



## **Women and Infant Physical Therapy Center, LLC**

*Offering physical therapy, lactation consultation, and wellness classes to families in the Triangle*

Emily Goodnight, PT, DPT, WCS and Rachel Silver, PT, DPT, PCS

Website: [womenandinfantPT.com](http://womenandinfantPT.com)

Email: [womenandinfantPT@email.com](mailto:womenandinfantPT@email.com)

Phone: 919.999.9999

Instagram: @womenandinfantpt

Facebook: Women and Infant Physical Therapy Center



## **Table of Contents**

<b>Executive Summary .....</b>	<b>3</b>
Purpose .....	3
Objectives .....	4
Mission Statement .....	4
Vision Statement .....	4
Keys to Success .....	5
Description of Organizational Culture/Values .....	5
Description of Services .....	6
<b>SWOT Analysis .....</b>	<b>8</b>
<b>Operations .....</b>	<b>10</b>
Personnel Requirements and Job Descriptions .....	10
Geographic Location and Facility Requirements .....	12
Hours of Operation .....	12
Organizational and Legal Structure .....	13
Consult Needs and Professional Services .....	14
Insurance Needs and Employee Benefits .....	14
Regulatory Requirements and Risk Management .....	15
Quality Outcomes Assessment Strategy .....	15
Information Management Needs .....	16
<b>Marketing .....</b>	<b>17</b>
Market Analysis .....	17
Marketing Strategy .....	17
<b>Financial Management .....</b>	<b>21</b>
Personal Capital Contribution/Loan .....	21
Link to Budgets/Financials .....	21
Capital Budget .....	21
Annual Expense Budget .....	21
Coding and Billing .....	21
Productivity Estimates .....	23
Payer Mix .....	25
Case Mix .....	26
Reimbursement and Revenue .....	26
Break-Even Analysis .....	28
<b>Exit Strategy and Long-Term Goals .....</b>	<b>29</b>
Exit Strategy .....	29
Long-Term Goals .....	29



## Executive Summary

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Women and Infant Physical Therapy Center, LLC (WIPTC) will provide women's health physical therapy services with an emphasis on return to sport and running for postpartum women. Additionally, we will provide pediatric physical therapy to screen for developmental delay and help facilitate gross motor development when delays are found. WIPTC will offer wellness classes for families to help guide them through the postpartum time period and provide educational, evidence-based information about what to expect in the fourth trimester. We will provide lactation consulting services to provide mothers with helpful information and advice regarding breastfeeding with their newborns. We will also provide child care services to provide mothers with the option to have one-on-one time with a therapist during women's health appointments and ease the stress of finding someone to watch their children.

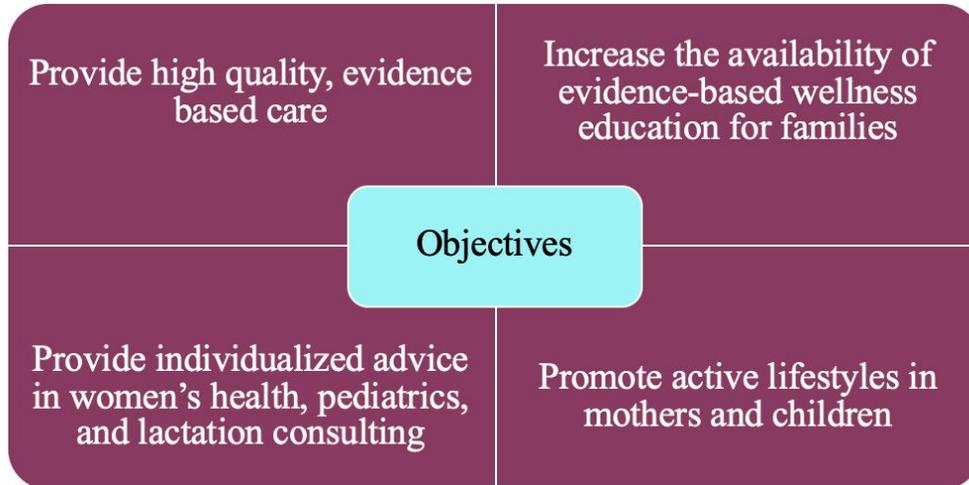
Women and Infant Physical Therapy Center is owned and operated by two Doctors of Physical Therapy from the University of North Carolina at Chapel Hill Physical Therapy program. Emily Goodnight, PT, DPT, WCS and Rachel Silver, PT, DPT, PCS have board specializations and extensive training in women's health and pediatrics, respectively. Goodnight and Silver strive to offer top quality, individualized patient care and empower families to live healthy lifestyles.

### Purpose

Women and Infant Physical Therapy Center, LLC aims to provide women and infants with the capabilities they need to enhance their health and wellness in the postpartum and newborn time periods. Specifically, WIPTC will empower women to return to sport and activity postpartum and provide screening and treatment for infants to foster an environment for optimal development. Our hope is that WIPTC will provide the tools needed for women and children to optimize their movement capacity, enhancing quality of life.



## Objectives



## Mission Statement

The mission of Women and Infant Physical Therapy Center, LLC is to optimize quality of life for postpartum mothers and to facilitate optimal motor development of children by providing physical therapy and lactation consulting services. We will have a particular emphasis on return to sport/running in mothers and the early detection and treatment of gross motor delays in infants. Additionally, we plan to provide free, educational, evidence-based resources to parents on healthy life postpartum for parents and babies via social media to assist in limiting financial barriers from blocking families from receiving information backed by research. These resources will include information about returning to sport postpartum, how to sort through misinformation about motor development and milestones, tips for breastfeeding, and how to structure the home environment to promote motor development. WIPTC will also provide wellness classes to further educate families on these topics and will feature personalized advice from licensed PTs.

