

# H PE

## PHYSICAL THERAPY

### **The Durham Prototype**

*Delivering hope through compassionate and  
accessible care*

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Business partners: Marjorie McCarthy and Cameron Hummel

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# Business Description

## The Company and Purpose

We have a passion for physical therapy, connecting with others, and serving in areas of acute need. Physical therapy services are not usually present amongst typical “first responders” in areas experiencing acute hardships such as natural disasters, refugee influxes, poverty, or political upheaval. However, these populations have an acute need for physical therapy services as musculoskeletal injuries are common in such populations. Those without insurance or the right financial support may be left without healthcare access and without hope. We want to provide physical therapy services to benefit those that would otherwise not have access to physical therapy. That is our inspiration for starting Hope Physical Therapy.

## Vision

Our vision is to operate 5-7 mobile PT clinics that travel to different states and countries with an acute need for physical therapy services and little to no healthcare access such as in the following scenarios:

- Area with recent natural disaster
- Area with an influx of refugees
- Area with a high immigrant population
- Areas with political upheaval resulting in poverty and poor healthcare access

## Mission Statement

Our mission is to provide quality and affordable physical therapy services for populations in areas with acute concentration of need. We will provide excellent physical therapy services to improve physical function and quality of life for our patients. We will also seek to partner with fellow humanitarian organizations to connect patients with other healthcare and non-healthcare resources.

## Core Values

*Love* - Our company is inspired by the call to “love your neighbor as yourself.” We want to love not just in word or talk, but in action and deed.

*Equality* - We strongly believe that every person’s life is valuable. We believe that those experiencing physical, financial, and/or emotional hardship should not be ignored.

Access to healthcare should not be reserved for the well-off.

*Education* - We believe in giving our patients the tools to help themselves. Our physical therapy interventions will prioritize patient education on how the patient can perform therapeutic activities for themselves and make lifestyle changes to leave lasting impact after our clinic is gone.

*Community Collaboration* - Our clinic will not act as an island. We will partner with local humanitarian and healthcare organizations to holistically treat our patients by connecting them to other beneficial resources.

*Service* - We believe that our work as physical therapists can have a meaningful impact on people's health and well-being. Our purpose is not financial gain, but instead is serving the community in whatever capacity we can.

### **Keys to Success**

Connection to the community at large is crucial to the success of Hope Physical Therapy. We will rely on partnerships with local humanitarian organizations, medical response teams, churches, and schools. These partnerships will help us get plugged into the community and market our services to those who would most benefit from them. They will also be a source for volunteers to help with outreach, cultural competence, and interpreting.

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## **Executive Summary: The Durham Prototype Project**

### **Long Term Goals**

The long term purpose of Hope Physical Therapy is to provide physical therapy services in areas with no PT access due to acute hardship such as a natural disaster, poverty, or political upheaval. We want to eventually consist of a team of 2 remote support staff and 10 physical therapists who operate 5 mobile PT clinics that travel to different states and countries with acute hardship.

However, we will start this endeavor with a single mobile clinic we call The Durham Prototype Project. This clinic will be the "prototype" of our long term vision. We realized that there is a need for affordable physical therapy services in our backyard (quite

literally). What better way to test a prototype of our mobile clinic than in the community we currently live in and love?

We are starting our company as a single mobile physical therapy clinic operating locally in Durham, NC for a year. In this year, we will attempt to locally put into practice the marketing, operational, and financial plans we will utilize around the country and abroad. The Durham Prototype Project's specific mission is to provide physical therapy services in Durham, NC to people with low access to physical therapy.

### **Finances and Funding**

Our core value of service is reflected in our financials. We intentionally set low salaries for ourselves to minimize the cost of service for our patients. We are also keeping our operations simple and low-cost to provide the most affordable services possible to our target market. Reimbursement will come from fixed, cash payments, grants, and donations. We will fund the capital budget by grants, donations, personal contributions, and a SBA 7(a) loan. The minimalist nature of our clinic and the simple legal and organizational structure will help keep operational and administrative costs low so we can focus on what matters most - providing quality physical therapy services.

### **Management, Organization and Legal Structure**

Hope Physical Therapy will operate as a 501(c)(3) non-profit organization. HPT will be led by Marjorie McCarthy and Cameron Hummel as Chief Executive Officers and will be run by a voluntary Board of Directors. The Board will consist of experts in the areas of finance, legal services, community outreach and physical therapy. The CEOs will share all legal and financial responsibility for the company.

*Legal Steps to Establish Hope Physical Therapy:* Once the Board has been established it will draft bylaws, which will contain operating rules and the framework of our management procedures. Following this, HPT will obtain an EIN and submit articles of incorporation to be filed with the State of North Carolina. Once the articles of incorporation have been accepted, HPT will apply for 501(c)(3) tax-exempt status with the IRS. Other legal action steps that will be taken include applying for a Charitable Solicitations License and applying for state corporate tax exemption.

*Management:* Hope Physical Therapy will be managed by Marjorie McCarthy and Cameron Hummel. They will act as the primary managers, administrators, and physical therapists. Each PT will spend approximately 34 hours a week treating patients and 6

hours a week completing administrative duties. Administrative duties will be dispersed between Marjorie and Cameron in the following manner:

*Clinic Operations, Organization, and Corporate Compliance*

Cameron Hummel will be responsible for managing the physical operations of The Durham Prototype, including facility maintenance, equipment ordering and overseeing medical documentation. Cameron will manage other administrative tasks including communication with the Board of Directors and productivity tracking. Cameron Hummel will also head the Corporate Compliance Plan and other regulatory requirements.

*Outreach, Marketing, and Financing*

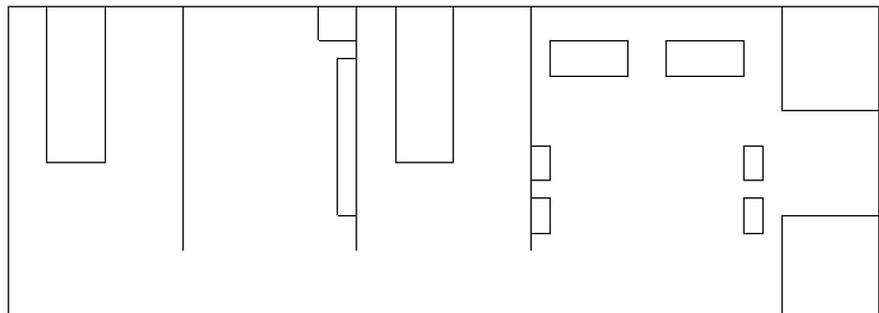
Marjorie McCarthy will be responsible for marketing and outreach opportunities by initiating and maintaining partnerships with humanitarian organizations, local churches, and local health clinics. Marjorie will also oversee the company's finances and track patient load.

