**\_\_\_\_\_\_, D.O.**

**A First Year Business Plan**

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| **Introduction** |

We are pleased that you have chosen to practice in the Alliance community and that you have selected the Alliance Community Medical Foundation, Inc. (ACMF) as your practice partner.

This business plan is intended to anticipate some of your questions, highlight selected issues that will be critical to your success and to clarify our performance expectations. No business plan can address every issue that will arise, but we hope this document will help you know what to expect during your tenure with us and set the foundation for a satisfying relationship for years to come.

We welcome your comments about this document. We also want this to be a helpful tool for those physicians making the transition to full-time clinical practices. Please accept our sincere best wishes on the opening of this new chapter in your professional life.

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| **Our Mission** |

***The mission of the Alliance Community Medical Foundation, LLC, a non-profit multi****-****specialty physician foundation, is to develop partnerships with our physician community, provide value-added services to our patients and allow physicians to focus on doing what they do best: practice medicine.***

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| **Clinical Quality** |

As you know, quality is the basis of every excellent physician's reputation. If you concentrate on providing quality medical care to your patients, everything else will fall into place. We urge you to join us in the daily effort to do the right *things,* to do them *properly* and to do them at *efficiently.* We want to give our patients every opportunity to achieve the best possible health outcomes. We are also very concerned about patient safety and we know that you share that concern. Please take time to document what you do accurately and completely.

We understand that you will want to take an evidence-based approach to your practice, and we are committed to helping you achieve this goal. The computer on your clinical desk puts the latest quality research and guidelines at your fingertips.

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| **Physician Specific Measures** |

ACMF is committed to providing the best care to patients and achieving great outcomes. To that end, the physician is the integral to all that we do. With your assistance, ACMF will develop a physician-specific dashboard which aligns your performance, both clinically and administratively, with our core values to help you stay focused on the things that matter most. Some of the outcomes we will measure are:

* Patient/Customer Satisfaction
* Patient Outcomes & Quality
* Physician Satisfaction
* Financial Performance
* Overall Quality
* Other measures (as chosen by the physician)

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| **Customer Satisfaction** |

We take customer satisfaction very seriously here. Please bear in mind that your colleagues in the office and in the hospital are your customers too. We poll ACMF employees, ACH employees and fellow physicians to determine their satisfaction with you and your practice.

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| **Productivity** |

You can expect your overall productivity to increase gradually over the next two or three years. Running an efficient clinical practice is hard work, and you will likely find that your residency training has not prepared you for the challenges you are about to face. Please do not be discouraged. We all went through this. You will become more disciplined, organized and efficient over time.

The following productivity goals are our best estimate of your expenses and/or overhead. Overhead is defined as all the expenses required to operate your office including your benefits, but not your salary. Many variables can affect expenses and therefore impact what your billing practices as they correlate to said expenses. For example, the employees in your office may receive a fair market increase in their hourly rates of pay, and clearly, malpractice and health expenses are reaching an all-time high nationwide. Therefore, we have factored in a certain percentage of increase to account for these and certain other unpredictable inflationary costs, and we will continue to consider inflationary costs (perhaps even those that we may not have previously considered) each time we review your productivity to the goals.

First, here is the reality. As **partial** fulfillment of your current salary, we expect you to produce billings that result in estimated collections of **$\_\_\_ .** which would justify **your base compensation**. Your overhead, **based on Foundation history for your specialty** is estimated to be **$\_\_\_\_** plus physician benefit costs of **$\_\_\_** for total overhead costs of **$\_\_\_** leaving **your base compensation** of **$\_\_\_**. You will need to bill – on average

* **$\_\_\_ per month**

We expect that your office will be open and that you will see patients at a minimum of 4-1/2 days a week until you meet or exceed these productivity numbers. We will provide you with monthly financial statements comparing your productivity with these targets and showing your overall financial performance. Most physicians find some of these reports confusing since they are based on accrual accounting instead of the more familiar cash-based accounting. We will go over this information with you, but please focus on your performance compared to this initial business plan instead of your overall profit and loss. Only highly-compensated specialty physicians can reasonably expect to make a profit and earn a bonus at the end of their first year in practice.

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| **Productivity Extension past 18 Months** |

It has been our experience at ACMF that most physicians who follow our business plan will meet the minimum productive WRVU’s within the first 18 months of practice. If, however, you have followed this business plan, participated in the marketing functions as provided, and been available and ready to see patients per your contract, the ACMF will extend the base salary coverage period from 18 months to 24 months. After such time, those physicians shall be subject to the productivity standards set forth in Exhibit A. of the contract.

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| **Office Operations** |

As a Foundation physician, you have engaged a team of outstanding physician practice professionals to assist you, but you should still involve yourself in the day-to-day operation of your practice. While your staff members report formally to your office manager, they will naturally look to you for leadership. While being part of the Foundation frees you from “nitty-gritty” management chores, we recommend that you get involved in decisions about hiring, performance evaluations, and disciplinary issues. We particularly encourage you to attend and participate in the monthly office staff meeting.

Unlike the situation with a solo private practice, we can provide some coverage for vacations, illnesses and other unexpected personnel crises. But it is not easy to hire and retain capable employees in today’s economic environment, and we will not always be able to meet your staffing needs. We expect that you will find that we are fully engaged in solving whatever problems may arise in the office, but during times of particular challenge, we request your understanding and patience.