## Vision Statement

At Women and Infant Physical Therapy Center, LLC we hope to empower women to return to activity pain free and with confidence in the postpartum period and to facilitate gross motor development in children with developmental delay in order to allow children to fully engage with their environment and their peers. We aim to instill active lifestyle changes in families that will allow them to lead healthier lives.



## Keys to Success

Goodnight and Silver have outlined factors that will be essential to ensuring that Women and Infant Physical Therapy Center, LLC is able to effectively serve its community. These keys to success were outlined for three specific aspects of the business: marketing, operations, and financials.

### Marketing:

1. We will establish connections with at least 3 OBGYN clinics and 3 pediatric clinics in the community within the first 3 months of operation.
2. We will attend regular networking events to create new connections within the community and help grow our business's brand.
3. We will hold bi-annual events with organizations in the community to help offer free screening and conversations for families in the community to help promote our services.
4. We will develop a strong social media presence, with regularly scheduled posts and resources.

### Operations:

1. All healthcare providers (physical therapists and lactation consultants) will reach and maintain 95% of full caseloads within 8 months of operation.
2. We will provide appointments and resources (wellness classes, scheduled interactive social media posts) outside of standard business hours to make our services more accessible to all who need them (appointments available from 7 am - 9 am M-F and 8-12 one Saturday a month, all wellness classes available in the evening).
3. Free child care services will be offered during patient appointments to further ease accessibility to care.
4. We will have our wellness program up and running and host our first series of classes within 3 months of operation.

### Financials:

1. WIPTC will break even by the end of its first year of operation.
2. All payments will be collected at the time of service in order to ensure that our financials are in order and the business is adequately reimbursed for services rendered.

## Description of Organizational Culture/Values

Women and Infant Physical Therapy Center is dedicated to fostering an environment of inclusion and learning among all staff members, students, and patients. WIPTC is dedicated to



providing quality care to individuals of all races, genders, ethnicities, religions, languages, ages, income levels, disabilities, or any other distinguishing characteristics. Discrimination of any kind is not tolerated at our clinic.

WIPTC values growth and development through continuing education. Resources/opportunities for developing professional and physical therapy skills will be provided for employees, student physical therapists, and student shadows.

The co-owners of WIPTC plan to lead the business adopting a consultative and transformational management style. Listening to input from employees before making company decisions and fostering a learning environment will always be a priority at WIPTC.

### **Description of Services**

At Women and Infant Physical Therapy Center, LLC, we will provide the following services: women's health physical therapy, pediatric physical therapy, family wellness classes, lactation consulting, and child care during appointments.

#### Women's Health Physical Therapy

Women's health physical therapy services will be provided by a certified women's health specialist. There will be a particular emphasis on return to sport and running for women in the postpartum period who are experiencing pain and dysfunction. However, other patients with pelvic floor dysfunction or orthopedic issues may be treated at this clinic. These sessions will always be one on one and last one hour.

Fee schedules for physical therapy services will be discussed in the financial section.

#### Pediatric Physical Therapy

Pediatric physical therapy services will be provided by a certified pediatric specialist. There will be a particular focus on evaluation and screening for developmental delay in the first year of life using evidence-based outcome measures and working to facilitate gross motor development when further treatment is warranted. However, children of all ages and with any conditions that are in need of physical therapy services can be treated at this clinic. These sessions will always be one on one and last one hour.

Fee schedules for physical therapy services will be discussed in the financial section.

#### Family Wellness Classes



Twice a year, owners Goodnight and Silver will host a six-week course designed to provide educational, evidence-based information for families to help guide them through the postpartum period and explain what to expect in the first year of life with respect to their child's development.

These classes will be held once a week for two hours at a time (one hour dedicated to women's health/postpartum period and one hour dedicated to infant gross motor development). Up to 10 families will be allowed to sign up for these courses at a time; they will be divided into groups of five to help keep the sessions more personalized and allow ample time for questions to be asked and answered. These sessions will cost \$300 per family, although Goodnight and Silver hope to be able to provide scholarships in the future to ensure that these classes are accessible to individuals from all backgrounds.

Some of the topics that will be covered during women's health sessions include information on dealing with pelvic floor dysfunction and pain postpartum as well as safe return to running and lifting progression plans. The pediatric portion of the class will include topics such as purposeful play/structuring the environment to promote the development of motor skills, the importance of tummy time, and relative time frames for motor milestones.

### Lactation Consulting

Lactation consulting services will be provided by a certified lactation consultant. Lactation consultants will provide mothers with evidence-based information and advice regarding breastfeeding with their newborns. These services will be available to any mothers, whether or not they are already being seen by a women's health physical therapist in this clinic.

Lactation consulting services will be available out of pocket at the cost of \$150/hr. WIPTC will not file insurance for lactation consulting at this point in time, although we hope to in the future.

### Child Care

Child care services will be provided by an individual with a background in child care who has completed Advanced Child Care Training through the American Red Cross. They will be available to anyone being seen at this clinic if they are desired. This can be for mothers who are at their own appointment with a physical therapist or lactation consultant and for parents who bring other children to a pediatric physical therapy appointment.

These services will be provided free of charge to anyone of our patients and their families.



## SWOT Analysis

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### Strengths

- *Individualized care:* Physical therapists and lactation consultant will provide 1:1 patient care.
- *Convenience:* Postpartum moms can schedule synchronous appointments with their child or utilize childcare services.
- *Accessibility:* Free, educational information provided via social media and our website; scholarship funded courses will be available in the future.
- *Patient education:* Wellness courses are offered to learn about the first year following childbirth.
- *Online marketing:* Social media will be used to engage with the community.
- *Patient repertoire:* Providers will develop relationships with patients that will encourage them to return in subsequent pregnancies.
- *Variety of services:* WIPTC offers physical therapy, lactation consultation, and childcare services to tailor to the postpartum experience.
- *Inclusivity:* Employees will treat all patients with respect regardless of race, ethnicity, gender, social status, sexual orientation, or any other defining characteristics.
- *Therapist experience:* Physical therapists are certified specialists with multiple years of experience in women's health and pediatrics.

