



Map to the Future

*Back Mapping School Based Oral Health
To Achieve Financial Sustainability*



My Task

- Guidance for “fundamental” sustainable financial business planning for:

Integration of Comprehensive Oral Health Care into School Based Health Centers

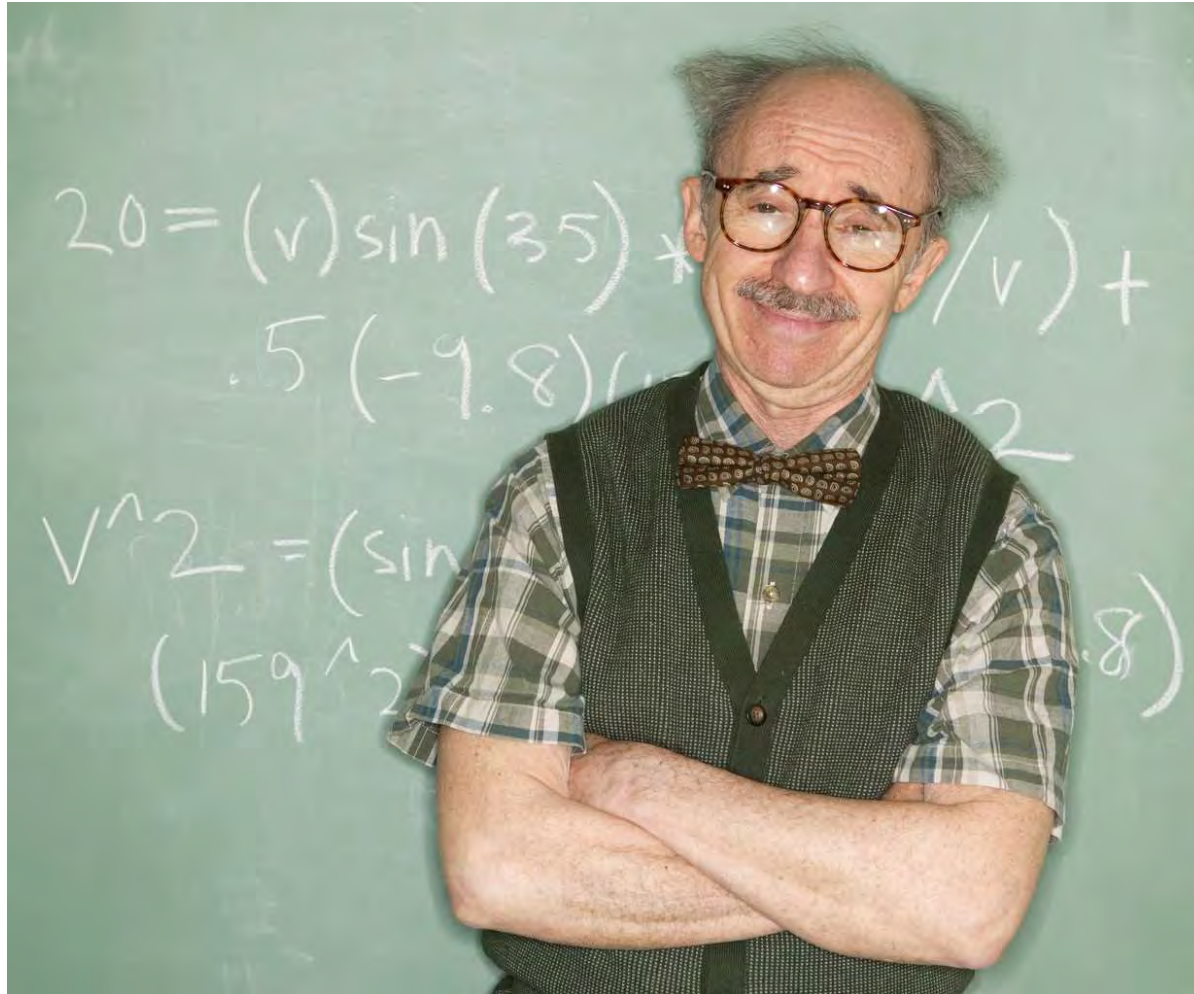
“Back Map” to the Future



Back Mapping



Where do we start?



It's all about the planning

Financial Philosophy

Knowing who you are and being able to define that with data; defining who you want to be and what success looks like for you; creating a simple and clear plan to achieve that success and then communicating that plan to the team and thus creating a culture of accountability is the road to accomplishing financial success.

Steps to Consider

Mission and Vision- What does success look like?

