$2,000 reimbursement per case. However, since they will sort of be starting fresh with the new clinic, their surgery case load will probably drop to about 10 a month so they would probably do about 50 surgeries in 2020, which would be an additional \$100,000 in revenue for 2020. The total revenue being projected for 2020 is \$775,000 plus any donor contributions that the clinic may receive.

Donor contributions will be requested through the Sugar Land Hospital System's giving society, The Society for Charitable Giving. The society is composed of community leaders and other individuals that support the Sugar Land Hospital System with much enthusiasm and

dedication. Throughout the year the society hosts activities and events for its members that showcase various programs, services, innovative ideas, etc. that the system has to offer. During these events, the members get to listen to presentations about the various programs and have the option to donate to them if they choose to. Since the Sugar Land Walk-In Orthopedic Injury Clinic will be a new service to the community, it will be added to the list of services that members of the Society of Charitable Giving can choose to donate to.

**Budget:**

Statement of Cash Flows						
	July	August	September	October	November	December
<b>Cash Inflows</b>						
Beginning Cash Balance	\$100,000	\$115,000	\$130,000	\$140,000	\$140,000	\$150,000
Loan for Start-up costs	\$0	\$0	\$0	\$0	\$0	\$0
Cash Receipts	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Inflows</b>	<b>\$100,000</b>	<b>\$115,000</b>	<b>\$130,000</b>	<b>\$140,000</b>	<b>\$140,000</b>	<b>\$150,000</b>
<b>Cash Disbursements</b>						
Marketing and Advertising	\$20,000	\$15,000	\$10,000	\$5,000	\$5,000	\$5,000
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
Billing Services Allocation (6% of Patient Revenue)	\$6,000	\$6,900	\$7,800	\$8,400	\$8,400	\$9,000
EMR Implementation	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667
EMR Maintenance	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167
Malpractice Insurance	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667
Equipment Maintenance	\$0	\$0	\$4,000	\$3,000	\$3,000	\$2,000
General Office Supplies	\$3,000	\$1,000	\$2,000	\$1,000	\$2,000	\$1,000
Clinical Supplies	\$15,000	\$10,000	\$15,000	\$5,000	\$10,000	\$5,000
Rent (Hospital Covered Expense)	\$0	\$0	\$0	\$0	\$0	\$0
Dues, Licenses, Subscriptions	\$0	\$0	\$2,000	\$1,500	\$1,500	\$0
Utilities	\$2,500	\$2,500	\$3,000	\$3,000	\$2,500	\$2,500
Wages and Benefits (Hospital Covered Expense)	\$0	\$0	\$0	\$0	\$0	\$0
Payroll Taxes (Hospital Covered Expense)	\$0	\$0	\$0	\$0	\$0	\$0
Credit Card Fees	\$500	\$500	\$750	\$750	\$1,000	\$1,500
Entertainment	\$0	\$0	\$0	\$0	\$0	\$10,000
Staff Uniforms	\$2,000	\$1,000	\$0	\$1,500	\$500	\$0
<b>Total Disbursements</b>	<b>\$86,501</b>	<b>\$74,401</b>	<b>\$82,051</b>	<b>\$66,651</b>	<b>\$71,401</b>	<b>\$73,501</b>
<b>Remaining Cash at Month End</b>	<b>\$13,499.34</b>	<b>\$40,599.34</b>	<b>\$47,949.34</b>	<b>\$73,349.34</b>	<b>\$68,599.34</b>	<b>\$76,499.34</b>



