



Bounce Back Sports Physical Therapy, LLC

Business Plan

1629 N Market Drive

Raleigh, NC 27609

(910) 892-1956

admin@BBSportsPT

Courtney Snyder, PT, DPT

Board-Certified Sports Clinical Specialist

Certified Strength and Conditioning Specialist

Ashlyn Warren, PT, DPT

Board-Certified Sports Clinical Specialist

Certified Strength and Conditioning Specialist

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Executive Summary

Business Partners

Bounce Back Sports Physical Therapy, LLC was founded in 2021 by business partners Ashlyn Warren, DPT, and Courtney Snyder, DPT. Ashlyn and Courtney graduated from the DPT program at UNC-CH together and have maintained a positive professional relationship built on mutual respect and collaboration. They founded this company because they saw a need for a physical therapist-owned, insurance-based sports PT clinic specialized in rehabilitating high-level athletes in the Triangle area. Ashlyn and Courtney are Board-Certified Clinical Specialists in Sports Physical Therapy with special interests in pediatric rehabilitation. Both partners are also Certified Strength and Conditioning Specialists. They are also experienced in working with pediatric athletic populations through their extensive training and clinical experience over the past 10 years. This partnership has come together to serve the Triangle area and to create a physical therapy clinic specializing in sports rehabilitation with a focus on pediatrics.

Objectives

Our main objective is to open and operate an outpatient physical therapy clinic in Raleigh, NC, which provides specialized rehabilitative care for athletes of all ages in the Triangle area. Our practice is targeted towards pediatric and sports populations, providing examinations and treatments using evidence-based practice. We strive to promote the health and well-being of those in the community who participate in sports, recreational physical activities, and fitness. It is our goal to walk alongside our clients throughout their recovery and serve as a resource for preventing injury and enhancing performance. We aim to serve our clients throughout the continuum of their athletic careers.

Mission Statement

To provide high quality, individualized, and engaging physical therapy services to children, young adults, and older athletes. Our goal is to promote injury prevention, encourage optimal recovery after orthopedic injury, and facilitate safe return to sport. It is our mission here at Bounce Back Sports PT to supply our clients with the tools necessary to achieve peak physical performance and get back in the game quickly and successfully. We are committed to helping our clients reach their goals through high level clinical care.

Vision Statement

To provide our clients with leading outcomes in injury recovery and prevention. We strive to empower our clients to lead an active and healthy lifestyle in the community. It is our goal to be an inclusive resource and service provider to those in the Triangle area for all physical therapy needs in the athletic and fitness arenas.

Description of Services

Bounce Back Sports Physical Therapy will provide comprehensive rehabilitative services for musculoskeletal conditions, including physical therapy examination and treatment tailored to each client's needs.

- Skilled exercise training
- Manual therapy
- Soft tissue mobilization
- Modalities for pain relief and acute inflammation
- Patient education
- Home exercise programs
- Concussion recovery
- Conditioning and strength training

We will provide unique wellness services and sports-specific training.

- **Injury prevention evaluation** - screening for weakness, imbalance, and poor mechanics. Includes sport specific evaluations such as baseball pitch, golf swing, and running gait analysis.
- **Injury prevention follow-up visit** - focuses on correcting mechanics to decrease joint load, muscle overuse, and injury. Targeted strength and conditioning exercises will be performed and training strategies and recovery protocols will be discussed.
- **Group exercise training** - full body workouts that focus on fundamentals and incorporate functional movements, strength building, and conditioning offered by our on-site personal trainer.
- **After practice recovery** - athletes can come into our clinic after their practices to receive modalities such as heat, ice, e-stim, game ready, and theragun. We also offer pre-practice taping.

We will offer physical therapy products for sale, such as therabands, ice packs, heat packs, and foam rollers.

Keys to Success

The success of this clinic is dependent on maintaining a focus on company values and providing quality patient care. We believe that our convenient clinic location, upbeat atmosphere, and marketing efforts will attract patients to our clinic, but our dedication to patient care will keep them coming back and referring loved ones. Additionally, our clinic's focus on community outreach and partnerships will bring attention to our clinic and attract new clients. From a financial standpoint, we will deem this business successful if we are operating at 100% productivity and break even within the first year of operating. To ensure the future success and growth of the clinic, we would like to hire a physical therapist assistant and physical therapy technician in addition to expanding personal training hours and services within the first three years of operating.