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# Operational Plan

## Base of Operations

Hope Physical Therapy will operate out of a furnished, mobile RV medical clinic. HPT will purchase this used 2012 mobile medical clinic RV for \$40,000. The RV has a “lobby” area that contains a desk for each physical therapist and 4 chairs for patients or family members. The RV also contains 3 exam rooms. Two will be utilized as traditional exam rooms and the middle room will be used as a shared treatment area where therapeutic exercise and patient education can take place.



The Durham Prototype will operate out of the parking lot of one of our community partners, World Relief Durham. This organization works with refugee resettlement and immigration legal services and is located on 877 Gilbert St. This location is very close to the City Center of Downtown Durham and is accessible by car and bus. Choosing a location that is both centralized and frequented by our target market will increase exposure to new patients, especially as we try to establish ourselves in the starting months.



### Hours of Service

Hope Physical Therapy will offer flexible hours that are catered to a working population that may not be able to receive therapy during normal business hours. Our 2 PTs will offer staggered hours during the week in order to increase the total number of hours our clinic will be open without increasing provider workload. The clinic will operate Wednesday through Friday from 12:00pm to 9:00pm, Saturday from 10:00am to 9:00pm and Sunday from 12:00pm to 7:00pm. A grid of clinic hours is provided below:

	Wednesday	Thursday	Friday	Saturday	Sunday	Monday	Tuesday
10am							
11am							
12pm							
1pm							
2pm							
3pm						Closed	Closed
4pm							
5pm							
6pm							
7pm							
8pm							

Each PT will see one patient during a one hour time slot. The PT will work directly with the patient for the first 45-50 minutes and then use the final 10-15 minutes to complete documentation, work on administrative duties and intake the incoming patient for the next time slot. Each PT will have a one-hour break in the middle of their shift to eat lunch and work on any documentation or administrative duties.

## **Description of Services**

Hope Physical Therapy will provide general outpatient orthopedic physical therapy services. Because we seek to be a less expensive medical alternative for people who don't have insurance, our treatments will be focused on empowering patients with the knowledge and skills to take what they've learned in physical therapy and employ them into their lives without having to continually come into therapy. As a result, our treatments will focus more on exercise and patient education than expensive modalities or other treatments that might make the patient "dependent" on coming to the clinic. The services we will provide include, but are not limited to:

- Screening and evaluation of low, medium and high complexity orthopedic injuries
- Treatment of musculoskeletal conditions with the use of therapeutic exercise, therapeutic modalities, neuromuscular re-education, manual therapy, and other physical therapy techniques
- Patient education about home exercise programs and lifestyle changes
- Referral to other appropriate medical services
- Connecting patients to other community resources

## **Personnel Requirements**

The Durham Prototype will be operated primarily by Marjorie Primm and Cameron Hummel. They will act as the two full-time physical therapists and will also share administrative duties. They will each have their own treatment room within the clinic and will share a third room, which will operate as space for therapeutic exercise. Each will be paid a starting salary of \$47,000 and will receive benefits including health, life and disability insurance, general liability, professional liability insurance, and 3% in retirement. This is a lower salary than would be expected for most physical therapists, but was chosen to reflect our core value of service and keep patient costs as low as possible.

The Durham Prototype will also seek to employ volunteer translators from local universities to help communicate with Spanish-speaking patients. While Marjorie and Cameron will be competent in Spanish, it will be helpful to have extra translators,

preferably native-born speakers, who will be able to communicate clearly with our Spanish-speaking patients and help relate to them culturally. Volunteers will be scheduled in 3-hour shifts from 5:00-8:00pm on Wednesday, Thursday and Friday and 1:00-4:00pm on Saturday and Sunday. This will provide flexibility for college students who are attending class during the day and will allow regular times to schedule patients who do not speak any English.

As the Durham Prototype grows and Hope Physical Therapy expands to more clinics, our long-term goal is to have at least 5 mobile clinics that are staffed by 10 licensed physical therapists and supported by 2-3 remote administrative staff. Each mobile clinic could be deployed to different areas of the country with the greatest need. Remote staff will help the clinic staff with outreach and marketing, especially in the first few months the clinic is in a new area. The remote staff will also help ease much of the administration burden in order to free up the physical therapists to treat more patients.

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## Marketing Plan

### Market Research and Analysis

According to 2019 census data and projections, Durham county has a population of 321,488 thousand people. Of those people, the median household income is \$58,190 and the percent of persons in poverty is 13.5%. More importantly to the nature of our target market, census.gov estimates the percent of person's without health insurance under the age of 65 to be 12.6%. Based on these numbers, there are approximately 40,200 people in Durham County alone that are uninsured and could benefit from a medical clinic catered specifically to those without insurance.

### Target Market

Our target market is uninsured populations, including immigrants, homeless or people who have lost insurance from unemployment. Based on demographic statistics, we expect a moderate proportion of our target market to be hispanic. The US Census Bureau estimates 13.7% of Durham County residents to be foreign born and 53.6% of those residents to be from a country of Latin American origin. According to the Office of Minority Health in the U.S. Department of Health and Human Services, only 49% of hispanics have private health insurance, compared to 75.4% of non-Hispanic whites.

From this data, we can conclude there is a large market for uninsured immigrants who may benefit from an affordable physical therapy clinic that does not require insurance. With that being said, our target market is not limited only to immigrants. We will also be partnering with local churches and refugee organizations to appeal to anyone who does not have access to affordable health care.

## **Competition**

There are at least 35 physical therapy clinics in Durham County. However, most of these clinics do not serve uninsured populations, such as our target market. There are many free or reduced cost medical clinics in Durham County, including Healing with CAARE, Inc., Homeless Care for the Homeless, and the Lincoln Community Health Center. However, most of these free health clinics do not offer physical therapy services. The only free clinics in the Triangle that offer physical therapy services are Alliance Medical Ministry in Raleigh and the Student Health Action Coalition located, which is a student-run health clinic in Carrboro that offers services one evening each week. While these clinics pose some competition, neither are in Durham and do not have the capacity to serve the large population of uninsured residents of Durham County.