### Weaknesses

- *Niche:* Services are offered only to specific populations.
- *Business and management experience:* Co-owners are first time business owners and managers.
- *Start-up:* We are a new, less established organization without an established client base.



### Opportunities

- *Location:* WIPTC is located in Raleigh, NC, a highly populated metropolitan area allowing for a large patient pool (total population of the Triangle is ~2.25 million).
- *Uniqueness:* There are no other established physical therapy clinics in the Triangle that provide the combination of women's health and pediatric services at this time.
- *Demographics:* The Triangle demographics coincides closely with our target population allowing for a large patient pool. 28% of the population is between ages 20-39 (the majority of women giving birth in the Triangle fall into this age group), and the population is 52% female. Additionally the birth rate was 7% in the past year, which is higher than the average in the United States (5%).

### Threats

- *Hospital networks:* There are many large hospital networks in the Triangle area (UNC, Duke, WakeMed) with their own physical therapy services and established clients.
- *Low awareness:* Patients and other healthcare providers may not be aware of the benefits of women's health and infant evaluative services from physical therapist.



## Operations

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### Personnel Requirements and Job Descriptions

#### Women's Health PT/Co-Owner

- Shares managerial responsibilities with co-owner, including decision-making authority for the company, payroll oversight, and leading team meetings
- Primarily responsible for decision making related to women's health aspects of business
- Serve as the point person for the lactation consultant and office manager to bring any concerns/thoughts to
- Responsible for providing evidence-based treatment to all women's health patients
- Responsible for creating and managing women's health content for social media/website
- Coordinate with pediatric PT/co-owner for the development of wellness classes and share teaching/management responsibilities for this program
- Desired strengths: passion for promoting female empowerment and wellness, strong moral character, excellent communication skills, excellent problem-solving skills, approachable leadership style
- Qualifications: certified PT, must have 3 years of experience in treatment of women's health physical therapy, preference for women's health specialist certification, demonstrated commitment to continuing education and professional development, Adult and Pediatric/Infant AED/CPR certified



## Pediatric PT/Co-Owner

- Shares managerial responsibilities with co-owner, including decision-making authority for the company, payroll oversight, and leading team meetings
- Primarily responsible for decision making related to pediatric aspects of business
- Serve as the point person for the child care manager to bring any concerns/thoughts to
- Responsible for providing evidence-based treatment to all pediatric patients
- Responsible for creating and managing pediatric content for social media/website
- Coordinate with women's health PT/co-owner for the development of wellness classes and share teaching/management responsibilities for this program
- Desired strengths: passion for working with children and promoting their independence, strong moral character, excellent communication skills, excellent problem-solving skills, approachable leadership style
- Qualifications: certified PT, must have 3 years of experience in treatment of pediatric physical therapy, preference for pediatric specialist certification, demonstrated commitment to continuing education and professional development, Adult and Pediatric/Infant AED/CPR certified

## Lactation Consultant

- Responsible for managing and treating lactation consultant case load
- Participate in wellness classes and willing to make monthly social media appearances
- Desired strengths: skillful communicator, passion for promoting wellness and female/mother empowerment, strong problem-solving and time management capabilities
- Qualifications: must be a certified lactation consultant (IBCLC), 2 years experience preferred, demonstrated commitment to continuing education and professional development, Adult and Pediatric/Infant CPR certified



## Child Care Manager

- Responsible for caring for and entertaining children while parents or siblings are in treatment sessions
- Willing to serve as office assistant and assist with office manager duties (scheduling, managing phone lines, laundry, cleaning treatment rooms/childcare rooms, collecting payment) when there are no children requiring childcare services (~50% of the time)
- Willing to complete Advanced Childcare Training through the American Red Cross if not already certified
- Desired strengths: skillful communicator (especially with children), strong problem-solving and time management capabilities, creativity
- Qualifications: preferred 2 years experience in childcare (infant experience highly desirable), preferred office or secretarial experience, Adult and Pediatric/Infant CPR certified

## Office Manager

- Responsible for scheduling of patients, managing phone lines, communicating with insurance companies to determine coverage, billing, laundry, cleaning treatment rooms, ordering supplies and managing inventory, collecting payment
- Desired strengths: organization, skillful communicator, computer proficiency, strong interpersonal skills
- Qualifications: preferred 5 years in office management (at least 2 in health care), Adult and Pediatric/Infant CPR certified

## Geographic Location and Facility Requirements

Women and Infant Physical Therapy Center, LLC will be located in Raleigh, North Carolina and convenient to Chapel Hill and Durham. The clinic will have a front office, waiting room, restrooms, multiple private treatment rooms, child care room, women's health gym, and child-friendly gym. 2,160 square feet will be required to accommodate these needs.

## Hours of Operation

WIPTC will be open from 7 a.m. - 4 p.m. Monday through Friday and from 8 a.m. to 12 p.m. the first Saturday of every month.



	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
7:00 AM						
8:00 AM						PT services
9:00 AM	Normal business hours, all services available					1st Saturday
10:00 AM						every month
11:00 AM						
12:00 PM					WIPTC Team Meeting	
1:00 PM					Lactation	
2:00 PM					consulting +	
3:00 PM					managerial	
4:00 PM					hours for Owners	
5:00 PM						
6:00 PM			Bi-annual, 6 wk			
7:00 PM			Wellness Course			
8:00 PM						

## Organizational and Legal Structure

Women and Infant Physical Therapy Center is a limited liability corporation (LLC) owned by Emily Goodnight and Rachel Silver. Both owners have equal shares in the company and hold equal decision making power (decisions must be unanimous). Both owners have signed a personal guarantee for the business. Additionally, Articles of Organization have been drafted and agreed upon by both owners, and these articles have been filed with the North Carolina Secretary of State.