SWOT Analysis

Strengths

We believe our clinical practice has many strengths that can help us be successful and reach our goals within our business. We are specialized in outpatient sports PT with a focus on the pediatric population and this is a unique niche that can directly reach our target population of young athletes and mark us as a resource for our clients. We will provide additional services that set us apart from an ordinary physical therapy clinic. This includes injury prevention and performance analysis. For example, we plan to evaluate running gait, baseball pitch, and lifting mechanics for our clients. We will also hold group training sessions to work on conditioning twice a week, offered by our contracted personal trainer. Another extra service we provide is after practice recovery, where athletes can come in to receive ice/heat, ice bath, e-stim, thera-gun, and game ready. We have expanded evening hours throughout the week and will be open on Saturday mornings to accommodate school and work schedules for our clients. Regular high school hours for Wake County are 7:25-2:18 and we will be open until 6pm on weekdays.¹ Our clinic will have excellent equipment to support our patients in their recovery and training. We will have a hand-held dynamometer which is highly supported by evidence to measure strength accurately for return to sport. Also, we prioritize one-on-one quality care by scheduling one client for an appointment block of 45 minutes. Additionally, we believe it is essential for our clients to see the same physical therapist for each appointment to promote continuity of care. Accessibility is important to us and our clinic is conveniently located within the North Hills shopping center in Raleigh. Direct access for physical therapy in NC will allow clients to come directly to us for their physical therapy needs and our strong marketing plan based on outreach will connect our practice with schools and the community.

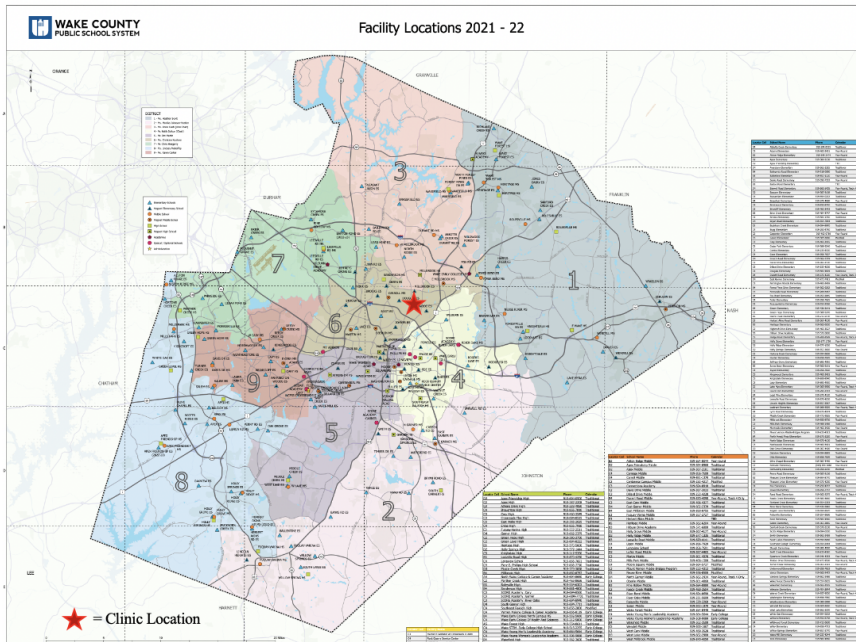
Weaknesses

There are some weaknesses within our clinical practice that may challenge the success of our business. Transportation may be a barrier for our younger athletes without drivers licenses to make their physical therapy appointments. Our target population includes people in school and work, so we would expect our hours of operation during the day to be slower with fewer clients available for appointments. Our clinic will only have two physical therapists, so this may make it difficult to work overtime to accommodate our clients by providing extended hours. We have limited financial resources as a start-up business and our newness to the market will pose an initial challenge of generating a substantial client base. We will not provide health insurance for our employees, so this is another down-side that may affect our employees. Additionally, while we do provide services for general orthopedic clients, our over-specialization in sports and pediatrics may limit the types of clients we attract.

Opportunities

We have strategically decided to open our physical therapy clinic in Raleigh, NC due to the wide range of opportunities available. There is a large population of individuals in Raleigh and the surrounding Wake County and Triangle areas that can benefit from our services. According to our research, there is a high density population in Raleigh with 2,826.3 people/square mile.² There are 161,800 children enrolled in

K-12 in Wake County.³ There are 31 public high schools in Wake County, which comprise 51,310 high school students.⁴ Based on this statistic and CDC data that reports 57% of high schoolers participate in sports each year, there are about 29,247 student-athletes in Wake County high schools.⁵ This is an excellent population base that we can target for our physical therapy sports practice.



The clinic is centrally located in Wake County and is surrounded by a hub of middle and high schools, as can be seen in the photo to the left.

<https://www.wcpss.net/domain/100>

There is also a prominent culture of sports and physical activity in the Triangle area. There are 18 sports offered in Wake County Schools. Our clinic in Raleigh is located near the USA Baseball National Training Complex as well as other major sports influences in the area, such as UNC, Duke, NC State, Carolina Hurricanes, and Durham Bulls. Raleigh has many youth and adults sports leagues and multiple crossfit gyms (CrossFit RDU, DFX Crossfit, CrossFit RTP, CrossFit Invoke, etc).^{6,7,8} We believe these influences are motivating for many residents in Raleigh to live active lifestyles and participate in sports, which will support our client base and outreach. Raleigh is a major city and close to other cities in Wake County and the Triangle area (Durham, Chapel Hill, Apex, Cary), so we would hope to reach many individuals. Raleigh has many public transportation options that can help our clients reach our clinic, including GoRaleigh bus system, Capital Area Transit (CAT), Accessible Raleigh Transportation (ART).⁹ Another consideration is our clinic's close proximity to WakeMed Children's Hospital, UNC Rex, and Duke Raleigh which can help our clinic bring in more clients following procedures. Many Raleigh residents are well educated as 53% of the population has at least a Bachelor's Degree, which will lead more individuals to seek out healthcare and physical therapy services as needed.¹⁰ A good portion of the population fits our target age demographic (22% are 10-24 years old for the young athletes, 33% are 25-44 years old for mid-range, 13% are 45-54 years old for older).¹¹ Many individuals also have economic resources to access physical therapy because the median income is \$67,266 in Raleigh (2019) and disposable income after income, federal, and FICA taxes is \$51,293.^{12,13,14,15} The main payers in NC (2019) are 46.3% Employer-sponsored, 15.3% Medicare, 17.9% Medicaid, 6.7% Nongroup, 2.4% Military, 11.4% Uninsured.¹⁶ We would expect a majority of our clients to have private insurance, which