Another potential source of competition is from Duke Hospital located in Durham, NC as they provide free services to people in life-threatening health crises. However, we expect to treat patients with non-life-threatening situations in our outpatient mobile clinic and therefore do not consider hospitals a significant source of competition.

## **SWOT Analysis**

### **Strengths**

- The model for this mobile clinic is simple and will have low operating costs. This clinic does not require lots of specialty equipment and will be able to operate without large recurring payments, such as rent. This will keep costs low for our target market.
- This mobile clinic will cater to a population who might not otherwise receive care. Furthermore, because we will be one of the only physical therapy clinics in Durham with this unique payer model, we shouldn't have too much competition.
- This will be a small clinic with only a few therapists. During the current atmosphere of COVID-19, people may feel more safe coming to a smaller clinic than going to a larger clinic with several people in one room.

- Our mobile clinic allows us to advertise on the road. We can drive up our clinic to events and organizations to build awareness and name recognition within the community.
- HPT is a fixed-rate, self-pay system that will not have to interact with Medicare or private payer insurance companies. This will keep administrative costs to a minimum.

### **Weaknesses**

- HPT must rely partially on external fundraising and grants in order to keep prices low enough for our target market.
- Because our target market is largely hispanic, we will need translators unless all of our physical therapists are bilingual.
- HPT must start from scratch building up a new clientele every time we relocate and may experience difficulty marketing services to a large population.
- There may be a general lack of knowledge about physical therapy services amongst our target market, making it difficult to market what our clinic does.
- May also have a difficult time communicating with some patients in a traditional manner, such as email, because of lack of access to technology.

### **Opportunities**

- With interest rates extremely low, now is a good time to purchase start-up equipment, such as the vehicle, tables, etc.)
- The Durham bus system is free during the current COVID-19 outbreak and is fairly affordable even during normal times. The Durham Prototype will be parked in a location near a bus stop so our patients will have easy access to transportation to and from our clinic.
- With a small staff who are committed to serving this population, we can offer flexible hours that cater to a working population. Rather than a normal 8:00 am - 5:00 pm schedule Monday-Friday we will offer 12:00pm - 9:00pm Wednesday - Friday, 10:00am - 9:00 pm on Saturday and 12:00-7:00 pm on Sunday. We can also adjust these hours based on the needs of our target market.

### **Threats**

- The current election cycle and political landscape has a large effect on public opinion of immigrants and refugees. This can be both a threat and an opportunity to help change public opinion for the better.
- There may be a lack of disposable income in our target market, especially during the COVID-19 pandemic. Because physical therapy is not always an emergent medical need, it might not be a priority for people whose budgets are already tight.

- Although discussed as a strength earlier, the small nature of our clinic could also be a threat during the COVID-19 pandemic, as there will not be as much room to spread out and keep physical distancing guidelines.
- Our target market may have poor access to transportation, making it difficult to get to our mobile clinic if they do not live on a bus route or within walking distance.

## **Marketing Strategy**

*Networking:* As a brand new clinic in an area with many physical therapy clinics, it will be vital to get as much exposure to our target market as possible. One of the best ways to do this will be to partner with other humanitarian organizations or free health clinics that do not offer physical therapy services. While these clinics could have been considered competition, the fact that they do not offer PT services themselves means they could be a good referral base for us, especially in the starting months when we are trying to build our patient load. Furthermore, existing humanitarian organizations or local churches that work closely with our target market would be good places to advertise the benefits of direct access physical therapy. The list of potential humanitarian organizations and clinics we plan to partner with include:

### *Organizations:*

- Urban Ministries of Durham
- World Relief Durham
- United Way of the Greater Triangle
- Union Baptist Church
- Trinity United Methodist Church

### *Medical Clinics:*

- Lincoln Community Health Center
  - Holton Clinic
  - Lyon Park Clinic
  - Walltown Clinic
- Healing with CAARE, Inc.
- Health Care for the Homeless, LCHC
- Hillside Wellness Center
- Samaritan Health Center

*Marketing Strategies:* We will use multiple strategies to reach our target market. The first and most important will be through direct partnership with the organizations, churches and clinics listed above. There are a variety of ways we can reach potential patients through these partnerships, including:

- **Brochures/pamphlets:** Hope Physical Therapy will produce 500 tri-fold pamphlets, available in both English and Spanish, that will introduce our mission, vision and services available. It will also include basic pricing information, instructions for making an appointment and links to our social media platforms. It will cost \$215.37 to print 500 of these pamphlets from Vistaprint.
- **Events:** Direct marketing at events hosted by humanitarian organizations and churches will be a focus of ours in the first few months of establishing The Durham Prototype. Being a mobile clinic, we have the advantage of physically driving our clinic to these events to hand out pamphlets and give tours.
- **Social Media:** Hope Physical Therapy will have an interactive social media presence that will allow partner organizations, donors and potential patients to explore the details of our clinic, the lives and mission of our physical therapists, and patient testimonials. We will connect with our partner organizations on social media platforms such as Facebook, Instagram and Twitter in an effort to reach their followers and attract potential new donors. The following are example posts to our Instagram page.



#### **Other Marketing Strategies:**

- **Door-to-door:** As a part of our initial marketing efforts while our patient load has not reached full capacity, we will do door-to-door marketing by placing flyers on doors in low-income neighborhoods. These flyers will have basic clinic information and contact information in English and Spanish. It will cost \$68.50 to print 500 of these 5.5" x 8.5" flyers from Vistaprint.
- **Corporate Sponsorships:** Hope Physical Therapy will seek corporate sponsorships from organizations such as Winnebago (the brand of our RV) and

World Vision in order to provide additional funding and bring some name recognition to our clinic. As a non-profit mobile clinic, we have plenty of advertising space that may encourage corporations to partner with us.

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## Financial Plan

### Start-Up Costs

Startup costs were calculated as capital expenses plus 3 months of operating expenses.