Within the day-to-day operations of the business, owners Goodnight and Silver will still communicate and share decision-making roles. Goodnight will serve as the point person for the location consultant, and Silver will serve as the point person for the child care manager. These individuals will be expected to report to their respective person with any and all thoughts, suggestions, and concerns about the business or their position.



## Consult Needs and Professional Services

### Cleaning staff

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- Services used every other week
- Disinfection of all surfaces, dusting, window cleaning

### Maintenance

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- Services used as needed
- Maintenance of therapy equipment, restrooms, and appliances

### Webpage developer

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- Service will be used one time
- Initial clinic webpage set-up
- Website update training for co-owners and office staff

### Accountant

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- Initial consultation
- Services will be used monthly for book keeping
- File and manage tax returns
- Be available for financial advising as needed

### Attorney

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- Initial consultation
- Be available for services as needed such as updating employee contracts, liability contracts, and lawsuits
- Be available for any other legal-related issues that may arise

## Insurance Needs and Employee Benefits

All employees will receive 2 weeks paid time off each calendar year, which can rollover from year to year if it is not fully used in the designated calendar year. Additionally, WIPTC will be closed for 9 paid holidays each year: Martin Luther King Jr. Day, Memorial Day, Juneteenth, 4th of July, Labor Day, Thanksgiving (2 days), Christmas Eve, and Christmas.

Additionally, all full time employees at WIPTC will receive health insurance, life insurance, disability insurance, and worker's compensation. They will also have the option to create a pension plan that WIPTC will contribute to. WIPTC will also cover dues to professional



membership organizations (American Physical Therapy Association and United States Lactation Consultant Association) for both physical therapists and the lactation consultant. Both physical therapists and the lactation consultant will receive a \$500 stipend that can be used to help attend continuing education courses to maintain their licenses.

## **Regulatory Requirements and Risk Management**

*Regulatory Requirements:* WIPTC owners and employees will follow regulatory guidelines, such as the APTA Guide of Professional Conduct and Code of Ethics. WIPTC will be HIPPA and OSHA compliant. Regulatory guidelines of the Fair Labor Standards Act and Family Medical Leave Act will be abided by. Worker's Compensation will be offered to all employees as is required for businesses of 3+ fulltime employees by the Federal Employees Compensation Act. The WIPTC facility will be compliant with the Americans with Disabilities Act. Owners will ensure compliance of these regulations and will communicate changes to employees as immediate as they occur. An annual review of these regulations followed by WIPTC will be conducted with our attorney.

*Risk Management:* The WIPTC facility will be built up to local building codes and will organized in a way as to reduce risk. This includes limiting fall risk by not allowing rugs and ensuring even walking surfaces throughout the facility. WIPTC will have infection control requirements such as cleaning equipment with cavicide after every patient use, hand-washing before and after patient treatment, use of mask and protective eye wear as mandated. A professional cleaning crew will be hired to deep clean the facility every other week. Planned evacuation routes and emergency procedures will be set in place and posted around the clinic. Employees and owners will be Adult and Pediatric AED/CPR Certified and AED and first aid kits will be provided on sight and marked clearly. General liability and renter's insurance will be purchased by WIPTC and employees will be provided with life insurance. Incidence reports will be required to be submitted within 48 hours of any incident on WIPTC ground. Employees will be trained annually on these safety and risk management measures.

## **Quality Outcomes Assessment Strategy**

WIPTC will have patient satisfaction surveys that will be completed anonymously upon discharge. These surveys will include questions related to communication, convenience, value, patient-provider interpersonal relationship, office staff experience, child care experience, resources, facility opinions, and satisfaction with the overall experience.

Focus on Therapeutic Outcomes (FOTO) software will be the primary tool used for patient outcome assessment. FOTO contains patient-reported data and clinic records that can be used to track our patients' satisfaction of therapy services so that we can have a true assessment



of our business success. This data can also be used WIPTC to compare our clinic's patient outcomes to that of other clinics' patient outcomes. FOTO will help WIPTC make sure our outcomes are close to or above national standards for outpatient PT.

Many of our pediatric patients will not be able to self-report satisfaction of therapy services and therefore the Alberta Infant Movement Scale (AIMS) and Peabody Developmental Motor Scales II (PDMS-II) will be used to assess patient outcomes. When pediatric patients are of reading age they can be assisted by parents to submit a self-report of satisfaction on FOTO.

### **Information Management Needs**

WebPT will be utilized for all scheduling, electronic medical records, and billing at WIPTC. We will also use it to keep track of patient trends, charges, and payments. The analytic software on WebPT will be used to assess therapist productivity and to make comparisons to other clinics nationwide.

Additionally, our accountant will help track revenue, expenses, and financial trends. He or she will be responsible for sending a monthly report to the owners and reviewing this report with them.



## Marketing

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### Market Analysis

The target market of Women and Infant Physical Therapy Center is pregnant and postpartum women (for women's health physical therapy and lactation consulting), newborns-toddlers (for pediatric physical therapy services), and parents/families (for wellness classes).

With respect to competition, it appears that there are no physical therapy clinics in the Triangle area that provide the combination of women's health physical therapy, pediatric physical therapy, and lactation consulting that is provided at WIPTC. However, there are a wide array of physical therapy clinics that provide either women's health or pediatric services in the Triangle area. Part of our marketing strategy will hinge on the uniqueness and convenience of having multiple services in the same clinic. Additionally, our Wellness program is a unique service to our location.