matches this distribution. We would also expect to have children covered under Medicaid come to our practice for physical therapy services, considering that 216% of children in NC are eligible for Medicaid.¹⁷ Also, 32.6% students receive free and reduced-priced lunch in Wake County and there is a 3.7% unemployment rate.^{18,19} Table 1 demonstrates the demographics of the population around our clinic, which supports our prediction that we will have many potential clients that can afford physical therapy services.

Table 1. Demographics Surrounding Clinic Location:²⁰

	1 mile	3 miles	5 miles
Population	12,303	93,626	239,179
Average Household Income	\$68,939	\$83,532	\$92,444
Households	4,802	39,765	102,269
Daytime Population	14,559	80,359	201,639

Threats

Our physical therapy practice will mostly be threatened by our competition in the surrounding area. Other pediatric PT clinics in Wake County include Pediatric Therapy Associates, BreakThrough Physical Therapy Pediatrics, Duke Pediatric Physical Therapy and Occupational Therapy Creekstone, and Emerge Pediatric Therapy. There are also other sports PT clinics, such as Prue PT, Sports & More PT, Optimum Rehab and Sports Training, Synergy Sports Rehab and PT, and Raleigh Orthopaedic Performance Center. Additionally, the local hospital systems may refer within their own PT clinics, such as WakeMed, Duke, and UNCRex.

Operations

Organizational and Legal Structure

Our organizational structure will be as follows. Ashlyn Warren, DPT will be Chief Financial Officer. Her responsibilities will include marketing, public relations, advertising, and overseeing the financial aspects of the business. Courtney Snyder, DPT will be Chief Operations Officer. Her responsibilities will include ensuring day to day procedures in the clinic are completed efficiently and overseeing scheduling and delegation of duties to support staff. The duties of the Chief Executive Officer will be shared between Ashlyn and Courtney as outlined in the Operating Agreement. The office manager will support financial management and clinical duties. Courtney will directly supervise the office manager. Ashlyn and Courtney will share business decisions and have monthly team meetings to check on the status of the

business and discuss any important business matters. Staff will answer to Ashlyn regarding financial matters and to Courtney regarding operational matters.

The legal structure of Bounce Back Sports Physical Therapy will be a limited liability company (LLC). We plan to establish our LLC by having our attorney file an Articles of Organization with the Secretary of State. We have created a Draft Operating Agreement, which includes ownership percentages, voting rights, and a buy-sell agreement. Courtney Snyder and Ashlyn Warren are each 50% shareholders. Our Articles of Organization may be available for review upon request.

Consultant Needs

We will utilize an accountant to be consulted during tax season and throughout the year as needed for check-ups on our finances. We would expect to need the accountant for 20 hours over the first year. We also plan to consult with an attorney for 5 hours during the initial business planning process and to establish the Shareholders Agreement.

Description of Organizational Culture and Values

Bounce Back Sports Physical Therapy is passionate about providing one-on-one services with personalized and specialized care tailored to meet each patient's needs. Our clinic seeks to embody an environment of integrity, respect, compassion, and dedication which will be evident in the way we treat our patients. Our providers value collaboration, achievement, and resilience and have demonstrated a history of volunteerism and service to their communities.

Personnel Requirements

At start-up, the clinic will consist of three full-time staff: two physical therapists and an office manager. Additionally, there will be a part-time personal trainer working two nights a week for one-hour group exercise sessions.

Job Descriptions for Key Participants

Physical Therapists (2)

- Manage and oversee the business
- Consult with clients to review their medical history, symptoms, and needs
- Conduct comprehensive musculoskeletal examinations
- Diagnose clients and create personalized treatment plans
- Educate clients on therapeutic exercises and techniques to support their recovery
- Maintain client records and evaluate ongoing progress through documentation procedures
- Implement and adjust patient treatment plans as needed
- Communicate with clients, caregivers, and their families regarding the client's progress
- Create a clean and safe environment for clients

Office Manager

- Carry out front desk duties by checking in clients, maintaining the schedule, answering the phone, and dealing with insurance and payments
- Undertake administrative tasks to provide adequate support of the staff to work efficiently
- Coordinate office activities and ensure compliance to company policies
- Support budgeting and bookkeeping procedures
- Create and update records and databases with personnel, financial and other data
- Provide customer service
- Assist physical therapists with patient exercises and modalities as needed
- Assist with cleaning the clinic as needed