**Three Year Income Projection:**

	Year 1	Year 2	Year 3
Account Description			
Patient Revenue	\$775,000	\$1,500,000	\$2,000,000
Donor Contributions	\$775,000	\$1,500,000	\$2,000,000
<b>TOTAL PRACTICE INCOME</b>	<b>\$1,550,000</b>	<b>\$3,000,000</b>	<b>\$4,000,000</b>
<u>Clinic Expenses</u>			
Salaries and Wages (Hospital Covered Expense)	\$0	\$0	\$0
Fringe Benefits (Hospital Covered Expense)	\$0	\$0	\$0
Payroll Taxes (Hospital Covered Expense)	\$0	\$0	\$0
Credit Card Fees	\$5,000	\$10,000	\$15,000
Professional Services	\$0	\$2,000	\$5,000
Billing Services Allocation (6% of Patient Revenue)	\$46,500	\$90,000	\$120,000
EMR Implementation	\$100,000	\$0	\$0
EMR Maintenance	\$25,000	\$25,000	\$25,000
Marketing and Advertising	\$60,000	\$45,000	\$45,000
Rent (Hospital Covered Expense)	\$0	\$0	\$0
Medical Equipment Maintenance	\$12,000	\$15,000	\$18,000
Depreciation	\$0	\$75,000	\$100,000
Malpractice Insurance	\$100,000	\$115,000	\$140,000
Utilities	\$15,000	\$18,000	\$25,000
Office Supplies	\$10,000	\$17,000	\$20,000
Postage and shipping	\$500	\$500	\$750
Continuing Education Travel	\$0	\$12,000	\$12,000
Entertainment	\$10,000	\$10,000	\$10,000
Uniforms	\$5,000	\$5,000	\$7,500
Dues, Licenses, Subscriptions	\$5,000	\$7,500	\$7,500
Drugs (Hospital Covered Expense)	\$0	\$0	\$0
Supplies - Patient Billable	\$50,000	\$60,000	\$70,000
Supplies - Non-Patient Billable	\$10,000	\$20,000	\$25,000
<b>TOTAL EXPENSES</b>	<b>\$454,000</b>	<b>\$527,000</b>	<b>\$645,750</b>
<b>NET PROFIT</b>	<b>\$1,096,000</b>	<b>\$2,473,000</b>	<b>\$3,354,250</b>

**Projected Balance Sheet:**

Balance Sheet			
	Year 1	Year 2	Year 3
Assets:			
Cash	\$775,000	\$1,500,000	\$2,000,000
Equipment	\$1,125,000	\$1,125,000	\$1,125,000
<b>Total Assets</b>	<b>\$1,900,000</b>	<b>\$2,625,000</b>	<b>\$3,125,000</b>
Liabilities and Owners Equity:			
Notes Payable	\$0	\$0	\$0
Owners Equity	\$25,000	\$75,000	\$120,000
Retained Earnings	\$1,875,000	\$2,550,000	\$3,005,000
<b>Total Liabilities</b>	<b>\$1,900,000</b>	<b>\$2,625,000</b>	<b>\$3,125,000</b>
Difference	\$0	\$0	\$0

**Break-even analysis:**

To break even, the Sugar Land Walk-In Orthopedic Injury Clinic will need to have 139 office visits and 20 surgeries in Year 1, which would result in \$227,650 in revenue. However, without any donor contributions, the clinic will take a loss of \$226,350.

Clinic Income with Donor Contributions

	Year 1
Office Visits (\$1,350 per visit x 139)	\$187,650
Surgeries (\$2,000 per surgery x 20)	\$40,000
<b>Total Patient Revenue</b>	<b>\$227,650</b>
Donor Contributions	\$227,650
<b>TOTAL PRACTICE INCOME</b>	<b>\$455,300</b>
<u>Clinic Expenses</u>	
Salaries and Wages (Hospital Covered Expense)	\$0
Fringe Benefits (Hospital Covered Expense)	\$0
Payroll Taxes (Hospital Covered Expense)	\$0
Credit Card Fees	\$5,000
Professional Services	\$0
Billing Services Allocation (6% of Patient Revenue)	\$46,500
EMR Implementation	\$100,000
EMR Maintenance	\$25,000
Marketing and Advertising	\$60,000
Rent (Hospital Covered Expense)	\$0
Medical Equipment Maintenance	\$12,000
Depreciation	\$0
Malpractice Insurance	\$100,000
Utilities	\$15,000
Office Supplies	\$10,000
Postage and shipping	\$500
Continuing Education Travel	\$0
Entertainment	\$10,000
Uniforms	\$5,000
Dues, Licenses, Subscriptions	\$5,000
Drugs (Hospital Covered Expense)	\$0
Supplies - Patient Billable	\$50,000
Supplies - Non-Patient Billable	\$10,000
<b>TOTAL EXPENSES</b>	<b>\$454,000</b>
<b>NET PROFIT</b>	<b>\$1,300</b>