United States Census Data was utilized to complete market research and determine the demographic distribution of the area being served by WIPTC. The median age of individuals living in the Triangle is 37.1 years, and the population is 52% female. 28% of the population falls between the ages of 20-39 (common childbearing years), and 26% of the population falls between the ages of 0-19. 11% of individuals fall below the poverty line, including 15% of children. 4.1% of women between the ages of 15-50 gave birth in the past year, with (8% of women ages 25-29 and 10% of women ages 30-34 giving birth). These demographics will be used to drive our marketing strategy, such as our heavy emphasis on social media for outreach and provision of free education resources to all who need them.

### Marketing Strategy

1. Logo:

We will use the same logo (pictured here in two formats) on all of our marketing and promotional materials in order to help make our business recognizable to individuals in the community.



## Women and Infant Physical Therapy Center



### 2. Social Media:

We will utilize Instagram (@womenandinfantpt) and Facebook (Women and Infant Physical Therapy Center) to help promote our services, as well as to provide free, educational resources to individuals in the community. We believe that evidence-based resources should be available to all, regardless of their ability to pay. Additionally, social media will give us the opportunity to engage with potential future clients and help grow the size of our patient base. Social media will be especially useful as we are hoping to target younger women in their child-bearing years.

WIPTC will start marketing via social media at least 6 months before opening day. We will create a schedule for our social media posts that will help individuals be prepared to interact with our content and get their questions answered. Our women's health PT will be responsible for posting interactive content on our social media sites on Tuesday evenings, and our pediatric PT will be responsible for posting interactive content on Thursday evenings. This can consist of Q&As, live demos, responding to messages, etc. Additionally, our lactation consultant will be responsible for creating interactive content on the first Monday of the month. We will be active at other times on our social media as well, but having this schedule will establish a sense of reliability with our patients.



### 3. Website

We will utilize a website developer to ensure that our website (womenandinfantPT.com) is user-friendly and easy to find the appropriate information. It will include all of the background information for our clinic, including description of our services, biographies of all of our employees, and our mission/vision statements. We will also put our website on all of our promotional material (i.e. flyers) and link it to our social media sites in order to make it easy for individuals to find more information about our business. Similarly, our website will include links to our social media posts, so that individuals can see more of our educational content that way.

### 4. Local Fitness Classes/Events

*Fitness classes:* We will reach out to fitness businesses, such as Burn Boot Camp and Fit4Mom Midtown Raleigh, to see if they will allow us to advertise our services at their gyms. These businesses were selected as they have a high proportion of mothers who utilize their services, and mothers are a major focus of our target market. We would also want to discuss having joint events with the business, such as tabling and providing the opportunity for people to ask questions after taking a class at one of these gyms.

*Community events:* We will also plan to attend community events, such as 5ks, and set up a table to provide information about our services and answer questions from individuals in the community. Eventually, if our finances allow, we would like to sponsor at least one 5k a year to provide another way for us to get our name out into the community.

### 5. Local OBGYN/Gynecology Clinics, Pediatrician Clinics, and Hospitals

WIPTC plans to network with OBGYN/Gynecology clinics, pediatrician clinics, and hospitals within the Triangle. We will set up meetings with physicians and staff at these locations to inform them of how our specializations in women's health and pediatric physical therapy can serve their patients. Leaving brochures at and networking with at clinics and hospitals will help us directly reach our target patient population of new mothers and infants. With awareness of our services and relationships built, physicians will be more inclined to refer patients to WIPTC.

### 6. Community Events

WIPTC will plan to attend and volunteer at community events bi-annually. These events include health fairs, blood drives, and more. We would like to provide free screenings at



these events and spread the word about our clinic. This is a great way to give back to the community, further promote healthy lifestyles, and reach our target populations.

## 7. Merchandise

WIPTC employees will have t-shirts with our name and logos that we will wear to events to promote our business. In the future, we plan to have t-shirts to give away at community events and sell in our office. WIPTC will also have pens with our name and logo that we will give away in our office and at community events. A sample t-shirt can be found below.





## Financial Management

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### Personal Capital Contribution/Loan

Co-owners Rachel Silver and Emily Goodnight will each make a \$15,000 contribution from their personal savings to put into an owners equity account. The remaining funds needed for start-up will be funded by a \$110,000 bank loan with a 3% interest rate on an 8 year monthly payment plan. The monthly payment will be \$1,317.08 making the cumulative total \$126,392.18. This loan amount was calculated based on the remaining capital budget cost after the co-owner contribution of \$30,000 and the first 3 months' total operating expenses.

### Link to Budgets/Financials

<https://docs.google.com/spreadsheets/d/1NbRKWm2ba270fAat1qKh4yTozhRKNMjjaq0sALAVSNco/edit?usp=sharing>

### Capital Budget

The WIPTC capital budget includes all of the one-time costs that will go in to starting WIPTC. The categories are equipment/supplies for the peds area in the gym, adult area in the gym, PT equipment, private treatment rooms, lactation consultant office, administrative office, waiting room, and child care room. Additionally, categories for linens, other, and professional start up meetings were included. The total cost of the capital budget is \$34,844. Expenses are listed in detail on the WIPTC Business Finances spreadsheet.

### Annual Expense Budget

The WIPTC annual expense budget is made up of fixed and variable categories. The fixed expense category includes rent, salaries, fringes, employee benefits, and other with a total cost of \$441,071.46. The variable expense category includes utilities, professional services, office supplies, medical supplies, cleaning supplies, personal protective equipment, and marketing with a total cost of \$25,946. Expenses are listed in detail on the WIPTC Business Finances spreadsheet.