Costs	
Total capital cost	\$46,205.33
3 months of operating cost	+\$32,657.99
Total start up cost	=\$78,863.32

### Funding Sources

Funding	
Expected grants and donations	\$25,000.00
Total personal contribution from owners	\$10,000
SBA 7(a) Loan Amount	\$43,863.32
Total funding	\$78,863.32

**Grants and Donations:** We expect to cover at least \$25,000 of the start-up costs with grants and donations. Additionally, 16.67% of the UOS cost are expected to be

reimbursed by grants and 16.67% reimbursed by recurring donations. Hope Physical Therapy qualifies for the following grants which we will apply for prior to opening:

Grant	Amount	Description
A.J. Fletcher Foundation	Varied amounts	For programs that care for and support the physically ill
Aetna Cultivating Healthy Communities (CHC)	\$100,000.00	For programs that promote healthy lifestyles in their communities
Foundation for the Carolinas	\$10,000-\$25,000	For non-profit businesses making a positive impact in their communities
Duke Endowment Healthcare Grant	\$100,000.00	For programs that improve healthcare services access
Robert Wood Johnson Foundation	\$25,000.00	For programs collectively working with community partners to offer fair healthcare opportunities
Health Resources and Services Administration SAC Funding	\$2,500,000.00	For culturally competent healthcare programs for underserved communities and vulnerable populations

**Owners’ Contribution:** Marjorie McCarthy and Cam Hummel will each contribute \$5,000 towards start-up costs.

**Start-Up Loan:**

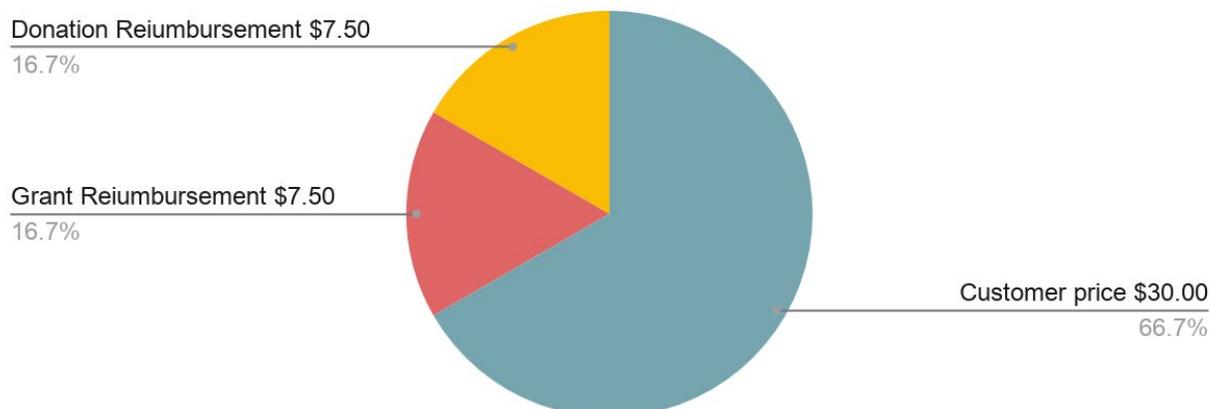
The remainder of start-up costs (\$43,863.32) will be covered by a Small Business Administration 7(a) loan at 6.5% annual interest rate paid off in 5 years by monthly payments of \$498.99.

**Collection Rate and Payer Sources**

Hope Physical Therapy is a fixed rate, cash-based payment system. As service is one of our core values, we want to offer prices affordable to our target market. Our prices are much lower than industry standard. This is made possible by our low operating costs and financial assistance from grants and donations.

Hope Physical Therapy will collect \$45 per UOS (1 patient visit). Hope Physical Therapy will charge a flat rate of \$30 cash payment for a 45-minute session (1 UOS).

An additional \$7.50 per session will be reimbursed to Hope Physical Therapy by grants and \$7.50 by donations.



## Capital Budget

Capital Budget	
Item	Cost
RV (used)	\$40,000.00
Treatment tables (2)	\$1,137.00
Rolling stools (2)	\$76.00
<b>Modalities equipment</b>	
Hydrocollator (used)	\$400.00
E-stim unit	\$34.95
IASTM	\$140.00
Computer chromebooks (2)	\$559.98
Desk	\$75.99
Printer	\$89.00
<b>Exercise equipment</b>	
Basic dumbbells	\$137.00
Medicine balls	\$72.00
Airex pad (2)	\$40.00

Stability discs	\$24.00
Physioball	\$27.99
Nested footstools	\$53.92
Ankle weights	\$53.63
Attorney	\$3,000.00
Initial Marketing	\$283.87
<b>Total Capital Costs</b>	<b>\$46,205.33</b>

## Operational Budget

<b>Fixed Costs</b>	
<b>Item</b>	<b>Cost (per year)</b>
Health, life, and disability insurance (12%)	\$11,280.00
General Liability Insurance	\$600.00
Professional Liability Insurance	\$940.00
Commercial Auto Insurance	\$1,704.00
Payroll	\$94,000.00
Retirement (3%)	\$2,820.00
FICA (7.65%)	\$7,191.00
Monthly Loan Payment	\$498.99
Internet	\$900.00
EMR - Practice Fusion	\$2,376.00
<b>Total Fixed Costs (yearly)</b>	<b>\$122,309.99</b>
<b>Variable Costs</b>	
<b>Item</b>	<b>Cost (per year)</b>
Theraband	\$606.00
RV maintenance	\$2,500.00
RV fuel	\$4,065.96

Random repairs	\$600.00
Cleaning supplies	\$480.00
Printer paper	\$70.00
<b>Total Variable Costs (yearly)</b>	<b>\$8,321.96</b>
<b>Total Operating Expense (yearly)</b>	<b>\$130,631.95</b>
<b>Total Operating Expense (monthly)</b>	<b>\$10,886.00</b>

**Profit**

With current financial projections, Hope Physical Therapy expects a monthly profit of \$229.96 and yearly profit of \$2,759.57. These profits will be tax-exempt as they are from “related activities” to the non-profit. This amount is a buffer for underestimated or unexpected costs. Any remaining profit amount will be applied to our loan.