Personal Trainer (contracted)

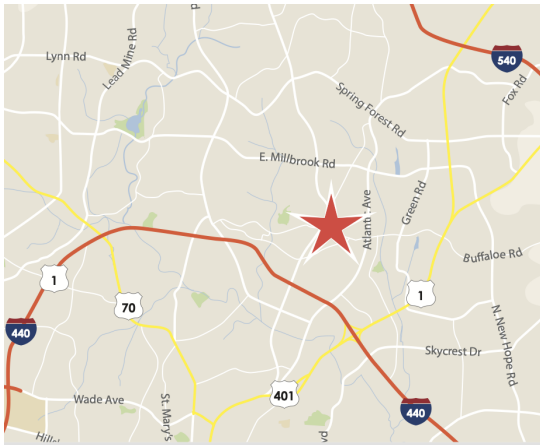
- Conduct group conditioning workouts for our clients on two evenings throughout the week
- Help out with providing additional wellness services as needed

Geographic Location

1629 N Market Drive, Raleigh NC 27609
1,550 SF priced at \$20/SF/yr

Located in a first floor suite of North Market Square, which is a shopping center located in the North Hills neighborhood of Raleigh (Midtown-North Raleigh area). This shopping center is located right off of 4500 Old Wake Forest Road with traffic counts exceeding 40,000 CPD.²¹

This business space will allow us to have a waiting area, front desk, gym, one treatment room, bathroom, break room, and laundry room.



Hours of Operation

Monday-Friday: 8am-6pm, which will include both PT's in the clinic.

Saturday: 8am-12pm, which will include one PT in the clinic. Courtney and Ashlyn will alternate Saturday shifts every other week.

Tuesday and Thursday evenings: 6pm-7pm, for group fitness training provided by the personal trainer.

Quality Outcomes Assessment Strategy

All of our clients will be given a satisfaction survey at the time of discharge or end of care. We will use the results of this survey to evaluate how we are meeting our clients' expectations and identify areas of improvement as a clinical practice. We will gather this information and compile a report at the end of each month. Additionally, we will collect patient outcome measures and use the results to assess the effectiveness of our interventions. We also plan to collect data on other areas of compliance and quality improvement information. This will include information on in-services, chart reviews, deficient areas and correction plans. Our performance improvement activity will address the efficiency, effectiveness, and satisfaction of our business.

Information Management Needs

We will use WebPT Lite as our electronic medical record and clinical documentation. We will use QuickBooks Plus for our accounting software. We will track our financials with expenses and revenues with monthly and yearly comparisons. We will also use our records to keep track of personnel information, such as number of patients seen, charges, and benefits. Patient information will also be tracked, such as diagnoses, number of visits, outcome measures, referral sources, and insurance carriers.

Regulatory Requirements

The office manager will be responsible for compliance of regulatory requirements. For any questions, the office manager can refer to Ashlyn or Courtney. We will ensure the office manager receives specialized training in the understanding and enforcement of these policies. Our practice will also have quarterly meetings for our staff to refresh on regulatory requirements, where we will address any discrepancies and concerns to make sure we are following the proper guidelines as a physical therapy clinic. All regulations will be documented in our business records. The following regulatory requirements will be accounted for:

- Employment Regulation
 - Fair Labor Standards Act
 - Consumer Credit Protection Act
 - Family Medical Leave Act
 - Americans with Disabilities Act
- Financial Management
 - Sarbanes-Oxley Act of 2002
- Environmental Regulation
 - EPCRA - Title III of SARA
- Food and Drug Administration
 - Food Allergy Labeling and Consumer Protection Act
- Health Care Regulation
 - Bipartisan Budget Act of 2018
 - HIPAA
 - STARK
 - Anti-Kickback Statute
 - Federal False Claims Act

Insurance Needs

We will utilize general liability insurance to protect ourselves and our business against patient injuries and property damage, along with advertising injuries. Additionally, we plan to purchase professional liability insurance to protect our business from financial risks of professional mistakes.

Market Analysis and Identity

Market Analysis and Marketing Strategy

Our target market consists of individuals participating in sports and fitness in Wake County and the Triangle area. Our focus is primarily on youth athletes in middle and high school, but we will provide services for athletes across the lifespan. The target market is well established in Raleigh, with many athletic leagues and schools in the area. Additionally, the area surrounding our clinic is highly populated and a large portion of the population is 10-44 years old.

Our marketing strategy will consist of a mixture of networking, print media, social media, community outreach and partnerships, and a heavy online presence via Google and our website. We are expecting many of our patients to come in via direct access from our social media/online marketing, community outreach/partnership efforts, and word-of-mouth. Our strategic marketing efforts are detailed below.

