Appendix 4: Sample Business Plan

This sample Business Plan was developed by Heather Shannon, CNM, MS, MPH as part of her MPH project. A small community hospital used this plan to launch a practice with two midwives and includes plans for practice growth and the addition of more midwives. See Appendix 2 for a high-level summary of the financial considerations as well as a sample pro forma tool to help developing a business plan for integrating midwives.

Business Plan for

Midwifery Practice at

HOSPITAL

YEAR

By AUTHOR

Executive Summary

An opportunity exists for the development of a midwifery service at YOUR HOSPITAL and YOUR PRACTICE to be implemented in the 20XX fiscal year. The practice model will be provider-based nurse midwives, integrated with the existing Department of OB/GYN. As part of ongoing efforts to improve access to care in YOUR County, HOSPITAL and YOUR DEPARTMENT jointly support this idea of a new midwifery practice.

Midwifery care focuses on diagnosing and treating conditions related to women's health during their lifecycle. Midwives are primary care providers that manage medical conditions within their scope of practice, provide educational support, and focus on prevention to increase individual health and wellness of all gynecological and obstetrical patients. XXX Midwifery Practice will be a venue for women in need of access to full-scope midwifery care or for women seeking an alternative to traditional allopathic gynecological and obstetrical care.

The population that will benefit most is located on the near west side of YOUR CITY and YOUR County and is made up of primarily of Latino, African American, and Caucasian women. By starting a practice in this area, it offers an opportunity to care for women in zip codes with an underserved, disparate population affected with limited access to care and adverse perinatal outcomes as well as those women interested in midwifery care. Besides the underserved urban population, the practice will draw on the suburban and rural population from western YOUR County. The patient mix anticipated will be XXX% obstetrical and XXX% gynecological. The payor mix anticipated will be XXX% public insurance (Medicaid) and XXX% private insurance.

Seed money for the XXX Midwifery Practice during the startup and first two years of operations will need to be explored. The financial plan shows the practice will be financially dependent on seed money for the first two years and by year three, the practice will begin to show a profit. Years four and five will show a profit and sustainability as patient volume continues to grow. The projected start-up costs will be $XX, which includes marketing, renovations, office furniture, equipment, and supplies, and building rent. Year one, the anticipated practice costs will be $XX and revenues will be $XX, for a deficit of $XX. For year two, the anticipated growth will be XXX% and practice costs will be $XX with revenues of $XX and a deficit of $XX. In year three, the anticipated growth will be XXX% and practice costs will be $XX with revenues of $XX. The practice will see its first profit of $XX. In year four, the anticipated growth will be XXX% and practice costs will be $XX with revenues of $XX, yielding a profit of $XX. In year five, the anticipated growth will be XXX% and practice costs will be $XX with revenues of $XX, yielding a profit of $XX.

There is a need in YOUR County women's health market for midwifery care, specifically on the LOCAL AREA. YOUR County has the largest number of zip codes, scoring below the national average for early prenatal care (PNC), indicating that it has a high proportion of women who do not receive PNC in their first trimester in XXX (see Appendix A). YOUR County has eight zip codes above the national average for low birth weight (LBW)[1] of XXX% (see Appendix A). Five of the XXX zip codes are within a two miles of the proposed near west side location. YOUR HOSPITAL is positioned to develop a midwifery practice, which meets the needs of the community and the hospital. The philosophy of midwifery care will complement the culture at XXX and will serve to assist the institution in achieving its goals of excellence in women's services into the future.

[1] LBW is defined as neonatal weight at birth of 5lb 8oz or 2,500grams from CDC http://www.cdc.gov/pednss/what_is/pednss_health_indicators.htm

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Company Summary

XXX Midwifery Practice will be a provider- and academic-based midwifery practice that offers many advantages to XXX and its community. This practice will be folded into an existing infrastructure through the XXX department of OB/GYN and will offer a competitive edge by working with midwives in the XXX. Midwives will bill for services provided and will be a minimal additional liability insurance expense.