### Coding and Billing

The Medicare Physician Fee Schedule was used to help set the WIPTC Fee Schedule (both pictured below). The WIPTC Fee Schedule was set at the rate of 150% of the Medicare



Physician Fee Schedule in order to ensure that we would capture the highest payer when negotiating insurance contracts while keeping rates as low as possible for self pay clients. We also considered the Medicaid Fee Schedule when determining reimbursement as the pediatric portion of our clinic will likely see many patients on Medicaid. All fee schedules are shown below, including rates for the lactation consultant.

<b>Medicare Physician Fee Schedule</b>		
<b>CPT</b>	<b>Code</b>	<b>Cost</b>
97161	Evaluation: Low Complexity	84.28
97162	Evaluation: Moderate Complexity	84.28
97163	Evaluation: High Complexity	84.28
97164	Re-evaluation	57.76
97110	Therapeutic Exercise	30.21
97112	Neuromuscular Re-education	34.7
97140	Manual Therapy	27.81
97530	Therapeutic Activities	38.58
97035	Ultrasound Therapy	14.23
97116	Gait Training	29.88
97014	Electrical Stimulation (unattended)	14.67

<b>WIPTC Fee Schedule</b>		
<b>CPT</b>	<b>Code</b>	<b>Cost</b>
97161	Evaluation: Low Complexity	126.42
97162	Evaluation: Moderate Complexity	126.42
97163	Evaluation: High Complexity	126.42
97164	Re-evaluation	86.64
97110	Therapeutic Exercise	45.32
97112	Neuromuscular Re-education	52.05
97140	Manual Therapy	41.72
97530	Therapeutic Activities	57.87
97035	Ultrasound Therapy	21.35
97116	Gait Training	44.82
97014	Electrical Stimulation (unattended)	22.01



<b>Medicaid Fee Schedule</b>		
CPT	Code	Cost
97161	Evaluation: Low Complexity	69.42
97162	Evaluation: Moderate Complexity	69.42
97163	Evaluation: High Complexity	69.42
97164	Re-evaluation	47.04
97110	Therapeutic Exercise	24.05
97112	Neuromuscular Re-education	24.73
97140	Manual Therapy	22.31
97530	Therapeutic Activities	25.31
97035	Ultrasound Therapy	9.91
97116	Gait Training	21.05
97014	Electrical Stimulation (unattended)	Not covered so will not use with these patients

<b>Lactation Consultant</b>	
\$150/hour	

In order to determine billing and reimbursement, 1 unit of service (UOS) was defined as 1 visit for both physical therapists and the lactation consultant. All appointments will be one hour long, so physical therapists will typically bill 4 CPT codes for each appointment, as we will bill following Medicare's 8 Minute Rule. Since the lactation consulting appointments will not be filed with insurance, patients will be charged at the rate of \$150/hr for appointments. Wellness classes will also be charged out of pocket and will cost \$300 per family, with 10 families per session (bi-annual sessions).

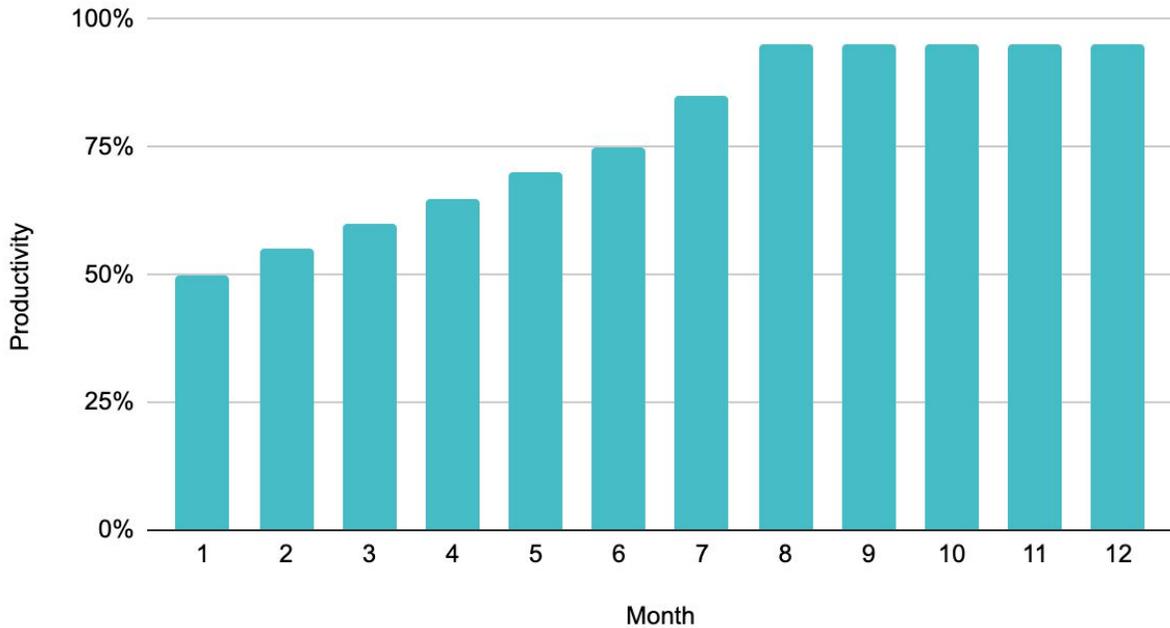
### **Productivity Estimates**

There will be about 4,278 appointments available for both physical therapists and the lactation consultant behind in the first year. Therapist and consultant working hours were used to determine the number of appointments available. 2 weeks of paid time off and 9 paid holidays were subtracted from the total possible provider working hours. In the first month of opening, WIPTC plans to have 50% of available patient appointments booked. Due to our plan to begin marketing on social media, at community events, and in physician offices/hospitals at least 6 months before opening, we believe 50% productivity is a reasonable estimate. By the end of the first year, we expect WIPTC to be booked at 95% of available patient appointments. These estimates put WIPTC at 78% productivity for the first year. WIPTC will have a cancellation in less than 24 hours and no show fee of \$20 to promote productivity. We estimate an average of



5% cancellation and no-show appointments per month. The graph below demonstrates WIPTC year one productivity ramp-up analysis for our two physical therapists and lactation consultant.