Networking

- We will utilize sites like the APTA and LinkedIn to meet with other professionals in physical therapy and related professions.
- Our therapists will become members of the Raleigh Chamber of Commerce to meet other professionals in the Raleigh area. By becoming members of the chamber, we will be listed in the new member section and our business will be a part of the website directory, which will list our logo, company description, and social media links.
- We will also send our business card and a professional letter to primary care physicians, pediatricians, and orthopedic surgeons who work for smaller or independently-owned practices within a 15-mile radius. In these letters, we will be detailing our business, services, and expertise as well as including our personal contact information to schedule a meeting to discuss a potential partnership.
- Our therapists will also attend the North Carolina Orthopedic Association Annual Conference to network with MDs, surgeons, PTs, and other professionals working in the orthopedic setting.

Social Media

- Given our primary demographic, social media is a pivotal aspect of our marketing efforts. Our primary social media advertisements will be focused on Facebook and Instagram, though we will also maintain a presence on Twitter. We will be utilizing paid advertisements on these platforms and our social media pages will also highlight photos, service descriptions, patient testimonials, and informational videos.

Community Outreach/Partnerships

- Our community outreach efforts consist of partnering with the athletic departments of Wake County middle and high schools, where we will maintain a working relationship with the athletic directors and athletic trainers at these schools. We will maintain an active presence in the school system by volunteering as guest lecturers for health education classes and providing concussion education training to student-athletes and parents prior to the start of each athletic season.
- Our staff will also volunteer at local races and athletic competitions and set up a booth displaying our banner.

Print Media

- We are printing 500 flyers, 500 business cards and a 6ft banner to aid in marketing our services. The business cards will go to local physicians and orthopedic surgeons. The flyers will go to athletic directors and be handed out at volunteer events such as concussion education trainings, local races, and athletic competitions. The banner will also be displayed at volunteer booths at these athletic events.

Online Presence

- Our website will be designed by Ashlyn and Courtney who have experience in working on website design for non-profit organizations. They will design a website targeted at young athletes, which will detail who we are and what we do. The website will also feature patient testimonials, videos, and a blog with research-based exercises and treatments.
- We will create a Google business profile that embodies our company image and update it regularly. This will provide our business greater visibility by showing up on Google Search and Maps. This profile will include essential information such as our phone number, address, and hours of operation. Our profile will also include answers to frequently asked questions and information about events and offers. Additionally, we will post photos of our business, logo, and services. We will also be looking at Google reviews weekly and posting responses to each reviewer.

Budget and Competition

- For more information about our marketing budget and competition, see our operational budget and SWOT analysis.

Ongoing monitoring

- To monitor the success of our marketing efforts, we will be frequently reviewing referral sources, patient satisfaction surveys, and online reviews.

Financials

Personal Capital and Contribution

We will not contribute personal funds toward the estimated start-up costs of our business. Courtney and Ashlyn are both bringing in some of their personal equipment that they received in their PT Kit from UNC, such as reflex hammers, gait belts, and stethoscopes. Both partners have each saved up \$10,000 in an emergency fund in case there are any unforeseen circumstances.

Capital Budget

We would expect to spend \$39,488.66 for our one-time big expenses when starting our business. For further details of our capital budget with planned expenses and references, please see the Capital Budget Spreadsheet.

Table 2. Capital Expenses

Capital Expenses	Cost
Rehab Equipment	\$32,747.63
Cleaning Supplies	\$1,403.94
Office Supplies	\$5,137.09
Other	\$200.00
Total	\$39,488.66

Operational Budget

We have outlined our 1 year organization plan that includes the operating revenues and expenses of our physical therapy practice. For further details of our operational budget with references, please see the Operational Budget Spreadsheet.

Table 3. Revenue

Revenue	Units Per Year	Unit Price	Total Revenue (per year)
PT Traditional Services	4,037	\$64.45	\$260,184.65
PT Wellness Services	713	\$100.00	\$71,300.00
Personal Trainer Group Exercise	104	\$150.00	\$15,600.00
Therabands	20	\$225.00	\$4,500.00
Ice/Heat Packs	20	\$15.00	\$300.00
Foam Rollers	20	\$8.00	\$160.00
Total			\$352,044.65

Table 4. Operating Expenses

Operating Expenses	Amount (per month)	Amount (per year)
Salaries and Wages (fixed)	\$13,673.33	\$164,080.00
Payroll Taxes (fixed)	\$1,046.01	\$12,552.12
Cleaning Supplies (variable)	\$63.14	\$757.68
Office Supplies (variable)	\$224.63	\$2,695.59
Therapeutic Supplies (variable)	\$28.83	\$346.00
Products for Sale (variable)	\$235.13	\$2,821.60
Rent and Utilities (fixed)	\$2,777.26	\$33,327.12

Benefits (fixed)	\$87.08	\$1,045.00
Insurance (fixed)	\$94.00	\$1,128.00
Miscellaneous (variable)	\$16.67	\$200.00
Software (fixed)	\$154.50	\$1,854.00
Marketing (variable)	\$386.08	\$4,632.99
Accounting and Legal (variable)	\$173.75	\$2,085.00
Professional fees and licensure (fixed)	\$179.17	\$2,150.00
Total Expenses (without loan repayment)	\$19,139.59	\$229,675.10
Loan Repayment (fixed)	\$917.08	\$11,004.96
Total Expenses (with loan repayment)	\$20,056.67	\$240,680.06

Loan Proposal

Based on our capital budget and 3 months of operating expenses, we are asking for a loan of \$96,907.44 to start our small business. With an interest rate of 2.58% and a 10 year term, we have calculated that our monthly payment would be \$917.08. For references, see the Operational Budget spreadsheet.