Clinic Income without Donor Contributions

	Year 1
Office Visits (\$1,350 per visit x 139)	\$187,650
Surgeries (\$2,000 per surgery x 20)	\$40,000
<b>Total Patient Revenue</b>	<b>\$227,650</b>
Donor Contributions	\$0
<b>TOTAL PRACTICE INCOME</b>	<b>\$227,650</b>
<u>Clinic Expenses</u>	
Salaries and Wages (Hospital Covered Expense)	\$0
Fringe Benefits (Hospital Covered Expense)	\$0
Payroll Taxes (Hospital Covered Expense)	\$0
Credit Card Fees	\$5,000
Professional Services	\$0
Billing Services Allocation (6% of Patient Revenue)	\$46,500
EMR Implementation	\$100,000
EMR Maintenance	\$25,000
Marketing and Advertising	\$60,000
Rent (Hospital Covered Expense)	\$0
Medical Equipment Maintenance	\$12,000
Depreciation	\$0
Malpractice Insurance	\$100,000
Utilities	\$15,000
Office Supplies	\$10,000
Postage and shipping	\$500
Continuing Education Travel	\$0
Entertainment	\$10,000
Uniforms	\$5,000
Dues, Licenses, Subscriptions	\$5,000
Drugs (Hospital Covered Expense)	\$0
Supplies - Patient Billable	\$50,000
Supplies - Non-Patient Billable	\$10,000
<b>TOTAL EXPENSES</b>	<b>\$454,000</b>
<b>NET PROFIT</b>	<b>(\$226,350)</b>

**Income Statement:**

Income Statement						
<b>INCOME:</b>	July	August	September	October	November	December
Patient Revenue	\$100,000	\$100,000	\$125,000	\$125,000	\$150,000	\$175,000
Donor Contributions	\$100,000	\$100,000	\$125,000	\$125,000	\$150,000	\$175,000
Accounts Receivable						
<b>GROSS INCOME:</b>	\$200,000	\$200,000	\$250,000	\$250,000	\$300,000	\$350,000
<b>EXPENSES:</b>						
Salaries and Wages	\$0	\$0	\$0	\$0	\$0	\$0
Fringe Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Payroll Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Credit Card Fees	\$500	\$500	\$750	\$750	\$1,000	\$1,500
Professional Services	\$0	\$0	\$0	\$0	\$0	\$0
Billing Services Allocation (6% of Patient Revenue)	\$6,000	\$6,900	\$7,800	\$8,400	\$8,400	\$9,000
EMR Implementation	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667
EMR Maintenance	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167
Marketing and Advertising	\$20,000	\$15,000	\$10,000	\$5,000	\$5,000	\$5,000
Rent (Hospital Covered Expense)	\$0	\$0	\$0	\$0	\$0	\$0
Medical Equipment Maintenance	\$0	\$0	\$4,000	\$3,000	\$3,000	\$2,000
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
Malpractice Insurance	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667
Utilities	\$2,500	\$2,500	\$3,000	\$3,000	\$2,500	\$2,500
Office Supplies	\$3,000	\$1,000	\$2,000	\$1,000	\$2,000	\$1,000
Postage and shipping	\$500	\$0	\$0	\$0	\$0	\$0
Continuing Education Travel	\$0	\$0	\$0	\$0	\$0	\$0
Entertainment	\$0	\$0	\$0	\$0	\$0	\$10,000
Uniforms	\$2,000	\$1,000	\$0	\$1,500	\$500	\$0
Dues, Licenses, Subscriptions	\$0	\$0	\$2,000	\$1,500	\$1,500	\$0
Drugs (Hospital Covered Expense)	\$0	\$0	\$0	\$0	\$0	\$0
Supplies - Patient Billable	\$10,000	\$5,000	\$15,000	\$5,000	\$10,000	\$5,000
Supplies - Non-Patient Billable	\$1,000	\$2,000	\$1,000	\$2,000	\$3,000	\$1,000
<b>TOTAL EXPENSES:</b>	\$83,001	\$71,401	\$83,051	\$68,651	\$74,401	\$74,501
<b>NET PROFIT (LOSS):</b>	\$116,999	\$128,599	\$166,949	\$181,349	\$225,599	\$275,499