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| **Billing** |

We will serve you best by getting an accurate bill “out the door” as soon as possible after you have provided a medical service. We cannot achieve this goal without your help. Your services must be documented carefully, coded accurately and entered into the billing system promptly. This is a complex process of which you are a key player. Please complete an accurate billing form immediately after seeing each patient, and make sure that the documentation exists to support the Current Procedural Terminology (CPT) code you have selected. Your billing professional will work with you to make sure that this process moves along at peak efficiency.

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| **Insurance Credentialing and Provider Numbers** |

As part of our service to you, we will complete your insurance credentialing forms. We will also complete appropriate applications for billing provider numbers. For this function to be successful, we need your prompt attention to our requests for information. Please supply us with the specific information requested in your “Start Up Packet” within **one week** from the time you sign a contract. We will also need your current CV, Residency Certificate, and Board Certificate, if applicable. Please sign all the Provider Number applications and return them to us with **two weeks** of receipt. Your delay in returning these items to us will result in a delay of office operations. Your salary will not begin until your office is operational.

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| **Compliance** |

Our commitment to doing the right thing is intimately connected to the billing and documentation process, but also goes well beyond it. Our commitment to compliance means that we will always be alert for any activity that is improper, unethical or illegal. The Alliance Community Medical Foundation, LLC and its parent company, Alliance Community Hospital, will not tolerate any business activity that is intended to defraud, cheat or mislead any person or organization with which or whom we conduct business. If you discover any business practice that you think might be questionable, please bring it to our attention immediately or report it directly to \_\_\_, the Alliance Community Hospital Compliance Officer, at \_\_\_.

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| **Costs** |

Bringing competent new physicians to Alliance, Ohio is very expensive. The only way we can continue to provide this vital service to the community is to control operational costs. We need your help to achieve this. If you see an opportunity to lower costs, please let us know.

As your practice gets underway, you will want more “stuff.” We all do. Whether it is more staff or additional equipment, we will carefully consider the cost before we approve your request. While we encourage you to make your best case, we ask that you temper your longings with an appreciation of our fiduciary responsibilities.

We want you to be happy with our services, and we want you to have what you need to be successful. But please bear in mind that we are taking all of the financial risk. Naturally, you will be much more likely to get additional “stuff” when you are exceeding your productivity targets.

In the end, the more successful your practice becomes, the more we all gain.

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| **Physician Recruitment** |

Community and physician surveys have repeatedly confirmed our feeling that we have a significant physician shortage in the Alliance community, as is the trend nationally. Accordingly, the ACH Board of Directors has approved an aggressive physician recruitment plan that will continue for the foreseeable future. The Board has determined that we will continue to recruit physicians in your specialty, as long as community need exists. For this reason our offer to you is accompanied by our firm expectation that you will be both enthusiastically supportive and actively involved in our recruitment of additional physicians in your specialty. Your acceptance of our offer confirms that we can depend on you to fully support our ongoing recruitment efforts.

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| **Marketing and Advertising** |

We want your practice to be successful and that means we will support you with advertising and marketing. Our specialized team will customize an individualized and comprehensive marketing plan to effectively promote your practice. Once you are ready to accept appointments, a series of print ads will run in our local newspapers. These ads will be prepared for you and with your approval and will be placed and paid for by ACMF.

It has been our experience that one round of advertising provides a successful launch for most physicians. Additional advertising can be arranged if needed or if there are special circumstances, possibly utilizing other forms of media, Should you desire it, we will plan an open house for the ACH staff and physicians, and members of the community to meet you and your staff.

We will also arrange for standard white pages and yellow pages listings for you in the appropriate telephone books. This cost will be allocated to your office as an expense.

In this marketplace, the best source of marketing for your practice will be your own commitment to quality and patient satisfaction, plus your personal involvement with other members of the medical staff and the community. Community attitude surveys conducted by ACMF indicate that positive “word of mouth” comments by satisfied patients are the most effective form of advertising in which to build your practice.

The ACH Speaker’s Bureau has proven to be an effective tool for physicians to both educate and promote new services to the community. Should you desire it, we will assist you in coordinating educational community seminars.

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| **Organizational Excellence** |

We use the Malcolm Baldrige criteria as our gold standard of guidelines for our pursuit of organizational excellence. We are a Planetree facility, which means that our attention to clinical excellence, holistic practices and dignified, compassionate care giving is a top priority for all of our colleagues. Recently, we also received the NorthCoast 99 award, a prestigious regional honor given to the top workplaces in Northeast Ohio. We have built a good organization, and we are in the process of creating a great one. To do this, we need your help in two specific ways. When you see an opportunity to improve one of our key organizational processes, please bring that potential to our attention. New leaders in any organization often “see” things that others who have been there for many years may no longer clearly observe.

Secondly, when we begin to implement some an improvement to our organization – and this is a continuous process with us – we need and expect your support in our efforts. If it is not clear to you why we are implementing a change, please ask us to clarify our intentions so that you can become a knowledgeable leader and change agent.

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| **Conclusion** |

Thank you again for allowing us to serve you. We want you to be successful, and we want our partnership to be a vital part of your success. Business partners cannot achieve success without a combined, sustained commitment to safety, quality, service, relationships and performance. Please join us in embracing our core values. Speak forthrightly to us about your concerns. Together we can make a real difference in the quality of health and healing in our community.

I have read and I agree with this Business Plan.

Date