Table 5. Loan Calculation and Repayment

Loan calculation	Amount
Capital Budget	\$39,488.66
3 months of Operating Expenses	\$57,418.78
Total	\$96,907.44
Loan repayment (fixed)	Amount (per month)
Based on 2.58% interest rate and 10 year term	\$917.08

Coding, Billing, and Explanation of Revenue Sources

Common CPT codes we will be billing for are listed in Table 6 below with their respective reimbursement prices for Medicaid, Medicare, private insurance, and our self-pay price. Medicaid and Medicare pricing is based on their posted fee schedules.^{22,23} The private insurance rate was calculated as 80% of the average of Medicaid and Medicare. Our self-pay price was calculated as 150% of the highest payer between Medicaid and Medicare. In Table 7, our pricing for cash-based PT and personal trainer services is listed. In Table 8, pricing for Therabands, ice/heat packs, and foam rollers can be found. For more information about sources for pricing, see the attached price sheet.

Table 6. CPT Codes for Billing

CPT Code	Treatment	Medicaid	Medicare	Private Ins. Rate*	Self-Pay Price**
97010	Hot/cold pack	\$3.90		\$3.12	\$5.85
97016	Vasopneumatic device	\$12.80	\$11.75	\$9.82	\$19.20
97018	Paraffin bath	\$6.58	\$5.62	\$4.88	\$9.87
97022	Whirlpool	\$14.56	\$17.23	\$12.72	\$25.85
97032	Electrical stimulation (manual)	\$13.86	\$14.51	\$11.35	\$21.77
97033	Iontophoresis	\$20.41	\$19.72	\$16.05	\$30.62
97035	Ultrasound/phonophoresis,15 mins	\$9.91	\$14.09	\$9.60	\$21.14
97110	Therapeutic exercise, 15 mins	\$24.05	\$29.23	\$21.31	\$43.85
97112	Neuromuscular Re-education	\$24.73	\$33.89	\$23.45	\$50.84
97116	Gait training	\$21.05	\$29.23	\$20.11	\$43.85
97140	Manual therapy	\$22.31	\$26.91	\$19.69	\$40.37
97150	Group therapeutic procedures		\$17.53	\$14.02	\$26.30
97161	PT Eval low complexity, 20 mins	\$69.42	\$98.23	\$67.06	\$147.35
97162	PT Eval mod complexity, 30 mins	\$69.42	\$98.23	\$67.06	\$147.35
97163	PT Eval high complexity, 45 mins	\$69.42	\$98.23	\$67.06	\$147.35
97164	PT Re-Eval	\$47.04	\$67.02	\$45.62	\$100.53
97530	Therapeutic activities	\$25.31	\$37.62	\$25.17	\$56.43
97535	Self care/home mngmt training	\$25.34	\$32.46	\$23.12	\$48.69
97542	Wheelchair mngmt training	\$23.26	\$31.57	\$21.93	\$47.36
97750	Physical performance test or measure	\$24.63	\$33.11	\$23.10	\$49.67
97760	Orthotic(s) mngmt/training initial	\$27.21	\$47.81	\$30.01	\$71.72
97761	Prosthetic(s) mngmt/training initial	\$24.34	\$40.69	\$26.01	\$61.04
97763	Orthotic/Prosthetic Mgmt subsequent encounter	\$27.72	\$52.29	\$32.00	\$78.44

*calculated as 80% of the avg of Medicare and Medicaid

**calculated as 150% of highest payer

Table 7. Cash-Based Service Pricing

Additional Services (Cash Based)	Price per service
Group Exercise Single Class (1-hour)	\$30
Group Exercise Bundle (4 1-hour classes)	\$100
Injury Prevention Evaluation (45-minutes)	\$130
Injury Prevention f/u visit (45-minutes)	\$70
After Practice Recovery (15-minutes)*	\$20

*based on e-stim and related services, pricing calculated from CPT code table

Table 8. Product Pricing*

Products	Price per unit
Therabands	\$1.50/ft
Ice/Heat Packs	\$15
Foam rollers	\$8

*based on upcharge of product cost - see Operational Budget spreadsheet for cost of products

Payer Mix and Case Mix

Based on our target population of athletes and our research on the leading payers in our area, we would expect our payer distribution for our traditional physical therapy services to be as follows: 10% Medicare, 10% Medicaid, 60% Private Insurance, and 20% Self-Pay. Chart 1 displays the ratios of our expected payers. As outlined above, we will also provide additional cash-based services, which will bring in revenue aside from reimbursements. We expect 85% of our time to be spent on traditional physical therapy and 15% of our time on cash-based wellness services. Our case mix based on patient population is expected to be 50% middle and high school athletes, 30% 20+ year old athletes, 20% general orthopedic clients. Chart 2 features the percentages of our expected case load demographics.