**Financial Statement Analysis:**

According to the financial statements and projections, The Sugar Land Walk-In Orthopedic Injury Clinic will begin making a profit within Year 1 (2020) of business. The Sugar Land Hospital System found a donor that has agreed to match the clinic's revenue each year, so if the clinic brings in \$775,000 that donor will donate \$775,000 to the clinic. This would be a total of \$1,096,000 in profit. Without the donor, the clinic would still bring in a profit of \$321,000.

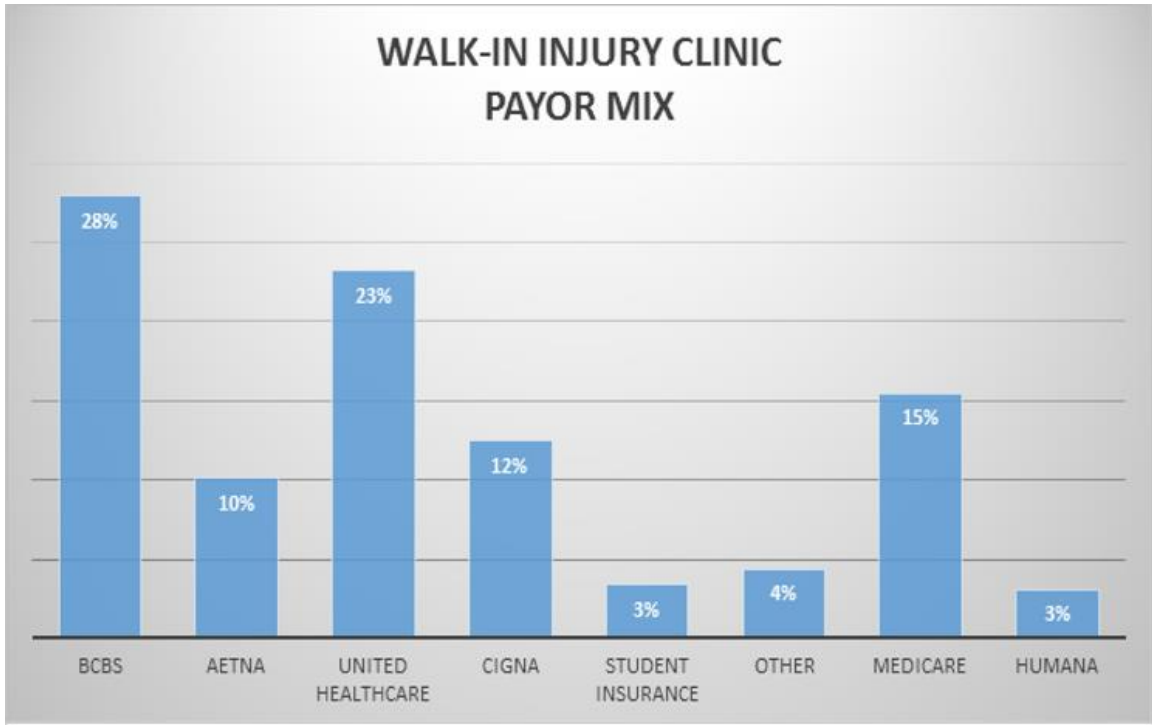
Clinic Income with Donor Contributions

	Year 1
Account Description	
Patient Revenue	\$775,000
Donor Contributions	\$775,000
<b>TOTAL PRACTICE INCOME</b>	<b>\$1,550,000</b>
<u>Clinic Expenses</u>	
Salaries and Wages (Hospital Covered Expense)	\$0
Fringe Benefits (Hospital Covered Expense)	\$0
Payroll Taxes (Hospital Covered Expense)	\$0
Credit Card Fees	\$5,000
Professional Services	\$0
Billing Services Allocation (6% of Patient Revenue)	\$46,500
EMR Implementation	\$100,000
EMR Maintenance	\$25,000
Marketing and Advertising	\$60,000
Rent (Hospital Covered Expense)	\$0
Medical Equipment Maintenance	\$12,000
Depreciation	\$0
Malpractice Insurance	\$100,000
Utilities	\$15,000
Office Supplies	\$10,000
Postage and shipping	\$500
Continuing Education Travel	\$0
Entertainment	\$10,000
Uniforms	\$5,000
Dues, Licenses, Subscriptions	\$5,000
Drugs (Hospital Covered Expense)	\$0
Supplies - Patient Billable	\$50,000
Supplies - Non-Patient Billable	\$10,000
<b>TOTAL EXPENSES</b>	<b>\$454,000</b>
<b>NET PROFIT</b>	<b>\$1,096,000</b>

Clinic Income without Donor Contributions

	Year 1
Account Description	
Patient Revenue	\$775,000
Donor Contributions	\$0
<b>TOTAL PRACTICE INCOME</b>	<b>\$775,000</b>
<u>Clinic Expenses</u>	
Salaries and Wages (Hospital Covered Expense)	\$0
Fringe Benefits (Hospital Covered Expense)	\$0
Payroll Taxes (Hospital Covered Expense)	\$0
Credit Card Fees	\$5,000
Professional Services	\$0
Billing Services Allocation (6% of Patient Revenue)	\$46,500
EMR Implementation	\$100,000
EMR Maintenance	\$25,000
Marketing and Advertising	\$60,000
Rent (Hospital Covered Expense)	\$0
Medical Equipment Maintenance	\$12,000
Depreciation	\$0
Malpractice Insurance	\$100,000
Utilities	\$15,000
Office Supplies	\$10,000
Postage and shipping	\$500
Continuing Education Travel	\$0