- What are you trying to achieve?
 - Create an affordable, quality, school based OH program that improves health, documents outcomes and is sustainable
- Affordable
- Quality Managed
- School Based [fixed, mobile, portable]
- Comprehensive [Diagnoses, prevents and treats disease]
- Measures Outcomes
- **Financially Sustainable**



Sustainable School-Based Criteria

- A precise environmental scan
- **A sound business plan with proforma**
- An operations plan
- Infrastructure and systems to sustain the business (Practice Management)
- A communication plan
- Policies and procedures
- Org chart, accountability flow chart, job descriptions for all
- MOUs with all partners- goals, roles, timelines
- Community involvement
- Linkages with primary care
- Coordination with children's healthcare advocates
- Resources in personnel, equipment, supplies and experience
- Ownership on all sides

What Does Success Look Like?

Before starting to develop a financial strategy for a program, determine the goals. Ask “What will success look like” and then “back map” to a financial plan utilizing financial tools to achieve that success.

Understand that the only way to evaluate success is by measuring and that is exactly what financial reports and data accomplishes.

What Does Financial Success Look Like?

- Zero Variance?
- Sustainability?
- Viability?
- Profit?

The Approach

- Keeping it simple
- Standardized tools and planning
- Standardization leads to predictability
- Recognize and eliminate variables
- Make it a shared journey
- Communicate with clarity and regularity
- Accurate, meaningful and timely data

Establish Clarity

- Our Program Goals are _____
- My Goals are _____
- My Role is _____
- My Responsibilities are _____
- Your Goals, Roles, and Responsibilities are _____
- We need to get this done by _____
- This is how I am evaluated

Evaluating Dental Program Financial Performance

Tools that provide you with the meaningful, accurate and timely data with which to evaluate your success.

- Budget- *an estimate or prediction*
- ***Profit and Loss Statement- an actual report of finances as they are today***
- *Variance Report- the difference between budget and actual*
- *Reforecast- a new budget prediction based upon evaluation of the variance report*

Key Data to Evaluate Program Performance

- Number of visits
- Gross charges
- Total expenses (direct and indirect)
- Net revenue (including all sources of revenue)
- Expense/visit
- Revenue/visit
- Transactions (procedures by ADA code)
- Transactions/visit
- Aging report past 90 days
- Payer and patient mix
- No-show rate
- Emergency rate
- Number of unduplicated patients
- Number of new patients
- Percentage of completed treatments
- Percentage of children needing sealants who received sealants
- Number of FTE providers (dentists and dental hygienists)

The Business Plan

What the dental practice needs to accomplish to be financially sustainable, maximize patient access and provide meaningful quality outcomes

- Numbers and types of patients to be seen
- Numbers, types and lengths of appointments
- Scope of service for the practice
- Staffing model

The Business Plan (cont.)

- Service delivery model
- Hours of operation
- Financial, productivity and quality goals to be met
- Optimal payer mix
- Evaluation plan

A three page budget or dental business plan pro forma

Financial Projections	Projected Visits		
	Actual Visits		
	Difference		0
Patient/Insurance mix:			Yearly visits
Percent Medicaid			-
Percent Self Pay			-
Percent Commercial Insurance			-
Percent Other			-
Total	0%		-
Reimbursement Rate (per visit):			Yearly Revenue
Medicaid			\$ -
Self Pay			\$ -
Commercial Insurance			\$ -
Other			\$ -
	Total revenue		\$ -

	Year One			
	Projections		Actual	Variance
Gross Charges				
Section 330 Revenue/Grants				\$ -
Commercial				\$ -
Self Pay				\$ -
Medicaid	-		-	\$ -
Other	-			\$ -
Total Gross Charges	\$ -		\$ -	\$ -
Contractual Allowances				
Commercial	\$ -			
Self Pay	\$ -			
Medicaid	\$ -			
Other	\$ -			
Total Contractual Adjustments	\$ -			
Total Net Revenue	\$ -			

EXPENSES				
Direct Expenses:				
Salaries			\$ -	\$ -
Fringe Benefits			\$ -	\$ -
Total Salaries	\$ -		\$ -	\$ -
Support Costs:				
Rent/Building Lease				\$ -
Dental Supples				\$ -
Malpractice Insurance				\$ -
Lab Fees			\$ -	\$ -
Education, Training, Conferences				\$ -
Maintenance and repair			\$ -	\$ -
Dues			\$ -	\$ -
Bad Debt			\$ -	\$ -
Office Supplies				\$ -
Depreciation				\$ -
Printing, Postage				\$ -
Software License and Fees				\$ -
Utilities				\$ -
Telephone				\$ -
Laundry				\$ -
Total Support Costs	-		\$ -	\$ -
Total Direct Expenses	-		\$ -	\$ -
Indirect Expenses:				
Administrative Allocation				\$ -
Total Direct and Indirect Expenses:	\$ -		\$ -	\$ -
Total Expenses Year Two	\$ -			
Net Income (Loss)	\$ -		\$ -	\$ -