Chart 1. Payer Mix

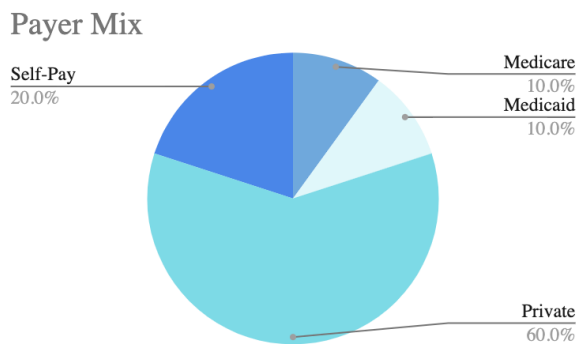
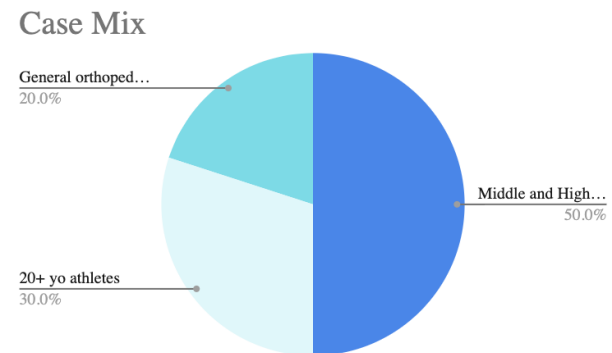


Chart 2. Case Mix



Productivity Estimates

On Monday through Friday, there will be 2 PT's working for 10 hours per day. Assuming 45 minute appointment blocks and a 1 hour lunch break per therapist, there would be 12 visits per PT every day. On Saturday's, 1 PT will work for 4 hours with 5 visits available. This comes to a total of 125 visits available each week and 500 visits per month between both physical therapists. Please note that monthly available visits were calculated using an estimate of 4 weeks per month, which totals to 48 weeks per year. This leaves 4 weeks unaccounted for over the course of a year. This was done strategically to account for 15 days of PTO for our therapists in addition to accounting for cancellations and no-shows. Within our first year of opening the clinic, we would expect the following productivity ramp-up in Table 9, reaching 100% productivity in month 6. Overall, we would predict to see 4750 visits over the course of a year. Based on our break-even analysis calculation on pages 19-20, this table demonstrates that we expect to break-even in month 9 by incorporating personal training services, and we would break-even in month 10 without personal training services. This highlights the benefit of offering personal training in our clinic.

Table 9. Ramp-up Productivity Estimates and Break-Even Projection

Month	Productivity	Visits per month	Total Visits Seen	
1	30%	150	150	
2	30%	150	300	
3	50%	250	550	
4	60%	300	850	
5	80%	400	1,250	
6	100%	500	1,750	
7	100%	500	2,250	
8	100%	500	2,750	
9	100%	500	3,250	Break Even Point with Personal Training Services
10	100%	500	3,750	Break Even Point without Personal Training Services
11	100%	500	4,250	
12	100%	500	4,750	
Total visits available in year 1 = 4750				

Collection Rates

Bounce Back Sports PT will accept payments from self-pay patients and out-of-network private insurance companies in addition to in-network payers including Medicaid, Medicare, and in-network private insurance companies. We will collect all payments from insurance companies and patients within 40 days of the service date. The average reimbursement for one unit of service (UOS) for traditional PT services, wellness PT services, and personal training services can be found below. For more information about pricing, please see the “Coding, Billing, and Explanation of Revenue Sources” section located on pages 14-15 of this document.

Traditional PT Services Average Reimbursement

- One unit of service will be a 45-minute session, which is standard practice for a physical therapy evaluation or treatment. The price of a typical PT session was calculated based on the private insurance rate for our three most billed charges: Therapeutic Exercise (97110), Manual Therapy (97140), and Neuromuscular Reeducation (97112). We decided to use the private insurance rate because it is the most conservative price and private insurance is our most common payer. The total UOS price for a traditional physical therapy session was determined to be \$64.45. The details of this calculation can be found in Table 10 below:

Table 10. Avg Price of Traditional PT Unit of Service

Traditional PT UOS (1 UOS = 1 visit = 45 minutes)	Price
97110 Therapeutic Exercise	\$21.31
97140 Manual	\$19.69
97112 Neuromuscular Reeducation	\$23.45
Total UOS Traditional PT (21.31+19.69+23.45)	\$64.45

Wellness PT Services Average Reimbursement

- One UOS will be a 45-minute session. We expect that the majority of PT-provided wellness services will be an injury prevention evaluation and one follow-up visit. The price for one UOS was calculated as the average of these two services and was determined to be \$100. The details of this calculation can be found in Table 11 below:

Table 11. Avg Price of Wellness PT Unit of Service

Wellness PT UOS (1 UOS = 1 visit = 45 minutes)	Price
Injury Prevention Evaluation	\$130
Injury Prevention Follow-Up Visit	\$70
Total UOS Wellness PT ((130+70)/2)	\$100