### Year One Productivity Ramp-up Estimate



The total number of expected patients per month in the first year is represented in the table below.

### Patients Per Month in the First Year of Business

Month	1	2	3	4	5	6	7	8	9	10	11	12
Patients	230	252	275	298	321	344	388	434	434	434	434	434

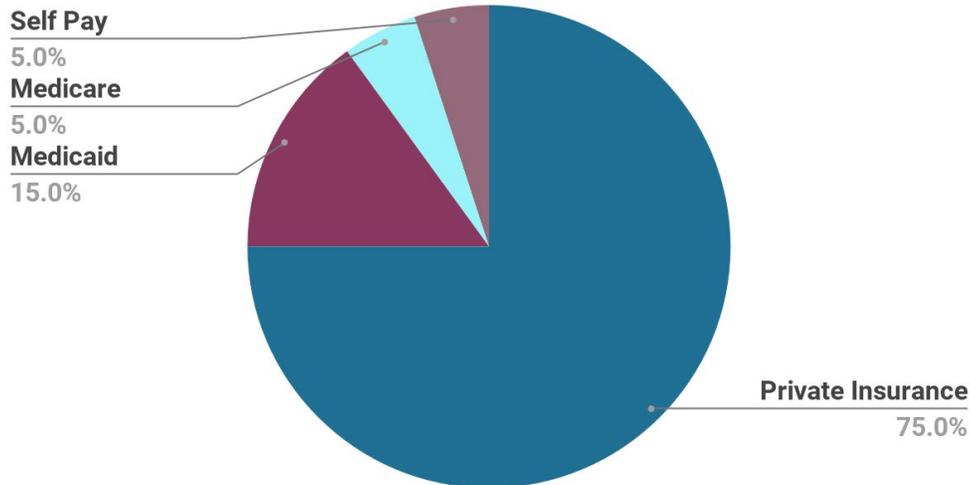
**Total Patients: 4,278**

In the second year of business, we project that each provider will maintain 95% productivity. With this estimate we expect to treat 5,210 patients in the second year.



## Payer Mix

### Physical Therapy Payer Mix



Since half of our patient population is pediatric, we anticipate that we will see a substantial number of Medicaid patients. In North Carolina, the cutoff for children aged 0-5 in a family of four to qualify for Medicaid is total income of less than \$55,020, which is just over double the federal poverty line (\$26,200 for a family of four). 15% of children in NC live in poverty, so we estimated that approximately 30% of our pediatric patients would be eligible for Medicaid based on its cutoff level, which equates to 15% of our total patient population.

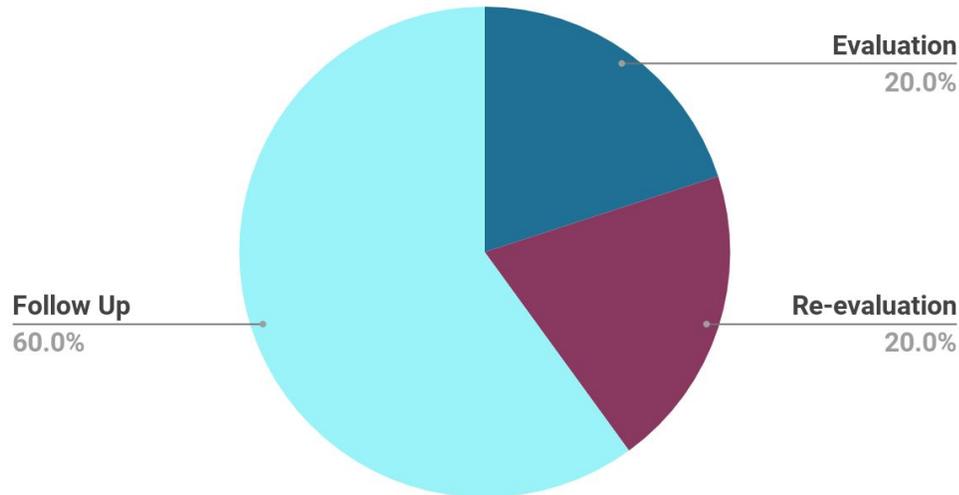
We estimated that only 5% of our patient population would be Medicare patients since you must be over 65 years of age or have a qualifying disability to receive Medicare benefits. The primary focus of the women's health side of our clinic is on postpartum recovery and return to sport, which would not encompass women over this age. However, we will still accept Medicare insurance and will enroll in their program. Additionally, we estimated that only 5% of our patient population would be self pay, due to the high rates of paying out of pocket for physical therapy services.

We estimate that the rest of our patients (75%) will have private insurance. At WIPTC, we will file claims with any private insurance that a patient may have. However, at least initially, we will only be in-network providers for the following insurance companies: Blue Cross Blue Shield, United Health Care, Cigna, Humana, and Aetna.



## Case Mix

### Physical Therapy Case Mix



We expect that our case mix will be 20% evaluations, 20% re-evaluations, and 60% follow up appointments. We think that most patients will have one evaluation and at least one re-evaluation (at discharge, maybe more depending on length of treatment) if they do not self-discharge. Maintaining a case mix of only 20% evaluations will help us ensure that we maintain manageable caseloads that do not grow to more patients than we can accommodate in our schedules.

We also think that among our pediatric patients the majority of patients (~75%) will be ages 0-5 as our primary focus is the early detection of gross motor delay in the first year of life. We project that the rest (~25%) will be aged 6-adolescence.