Actual P&L Statement

	<u>Jan-12</u> ACTUAL	<u>Feb-12</u> ACTUAL	<u>Mar-12</u> ACTUAL
REVENUE:			
GROSS CHARGES	496,121	455,188	481,936
INSURANCE ADJUSTMENTS	(159,450)	(191,456)	(173,739)
GRANT REVENUE	22,917	22,917	22,916
CAPITATION PAYMENTS	4,330	4,524	4,783
INTEREST/OTHER REVENUE	-	-	-
TOTAL REVENUE	363,918	291,173	335,896
EXPENSES:			
SALARIES & BENEFITS	254,205	249,129	256,607
COMMISSIONS	-	-	-
RENT, BUILDING EXPENSE, OFFI	13,593	14,025	15,989
PRINTING & ADVERTISING	-	1,548	-
POSTAGE & SUPPLIES	43,958	26,000	27,871
TELEPHONE	1,111	533	29
OPERATIONAL EXPENSE	(389)	(150)	3,184
PROFESSIONAL SERVICES & CO	17,566	23,301	16,203
INITIATIVES	-	-	-
COMPANY INSURANCE	397	508	-
TRAVEL	10	-	131
MISCELLANEOUS	919	4,098	-
DEPRECIATION	30,507	32,890	30,722
Total Expenses	361,875	351,882	350,736
NET INCOME	2,043	(60,709)	(14,840)

Variance Report

	Month - To - Date			Year - To - Date		
	JUNE <u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>JUNE</u> <u>Budget</u>	<u>Variance</u>
Revenues:						
Gross Charges	410,093	487,190	(77,097)	2,767,732	2,965,725	(197,993)
Insurance adjustments	(145,552)	(183,671)	38,119	(1,001,406)	(1,118,078)	116,672
Grant Revenue	22,917	22,917	-	137,500	137,500	-
Capitation payments	4,446	5,198	(752)	27,113	32,034	(4,921)
Interest/Other Income	-	-	-	-	-	-
Total Revenues	291,904	331,634	(39,730)	1,930,939	2,017,181	(86,242)
Expenses:						
SALARIES & BENEFITS	232,954	238,549	5,595	1,464,196	1,413,315	(50,881)
COMMISSIONS	-	-	-	-	-	-
RENT, BUILDING EXPENSE, OFFICE EQUIPMENT	15,636	13,542	(2,094)	88,037	81,250	(6,787)
PRINTING & ADVERTISING	-	250	250	1,548	1,500	(48)
POSTAGE & SUPPLIES	14,378	35,808	21,431	191,953	214,850	22,897
TELEPHONE	2,574	1,708	(865)	6,620	10,257	3,637
OPERATIONAL EXPENSE	2,855	1,542	(1,313)	19,907	9,250	(10,657)
PROFESSIONAL SERVICES & CONSULTING INITIATIVES	17,224	18,417	1,193	114,384	110,500	(3,884)
COMPANY INSURANCE	-	2,900	2,900	7,776	5,800	(1,976)
TRAVEL	-	67	67	262	400	138
MISCELLANEOUS	2,721	3,193	471	10,561	10,357	(205)
DEPRECIATION	30,722	32,223	1,500	186,287	193,336	7,049
Total Expenses	319,064	348,198	29,134	2,091,533	2,050,815	(40,718)
Change in Net Assets	(27,160)	(16,563)	(10,597)	(160,594)	(33,634)	(126,960)

Successful School Based Oral Health Services

- Plan services around education
- Plan business around a shortened work day
- Recruit and retain dedicated and efficient personnel
- Are efficient and effective with the Medicaid System
- Practice effective communication skills with partners
- Maintain internal and external coordination w/ schools
- Have community connections
- Create a marketing plan to “Tell your story”
- Create a dental home for kids without a dentist

Fundamentals Review

- Define Success
- Create The Business Plan
- Understand your Capacity then Define Productivity
- Get Meaningful Data and reports- (*P and L*)
- Share with Clarity to Create Accountability
- Be part of your Budget Process
- Measure-Measure-Measure
- Share your results-Dashboards
- Reward Success



*Partnering to Strengthen and Preserve
the Oral Health Safety Net*

A PROGRAM OF THE

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