	<b>Amount</b>	<b>Notes</b>
Monthly Revenue	\$11,115.96	Monthly UOS (247)*total reimbursement per 6 USO (\$45)
Monthly Expenses	-\$10,886.00	Monthly total operating expense
<b>Monthly profit</b>	<b>=\$229.96</b>	
<b>Yearly profit</b>	<b>\$2,759.57</b>	

**Productivity Estimates**

As described in the Operational Plan schedule, each PT will work 34 hours a week providing units of service and 6 hours a week performing managerial tasks according to the roles described in the Executive Summary. We define a unit of service (UOS) as consisting of a 45 minute patient session, 10 minutes of documentation/personal research of patient conditions, and a 5 minute break. Therefore, PTs will be treating patients for 75% of the hour-long unit of service. As Marjorie and Cam are both the therapists and managers, they each require 6 hours a week for managerial tasks when operating post-ramp up.

When Hope Physical Therapy opens, it will operate at 12.5% the first month and increase by 12.5% a month until full capacity (including no-shows and vacation time) is reached at 8 months. The time not spent performing patient sessions due to ramping up will be spent carrying out the marketing strategy, especially working with our community partners. We want to be open as we market so patients can immediately come to the mobile clinic upon hearing of our clinic. Our target audience is more transient and less likely to wait a few months to visit until the clinic opens. With that being said, Marjorie and Cam will start forming relationships with health clinics and organizations before the physical doors of our clinic open.

We expect a no-show rate of 10.4%. Each PT will receive 3 weeks of paid vacation time. This calculates to a yearly UOS production of 2964 patient visits.

<b>UOS Available Estimates</b>	
Total weekly UOS	68
Weekly UOS excluding no-shows (10.4%)	61
Yearly UOS lost from 3 weeks of vacation per employee	204
Yearly UOS	2964
Monthly UOS	247

**Break-Even Analysis**

Break-even quantity is calculated as:

$$BEQ = \text{Fixed cost} / (\text{total reimbursement per UOS} - \text{variable cost per UOS})$$

Variable cost per UOS is calculated as Total Yearly Variable Costs/Yearly UOS. Yearly UOS calculations and rationale are described in the Productivity Estimates section. The fixed cost value is taken from the calculated “Total Fixed Cost (yearly)” amount from the operational budget.

Break-even quantity was calculated to be 2899 units. As shown in the ramp up analysis below, HPT is expected to reach the break-even amount at month 16.

<b>Break-Even Analysis</b>	
UOS Price (paid by customer)	\$30.00
Donation reimbursement per UOS	+\$7.50
Grant reimbursement per UOS	+\$7.50
<b>Total Reimbursement per UOS</b>	<b>=\$45.00</b>
Variable Cost per UOS	\$2.81
Total fixed costs (yearly)	\$122,309.99
<b>BEQ</b>	<b>2899</b>

### Ramp Up Analysis

When Hope Physical Therapy opens, it will operate at 12.5% the first month and increase by 12.5% a month until full capacity (100%) is reached in 8 months. HPT's "full capacity" still takes into consideration the 10.4% no-show rate and vacation time.

Month	Percentage Operating	UOS This Month	Total UOS
1	0.125	31	31
2	0.250	62	93
3	0.375	93	185
4	0.500	124	309
5	0.625	154	463
6	0.750	185	648
7	0.875	216	865
8	1.000	247	1112
9	1.000	247	1359
10	1.000	247	1606
11	1.000	247	1853
12	1.000	247	2100
13	1.000	247	2347
14	1.000	247	2594
15	1.000	247	2841

16	1.000	247	3088
17	1.000	247	3335
18	1.000	247	3582

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## Company Management and Regulation

### **Regulatory Requirements**

Hope Physical Therapy will draft a Nonprofit Corporate Compliance Plan (CCP) in order to ensure legal transparency, accountability and organization. This CCP will include documentation policies, conflict of interest policies, code of conduct policies and a formal checklist of forms that must be submitted to the IRS to maintain compliance. Cameron Hummel will head the CCP and other regulatory requirements. Strict adherence to this CCP will be paramount to keep HPT operating smoothly.

HPT will be legally and ethically accountable to privacy and practice laws outlined by HIPAA, OSHA, and the North Carolina Physical Therapy Practice Act and Board Rules. All documentation will abide by the Federal False Claims Act and will be stored in accordance with HIPAA regulations in our Electron Medical Records system, Practice Fusion. All owners and employees will abide by the many employment regulations including, but not limited to: the Fair Labor Standards Act, the Americans with Disabilities Act, and the Family and Medical Leave Act.

### **Quality Outcome Assessment Strategies**

Hope Physical Therapy will utilize a variety of techniques to track quality and efficiency of patient outcomes. First, HPT will utilize our EMR, Practice Fusion, to track the number of patient encounters, number of times each patient is seen, cancellations, and the types of conditions most commonly seen. This data will help us understand the types of patients we are seeing and how efficiently we are treating them.

Data-driven functional outcomes measures will be chosen for different conditions and will be utilized to track patient improvement and predict the amount of treatment sessions a patient will most likely need. Most of the functional outcome measures used will be patient-reported measures for the sake of time and convenience. These outcome measures will be available in English and Spanish and will be documented in our EMR.

We will also utilize intake surveys and discharge surveys to get an idea of how the patient discovered HPT, how they describe their experience, and whether they think anything can be improved. This will be important in the starting months so we can refine our outreach strategies and tailor our treatments to the unique patient populations we will be serving.

Finally, we will implement a follow-up phone call with our patients 6-weeks after their last visit with us. These phone calls will be conducted by the physical therapists during their built-in administrative time and will serve to assess quality outcomes and encourage patients to schedule another visit if they are in need of further therapy services.

### **Insurance Needs**

Hope Physical Therapy will maintain general liability and professional liability insurance for all of its physical therapists. HPT will also provide health, life and disability insurance for its employees. Additionally, the Durham Prototype will maintain commercial auto insurance to cover the mobile clinic.

### **Consultant Needs**

Hope Physical Therapy will contract an attorney to help us establish as a 501(c)(3) and ensure we have the starting legal framework to be a successful company. We will utilize this same attorney as needed should any legal issues arise.

Because of our simplistic billing structure and efforts to keep costs low, HPT will not utilize an independent accountant. Instead, HPT will utilize Intuit Quickbooks to manage bills, generate reports, track income and expenses, and track time. Marjorie McCarthy will be primarily responsible for tracking finances and will consult with the financial advisor on our Board of Directors should any issues arise.

### **Information Management**

All of our patient information will be stored and tracked using our Electronic Medical Record service, Practice Fusion. Practice Fusion is a cloud-based, HIPAA compliant

EMR that will allow us to document patient care and track patient schedules all in one place.