Entertainment	\$10,000
Uniforms	\$5,000
Dues, Licenses, Subscriptions	\$5,000
Drugs (Hospital Covered Expense)	\$0
Supplies - Patient Billable	\$50,000
Supplies - Non-Patient Billable	\$10,000
<b>TOTAL EXPENSES</b>	<b>\$454,000</b>
<b>NET PROFIT</b>	<b>\$321,000</b>

**Payor Mix**



**Innovative Elements and Expected Business Outcomes**

The addition of the walk-in orthopedic injury clinic to the orthopedic surgery service line will increase access of orthopedic care for patients. It will save money and resources for the healthcare industry because it will provide a walk-in access point for acute musculoskeletal problems. The clinic also makes sense from a cost perspective because co-pays and total visit costs would be less in an outpatient orthopedic clinic versus an emergency room.

The challenge that was encountered during this process was with insurance plans. If approved, the Sugar Land Walk-In Orthopedic Injury Clinic will not be classified as an urgent care or emergency room so because of that, all insurances may not be accepted, causing some patients to be turned away. In addition, all HMO insurance plans require referrals for the patients to see a specialist. Sometimes referrals can be obtained the same day but a lot of times, it can take a few days. This is because primary care practices must send medical records to the insurance



companies to justify why a referral is needed to see a specialist and most insurance companies don't process the referrals right away. If a patient with a HMO insurance plan walks into the clinic to be evaluated and their primary care physician's office hasn't already obtained the referral, they may have to wait a while and might even have to make an appointment for a different day. This could cause the patient to be dissatisfied and will affect the clinic's Clinician and Group Consumer Assessment of Healthcare Providers and Systems (CG-CAHPS) Survey scores.

The next step will be to wait on feedback from the CEO. If he approves, the clinic leadership will begin working on the list of tasks on the project timeline and prepare for the grand opening. If the CEO does not approve, the clinic leadership will begin brainstorm other ways to increase patient access to orthopedic care.

## References

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