PT Services Combined (85% Traditional PT Plus 15% Wellness PT) Average Reimbursement

- We are expecting that traditional PT services will account for 85% of the PT caseload. We are expecting that wellness PT services will account for the other 15% of caseload. To calculate the average reimbursement for physical therapy, we calculated the total price of PT services by accounting for 85% of the services being traditional PT (\$64.45 UOS) and 15% being wellness PT (\$100 UOS). The breakdown of PT UOS pricing can be found in Table 12 below:

Table 12. Avg Price of Traditional PT plus Wellness PT UOS

Traditional + Wellness PT UOS (85% Traditional + 15% PT Wellness)	Price
PT Traditional UOS Price	\$64.45
PT Wellness UOS Price	\$100.00
Total UOS Traditional + Wellness PT [(100*.15)+(64.45*.85)]	\$69.78

Personal Training Group Exercise Session Average Reimbursement

- One personal training UOS will be a 1-hour group exercise session with an average of five participants per class. The per person cost for these classes is \$30. The total UOS cost was determined by accounting for five participants per session and can be found in Table 13 below:

Table 13. Avg Price of Personal Trainer UOS

Personal Trainer UOS Estimate (1 UOS = 1 hr; 5 ppl/session)	Price
Price Per Person	\$30
Total UOS Personal Trainer (30*5)	\$150

Break-even Analysis

The break-even analysis was calculated for physical therapy services only, including traditional PT plus wellness services offered by the physical therapists. An adjunct break-even analysis was conducted to determine how soon we could expect to break even accounting for personal training services.

BEQ Calculation PT Services only (traditional PT plus PT wellness)

Table 14. Quantities for the Break-Even Equation

Break Even Calculation Variables	Quantity
Fixed Costs (year)	\$227,141.20
Variable Costs (year)	\$13,538.86
PT Price*	\$69.78
PT UOS/yr	4,750

*based on calculation in Table 12

$$BEQ = \text{Fixed Costs} / [\text{Price} - (\text{Variable Costs} / \text{UOS})]$$

$$BEQ = \$227,141.20 / [\$69.78 - (\$13,538.86/4,750)]$$

$$BEQ = \$227,141.20 / 66.93$$

$$BEQ = 3,393.71 \text{ UOS} = 3,394 \text{ UOS} \rightarrow \text{Month 10}$$

*Based on this calculation, we would expect to break even in **month 10** if we were only providing physical therapy services*

BEQ PT Services plus Personal Training Services

Table 15. Quantities for the Adjunct Break-Even Equation

Adjunct Break Even Calculation Variables	Quantity
Personal Trainer Price	\$150
Personal Trainer UOS/yr*	104

*based on 2 nights per week for 52 weeks over the year

Fixed Costs = [PT Price - (Variable Costs / UOS)](x) + Personal Training Price(y)

$x = y * (\text{PT UOS} / \text{Personal Training UOS})$

Where $x = \text{BEQ PT}$ and $y = \text{BEQ Personal Training}$

$\$227,141.20 = \$66.93(x) + \$150(y); x = y * (4,750/104)$

$x = \text{BEQ PT} = 3,234.97 \text{ UOS} = 3,235 \text{ UOS} \rightarrow \text{Month 9}$

$y = \text{BEQ Personal Trainer} = 70.83 \text{ UOS} = 71 \text{ UOS} \rightarrow \text{Month 9}$

*Based on this calculation, we can expect to break even in **month 9** by providing personal training services in addition to providing physical therapy services*

Exit Strategy and Long-term Goals

Exit Strategy

Courtney and Ashlyn intend to own and run Bounce Back Sports Physical Therapy for at least 10 years as they carry out their physical therapy careers. In the case that we must close our business, we plan to utilize the exit strategy of liquidation. Our assets will include our inventory and equipment. We will sell all of our assets, pay off our debts, and payout shareholders. With Courtney and Ashlyn each owning 50% of the company, each partner will receive 50% of the leftover profits. In this instance, we would let our employees go and have to discontinue our business relationships. The goal of our exit strategy would be to maximize profits and minimize losses. Before we close our business, we will be sure to file our business dissolution documents, cancel expenses no longer needed, carry out employee payment, file final taxes and keep tax records for about 3 to 7 years.

Long-term Goals

These are the goals we hope to achieve within the next 5 years at Bounce Back Sports Physical Therapy:

- Our business financials will break-even within the first year and we will make a profit to be able to grow our business.
- Bounce Back Sports Physical Therapy will become a prominent presence as a go-to premiere physical therapy clinic specializing in sports and pediatrics in Raleigh, NC.
- We will increase our staff members by adding a physical therapist assistant and physical therapy technician to support our growing client base. We will increase personal training hours and sports-specific wellness services.
- We will expand into a larger clinic space with more sports-specific equipment.
- We will foster long-term connections with the community and develop partnerships with local schools, businesses, and doctor's offices.
- We will be able to provide more benefits for our employees, such as health, dental, and vision insurance.

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