Hope Physical Therapy will utilize Intuit Quickbooks Essentials package, which will cost \$17.50 per month. The Essentials Package will allow us to manage bills, track income and expenses, create detailed reports for our Board, and track employee time.

## **Exit Plan**

In the case that Hope Physical Therapy discontinues existence, HPT will sell its equipment and use the funds to hire a temporary executor with power-of-attorney to handle the legal implications of exiting. Any remaining funds will then be donated to the humanitarian organizations in most financial need that Hope Physical Therapy has worked with.

In the case that Marjorie McCarthy or Cam Hummel would like to discontinue the partnership, the remaining owner will conduct interviews for a replacement that will then be approved by the Board of Directors. Operations of Hope Physical Therapy will be suspended as this process takes place to allow the remaining owner full focus on finding a suitable replacement.

In the case that Marjorie McCarthy or Cam Hummel should decease, the remaining owner will decide whether to follow the same process above for discontinuing the company or replacing the deceased partner.

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Thank you for your time reading about our plans with Hope Physical Therapy. We deeply appreciate all the support from our families, donors, and future Board members. See below for ways to communicate with us further.

*Call @ 919-622-9386*

*Email @ [hopephysicaltherapy@gmail.com](mailto:hopephysicaltherapy@gmail.com)*

*Follow us on Instagram @hopephysicaltherapydurham*

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# Resources

## Executive Summary

501(c)(3) start-up info: <https://donorbox.org/nonprofit-blog/how-to-start-a-501c3/>

501(c)(3) legal info: <https://www.501c3.org/how-to-start-a-501c3-nonprofit/>

## Operational Plan

RV: <https://www.usedmobileclinics.com/portfolio/items/405267>

Parking lot picture:

<https://www.google.com/maps/@35.9958619,-78.8892161,3a,75y,10.05h,87.56t/data=!3m6!1e1!3m4!1s7PKrdXIP8ET22zQdgCP1sw!2e0!7i16384!8i8192>

World Relief Durham: <https://worldreliefdurham.org/>

## Marketing Plan

Demographic data:

<https://www.census.gov/search-results.html?searchType=web&cssp=SERP&q=durham%20nc%20population>

<https://www.census.gov/library/publications/2020/demo/p30-07.html>

<https://worldpopulationreview.com/world-cities/durham-population>

<https://datausa.io/profile/geo/durham-nc/#health>

<https://www.newsobserver.com/news/local/article215585505.html>

<https://minorityhealth.hhs.gov/omh/browse.aspx?lvl=3&lvlid=64#:~:text=In%202017%2C%20the%20Census%20Bureau,percent%20for%20non%2DHispanic%20whites.>

Marketing supplies:

<https://www.vistaprint.com/vp/welcomeback.aspx?couponAutoload=1&GP=10%2f09%2f2020+13%3a44%3a43&GPS=5784910719&GNF=1&xnav=welcome&rd=1>

Competition and market research:

[https://www.needymeds.org/medical\\_clinics.taf?\\_function=state&state=NC](https://www.needymeds.org/medical_clinics.taf?_function=state&state=NC)

[https://www.freeclinics.com/det/nc\\_Lincoln\\_Community\\_Health\\_Cente](https://www.freeclinics.com/det/nc_Lincoln_Community_Health_Cente)

## Financial Plan

SBA loan rate - <https://www.nerdwallet.com/article/small-business/sba-loan-rates>

## Grants

A.J. Fletcher Foundation - <https://ajf.org/>

Aetna Cultivating Healthy Communities (CHC) -

<https://www.aetna-foundation.org/grants-partnerships/recent-grants.html>

Foundation for the Carolinas - <https://fftcgrants.communityforce.com/Funds/Search.aspx>

Duke Endowment Healthcare Grant -

<https://www.dukeendowment.org/health-care-apply-for-a-grant>

Robert Wood Johnson Foundation -

<https://www.rwjf.org/content/rwjf/en/library/funding-opportunities/2020/2021-culture-of-health-prize.html>

Health Resources and Services Administration SAC Funding -

file:///C:/Users/primm/AppData/Local/Temp/BPHC%20HRSA-21-002%20(H80)SAC\_Final.pdf

### Capital Costs

RV (used) - <https://www.usedmobileclinics.com/portfolio/items/405267>

Treatment tables (2) -

<https://www.rehabmart.com/product/hausmann-quality-line-treatment-table-4041-series-12091.html>

Rolling stools (2) -

[https://www.wayfair.com/Symple-Stuff--Haldeman-Height-Adjustable-Active-Stool-X112329176-L42-K~W001218065.html?refid=GX444303996603-W001218065&device=c&ptid=641617118056&network=g&targetid=pla-641617118056&channel=GooglePLA&ireid=60517029&fdid=1817&gclid=Cj0KCQjwk8b7BRCaARIsAARRTL42E3JhtdJqAefqVEoUqsUJBC6e8CkO\\_P4Jz35Ral19sJInmKZ\\_F-MaAjjREALw\\_wcB](https://www.wayfair.com/Symple-Stuff--Haldeman-Height-Adjustable-Active-Stool-X112329176-L42-K~W001218065.html?refid=GX444303996603-W001218065&device=c&ptid=641617118056&network=g&targetid=pla-641617118056&channel=GooglePLA&ireid=60517029&fdid=1817&gclid=Cj0KCQjwk8b7BRCaARIsAARRTL42E3JhtdJqAefqVEoUqsUJBC6e8CkO_P4Jz35Ral19sJInmKZ_F-MaAjjREALw_wcB)

Hydrocollator (used) -

<http://www.medused.com/ProductDesc.aspx?code=70649&type=0&eq=&key=it&desc=ChattanoogaE2Hydrocollator>

E-stim unit -

[https://www.tenspros.com/twin-stim-2nd-edition-tens-ems-ds2202.html?gclid=CjwKCAjwq\\_D7BRADEiwAVMDdHIO7zkXMmofpRg76U\\_RqaBbEHkV4m\\_OTnzcAIAZjXj7SbFa-eQS4cBoCA50QAvD\\_BwE](https://www.tenspros.com/twin-stim-2nd-edition-tens-ems-ds2202.html?gclid=CjwKCAjwq_D7BRADEiwAVMDdHIO7zkXMmofpRg76U_RqaBbEHkV4m_OTnzcAIAZjXj7SbFa-eQS4cBoCA50QAvD_BwE)