Among our women's health patients, we predict that the vast majority of patients will be postpartum mothers. However, there will likely be some older adults and middle aged women that are also seen by our women's health PT.

## Reimbursement and Revenue

In order to determine our expected reimbursement, we used the payer mix above and determined as estimated reimbursement for each payer. We expect that Medicaid will be reimbursed according to its fee schedule. We expect Medicare will be reimbursed following its fee schedule, with the highest charge being reimbursed at 100% and all remaining charges being reimbursed at 50%. Self pay will be reimbursed at 100% of the



WIPTC fee schedule. We estimated that, cumulatively, all private insurance companies would be reimbursed at 85% of the Medicare Physician Fee Schedule, which is likely a conservative estimate as some will reimburse more and some will reimburse less than Medicare. However, we thought it would be better to underestimate than overestimate reimbursement.

From there, we took the total number of PT appointments (2774) and broke it down using our projected payer mix to determine how many appointments would be covered by each payer. We further broke it down using our case mix to determine how many appointments of each type would be covered by each payer (i.e. how many evaluations would be covered by private insurance, how many re-evaluations would be covered by private insurance, etc.).

Next, we determined the estimated reimbursement for each type of payer depending on appointment type. We used some of the most commonly used codes per appointment type to estimate average reimbursement for each type of appointment, which are noted here:

- *Initial evaluation:* 1 unit of 97162 (evaluation: moderate complexity), 1 unit of 97110 (therapeutic exercise), and 1 unit of 97140 (manual therapy) .
- *Re-evaluation:* 1 unit of 97164 (re-evaluation), 1 unit of 97110 (therapeutic exercise), 1 unit of 97112 (neuromuscular re-education), and 1 unit of 97140 (manual therapy).
- *Follow up appointment:* 2 units of 97110 (therapeutic exercise), 1 unit of 97112 (neuromuscular re-education), and 1 unit of 97140 (manual therapy).

The estimated reimbursements are listed in the chart below.

<b>Payer</b>	<b>Initial Evaluation</b>	<b>Re-evaluation</b>	<b>Follow Up</b>
<b>Private Insurance</b>	96.31	88.51	66.49
<b>Medicaid</b>	115.78	118.13	95.14
<b>Medicare</b>	113.30	104.13	95.14
<b>Self Pay</b>	213.46	225.73	184.41



We used these projections to determine the total expected reimbursement for physical therapy services based on the number of each type of appointment we are projected to have. WIPTC is expected to make \$243,247.82 from physical therapy appointments in the first year.

To determine expected reimbursement for the lactation consultant, we multiplied her expected number of appointments (1 hour) by her hourly rate. We expect that the lactation consultant will bring in \$225,600 for our business in the first year.

Additionally, we expect to bring in \$6,000 annually from our Wellness Classes. These classes will be offered two times per year. They will cost each family \$300, and 10 families will be able to enroll for each session.

This brings our total expected revenue for the first year to \$474,847.20. See the WIPTC Business Finances spreadsheet for more detail on these calculations.

### **Break-Even Analysis**

The break-even quantity formula used is listed below. To determine total units of service (UOS), we used projections of patients to be seen by the lactation consultant and PT. Average UOS price was calculated by determining the weighted total reimbursement for physical therapy and lactation consulting divided by the total UOS.

$$\text{Break-even quantity} = \text{annual fixed costs} / \text{UOS price} - (\text{annual variable cost} / \text{UOS})$$

$$\text{Break-even quantity} = 441071.46/111 - (25946/4278)$$

**Break-even quantity = 4,203 patient visits**

We will see our 4,203<sup>rd</sup> patient in the 12th month of business and therefore we will break-even in the first year of opening.

It is worth noting that this break-even analysis does not include revenue from the WIPTC wellness classes which is expected to be \$6,000. With this considered, WIPTC will still break even in month 12. This program is only profitable and is at no additional cost to the clinic upon opening or as it grows. To increase revenue from these wellness classes in the coming years we will increase cost for participants, number of participants, frequency per year, and add a virtual learning option.



## Exit Strategy and Long-Term Goals

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### Exit Strategy

The following exit strategy has been agreed upon by owners Goodnight and Silver and is listed in the Articles of Organization for WIPTC. Contingency plans were created for the event that one party exits the company and that both parties exit the company.

#### One Party Exits the Company

- *Owner Death:* In this instance, the other owner will become the sole owner of the business. We also have taken out life insurance policies for this possibility.
- *Owner Retirement:* In this case, co-owners will have their accountant evaluate the current value of the business, and both co-owners will mutually agree to a buyout price.
- *Owner Chooses to Leave Business:* The same procedures outlined in the case of owner retirement will be used in this instance.

#### Both Parties Exit the Company

- *Selling the Business:* Again, WIPTC's accountant will evaluate the value of the business, and both owners must unanimously decide to sell the business/agree to the sale price.
- *Merging the Business:* In this instance, the above process will be used (for selling the business). All decisions must be unanimous.

### Long-Term Goals

1. *Business expansion:* Hire 1-2 additional women's health and pediatric physical therapists to increase profits and number of available patient appointments. WIPTC has space for 6 total physical therapists.
2. *Wellness class scholarships:* Open scholarship opportunities bi-annually for 1 in every 10 families to attend our wellness classes for free. WIPTC would like to make as many resources available to the public as possible and values deterring the limitation of financial barriers that many families face when seeking evidence-based advice.
3. *Wellness class expansion:* Increase number of wellness courses per year (to 3) and add virtual courses to reach a broader population/increase the number of families per session.
4. *Insurance expansion:* Start accepting insurance for lactation consultant as our office grows. This will allow more people to have access to her services. At this point hiring a second full time office person will be needed.



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