IASTM -

[https://www.amazon.com/Stainless-Steel-Scraping-Massage-Tool/dp/B07T42T7X7/ref=sr\\_1\\_3?dchild=1&keywords=iastm&qid=1601341750&sr=8-3](https://www.amazon.com/Stainless-Steel-Scraping-Massage-Tool/dp/B07T42T7X7/ref=sr_1_3?dchild=1&keywords=iastm&qid=1601341750&sr=8-3)

Computers (2) (chromebooks) -

[https://www.amazon.com/BalanceFrom-50-Pound-All-Purpose-Dumbbell-Weight/dp/B07Y52WTYP/ref=sr\\_1\\_3?dchild=1&keywords=Dumbbell%2BSet%2Bwith%2BRack&qid=1601342942&sr=8-3&th=1](https://www.amazon.com/BalanceFrom-50-Pound-All-Purpose-Dumbbell-Weight/dp/B07Y52WTYP/ref=sr_1_3?dchild=1&keywords=Dumbbell%2BSet%2Bwith%2BRack&qid=1601342942&sr=8-3&th=1)

Desk -

[https://www.wayfair.com/Winston-Porter--Moyle-Desk-UOGJ2306-L32-K~W001323550.html?refid=GX444304079481-W001323550&device=c&ptid=925657765354&network=g&targetid=pla-925657765354&channel=GooglePLA&ireid=103038790&fdid=1817&PiID%5B%5D=649971338&gclid=Cj0KCQjwtsv7BRCmARIsANu-CQdpu49i1NaVMx48DQFqr7UjX7WGPWECUqyl8SjfW27rCno\\_E\\_s4xVUaAt8eEALw\\_wcB](https://www.wayfair.com/Winston-Porter--Moyle-Desk-UOGJ2306-L32-K~W001323550.html?refid=GX444304079481-W001323550&device=c&ptid=925657765354&network=g&targetid=pla-925657765354&channel=GooglePLA&ireid=103038790&fdid=1817&PiID%5B%5D=649971338&gclid=Cj0KCQjwtsv7BRCmARIsANu-CQdpu49i1NaVMx48DQFqr7UjX7WGPWECUqyl8SjfW27rCno_E_s4xVUaAt8eEALw_wcB)

Printer -

[https://www.bestbuy.com/site/hp-deskjet-3755-wireless-all-in-one-instant-ink-ready-inkjet-printer-stone/5234375.p?skuld=5234375&ref=212&loc=1&extStoreId=147&ref=212&loc=1&ds\\_rl=126](https://www.bestbuy.com/site/hp-deskjet-3755-wireless-all-in-one-instant-ink-ready-inkjet-printer-stone/5234375.p?skuld=5234375&ref=212&loc=1&extStoreId=147&ref=212&loc=1&ds_rl=126)

[2656&gclid=Cj0KCQjwk8b7BRCaARIsAARRTL6reCBeoFEjvNvr88kblg5zz44RhHE5kROMUKP5kcrBGV4jLx2WRMkaAkJUEALw\\_wcB&gclsrc=aw.ds](https://www.amazon.com/BalanceFrom-50-Pound-All-Purpose-Dumbbell-Weight/dp/B07Y52WTYP/ref=sr_1_3?dchild=1&keywords=Dumbbell%2BSet%2Bwith%2BRack&qid=1601342942&sr=8-3&th=1)

Basic dumbbells -

[https://www.amazon.com/BalanceFrom-50-Pound-All-Purpose-Dumbbell-Weight/dp/B07Y52WTYP/ref=sr\\_1\\_3?dchild=1&keywords=Dumbbell%2BSet%2Bwith%2BRack&qid=1601342942&sr=8-3&th=1](https://www.amazon.com/BalanceFrom-50-Pound-All-Purpose-Dumbbell-Weight/dp/B07Y52WTYP/ref=sr_1_3?dchild=1&keywords=Dumbbell%2BSet%2Bwith%2BRack&qid=1601342942&sr=8-3&th=1)

Medicine balls -

[https://www.alimed.com/rubber-medicine-balls.html?pid=147705&gclid=Cj0KCQjwk8b7BRCaARIsAARRTL6xueEzSsuWNNNR9k80XJrGOnKxC-rocTKHf\\_WUb9hb0Mvo9IW5DecaAs2IEALw\\_wcB](https://www.alimed.com/rubber-medicine-balls.html?pid=147705&gclid=Cj0KCQjwk8b7BRCaARIsAARRTL6xueEzSsuWNNNR9k80XJrGOnKxC-rocTKHf_WUb9hb0Mvo9IW5DecaAs2IEALw_wcB)

Airex pad (2) -

[https://www.amazon.com/ProsourceFit-Exercise-Balance-Pad-Cushioned/dp/B07664K1CW/ref=asc\\_df\\_B07664K1CW/?tag=hyprod-20&linkCode=df0&hvadid=216844664045&hvpos=&hvnetw=g&hvrnd=10315356408933757450&hvpone=&hvptwo=&hvmqmt=&hvdev=c&hvdvcmdl=&hvlocint=&hvlocphy=1021047&hvtargid=pla-379027808770&psc=1](https://www.amazon.com/ProsourceFit-Exercise-Balance-Pad-Cushioned/dp/B07664K1CW/ref=asc_df_B07664K1CW/?tag=hyprod-20&linkCode=df0&hvadid=216844664045&hvpos=&hvnetw=g&hvrnd=10315356408933757450&hvpone=&hvptwo=&hvmqmt=&hvdev=c&hvdvcmdl=&hvlocint=&hvlocphy=1021047&hvtargid=pla-379027808770&psc=1)

Stability discs -

[https://www.precorhomefitness.com/products/33cm-balance-cushion-stability-disc?variant=19667817627736&matchtype=&network=g&device=c&adposition=&keyword=&campaign=1581562070&adgroup=pla-978972170314&gclid=Cj0KCQjwk8b7BRCaARIsAARRTL6gLdQTPc5nf4vRjJF5wVaPWlqg53yuJOdWiLHV3plijl7VQNiem00aAvRVEALw\\_wcB](https://www.precorhomefitness.com/products/33cm-balance-cushion-stability-disc?variant=19667817627736&matchtype=&network=g&device=c&adposition=&keyword=&campaign=1581562070&adgroup=pla-978972170314&gclid=Cj0KCQjwk8b7BRCaARIsAARRTL6gLdQTPc5nf4vRjJF5wVaPWlqg53yuJOdWiLHV3plijl7VQNiem00aAvRVEALw_wcB)

Physioball - <https://www.alimed.com/thera-band-exercise-balls.html>

Nested foot stools -

[https://www.google.com/shopping/product/1415652735317024275?q=nested+rehab+foot+stool&safe=strict&sxsrf=ALeKk00XZiyXk6Hgt5AQaBGeXYEtRrV-sg:1601417820025&biw=961&bih=643&prds=epd:11237243157323577288.pmr:3&sa=X&ved=0ahUKEwjoh\\_uuso\\_sAhUIZjUKHbCtDDcQ8wIlygQ](https://www.google.com/shopping/product/1415652735317024275?q=nested+rehab+foot+stool&safe=strict&sxsrf=ALeKk00XZiyXk6Hgt5AQaBGeXYEtRrV-sg:1601417820025&biw=961&bih=643&prds=epd:11237243157323577288.pmr:3&sa=X&ved=0ahUKEwjoh_uuso_sAhUIZjUKHbCtDDcQ8wIlygQ)

Ankle weights -

[https://www.tigermedical.com/Products/Hugger-Gold-Line-Wrist-and-Ankle-Weights\\_\\_HAU5588\\_\\_HAU5580-05-.aspx?invsr=adwords\\_tm&gclid=Cj0KCQjwtsv7BRCmARIsANu-CQeOMPcAJFLtzx96LATdkG1POqLVvtc1vIvWObE9Zt0AhYvwts8lQlaAjxoEALw\\_wcB](https://www.tigermedical.com/Products/Hugger-Gold-Line-Wrist-and-Ankle-Weights__HAU5588__HAU5580-05-.aspx?invsr=adwords_tm&gclid=Cj0KCQjwtsv7BRCmARIsANu-CQeOMPcAJFLtzx96LATdkG1POqLVvtc1vIvWObE9Zt0AhYvwts8lQlaAjxoEALw_wcB)

Attorney - (\$150/hour, for 20 hours) <https://www.upcounsel.com/small-business-lawyer-cost>

### **Operational Costs (Fixed)**

Health, life, disability, retirement cost - 705 textbook

FICA cost - <https://www.nerdwallet.com/blog/taxes/fica-tax-withholding/>

General liability insurance - (\$50/mo from SimplyBusiness)

<https://www.hiscox.com/small-business-insurance/general-liability-insurance/general-liability-insurance-cost>

Professional liability - (\$26/mo)

[https://www.simplybusiness.com/welcome/liability-insurance/?&mkt\\_medium=ppc&mkt\\_source=adwords&mkt\\_campaign=mvp&mkt\\_content=9833106883&gclid=Cj0KCQjwk8b7BRCaARIsAARRTL5wACug-iHcB\\_JxPovsBZV1GhBTVMQ2aE7CNlqk23SQ25sg1QfLC-QaAn46EALw\\_wcB&gclsrc=aw.ds](https://www.simplybusiness.com/welcome/liability-insurance/?&mkt_medium=ppc&mkt_source=adwords&mkt_campaign=mvp&mkt_content=9833106883&gclid=Cj0KCQjwk8b7BRCaARIsAARRTL5wACug-iHcB_JxPovsBZV1GhBTVMQ2aE7CNlqk23SQ25sg1QfLC-QaAn46EALw_wcB&gclsrc=aw.ds)

Comercial auto insurance -

<https://www.insureon.com/small-business-insurance/commercial-auto/cost>

SBA loan rate - <https://www.nerdwallet.com/article/small-business/sba-loan-rates>

Loan calculator - <https://www.sba7a.loans/sba-7a-loan-calculator-amortization-schedule>

Internet - <https://thedyrt.com/magazine/lifestyle/rv-wifi-traveling/>

Practice Fusion pricing - <https://www.practicefusion.com/pricing/>

### **Operational Costs (Variable)**

Theraband cost-

[https://www.amazon.com/TheraBand-Professional-Non-Latex-Resistance-Intermediate/dp/B000AXL05G/ref=asc\\_df\\_B000AXL05G/?tag=hyprod-20&linkCode=df0&hvadid=198076111901&hvpos=&hvnetw=g&hvrnd=6562591980415587293&hvpon=&hvptwo=&hvqmt=&hvdev=c&hvdvcmdl=&hvlocint=&hvlocphy=9009748&hvtargid=pla-349041890382&psc=1](https://www.amazon.com/TheraBand-Professional-Non-Latex-Resistance-Intermediate/dp/B000AXL05G/ref=asc_df_B000AXL05G/?tag=hyprod-20&linkCode=df0&hvadid=198076111901&hvpos=&hvnetw=g&hvrnd=6562591980415587293&hvpon=&hvptwo=&hvqmt=&hvdev=c&hvdvcmdl=&hvlocint=&hvlocphy=9009748&hvtargid=pla-349041890382&psc=1)

Printer paper cost-

[https://www.amazon.com/s?k=printer+paper&crd=3OXICY0VOSAV5&srefix=printer+paper%2Csporting%2C186&ref=nb\\_sb\\_ss\\_c\\_2\\_13](https://www.amazon.com/s?k=printer+paper&crd=3OXICY0VOSAV5&srefix=printer+paper%2Csporting%2C186&ref=nb_sb_ss_c_2_13)

Fuel cost- (mileage 10miles/gallon; generator gas consumption =1 gallon/hr while parked; parked time is 44 hours a week for 49 weeks; assuming \$1.86 gas price)

<https://tynan.com/living-in-a-small-rv-electricity>

Cleaning cost-

<https://budgeting.thenest.com/much-money-average-family-spend-cleaning-products-year-23539.html>

### **Other**

Nonprofit Corporate Compliance Plan -

<https://www.boardeffect.com/blog/should-nonprofits-have-legal-compliance-department/>

No show rate -

<https://digitalscholarship.unlv.edu/cgi/viewcontent.cgi?article=3324&context=thesedissertations>

Practice Fusion: <https://www.practicefusion.com/pricing/>

Intuit Quickbooks: <https://quickbooks.intuit.com/online/essentials/>