XXX Midwifery Practice will be a premier site in that the practice will offer a unique experience that improves access to perinatal care. The practice will improve pregnancy outcomes within the disparate population by referring patients to public health services (i.e. Public Health Nursing, XXX, etc.). This practice will offer a unique educational opportunity to a variety of students, and create a one of a kind continuity service within the XXX Departments of Family Medicine and Pediatrics.

Midwives will build caseloads of patients to deliver at XXX. The vast resources of XXX will expedite the development of a sound practice infrastructure including marketing, communications, and contracts with outreach sites.

XXX Midwifery Practice offers both a private and public health focus in that care delivered will be the highest quality of women's health services available. This practice will utilize midwives prepared at the master's level. The midwives will also obtain a faculty appointment with XXX College of Medicine as Voluntary Clinical Instructor, College of Nursing as Voluntary Clinical Faculty, first assistant for cesarean sections, collaborate with public health organizations, develop a solid referral system with health and human service providers, and collaborate with private physicians at XXX. The midwives will

be employed by XXX and be licensed in YOUR state, must also maintain membership in American College of Nurse Midwives (ACNM) and Your State Association.

Location and Facilities

XXX Midwifery Practice will be strategically looking to draw from the LOCATION in order to address the population in need of improved access to women's health care and demonstrated by lowest percentage of births receiving early prenatal natal care (PNC) and highest percentage of babies born LBW (see Appendix A). The geographic locations of the targeted population are women who live on the XXX- Areas in need and zip codes. This area ranges from urban to rural population and will attract socioeconomically disadvantaged and middle-class women.

Besides drawing from this location, a steady flow of patients will come from YOUR COUNTY. This includes NEIGHBORING TOWNS. The location of this office will be in the LOCATION OF OFFICE. Refer to Figure 1.

The startup requirements include the rental of approximately 2500 sq feet office space to be used by the midwifery practice. A three-year to five-year lease will be anticipated. Renovations will need to be planned in order to create an office that optimizes patient flow and convenience.

Figure 1 Location of XXX Proposed Midwifery Practice in Relation to Other Providers in Location, Date

INSERT YOUR OWN CENSUS MAP WITH PLOTTED OTHER PROVIDER OFFICES

Company Ownership

This will be a provider based academic midwifery practice with XXX as the employer of the professional staff with an onsite director, XXX.

Scope of Services

XXX Midwifery Practice will provide full-scope women's health care to women of all ages by offering a complete care package. The number of midwives depends upon the volume of deliveries and patient volume in the outpatient sites. The perceived national benchmark for CNM staffing ratios is 8-10 deliveries per clinical midwife full time employees (FTE) per month. By year four, this practice should meet this goal. An initial team of two full-time midwives, including the director, for the start-up practice will serve XXX. This initial team will build the patient caseload and care for patients in the primary outpatient office. Midwife staffing levels will be assessed regularly and additional midwives will be added as the practice grows. Flexibility during the growth periods will be enhanced by the use of prn (pro re nata - as needed) midwives. In addition, prn coverage for midwife time off will be needed.

Once the practice has demonstrated its ability to recruit patients and has a caseload of over 20 patients due to deliver each month, the first prn midwife will be recruited. A 24/7 in-house model will provide coverage for deliveries. The aggressive growth occurs when the practice will be delivering 35-40 babies per month. Outpatient coverage at the office will be dependent upon the volume of outpatient visits. It will be anticipated that a schedule of two midwife providers per day will be easily filled once the volume of 20-30 births per month has been reached.

All of the patient care will be provided by a midwife. Each midwife will establish his/her own gynecological patient base, while the obstetrical patients will be shared within the practice. This assures continuity of care to our patients. In addition to the 24/7 midwifery coverage, there will be a 24/7 medical back up coverage available through collaborative efforts with XXX laborists. The practice

estimates that 10% of women registering for care will risk out to which a solid referral system will be in place with XXX Department of OB/GYN and MFM faculty.

Centering Pregnancy™ is a group PNC program that will be implemented once the practice grows. It will be offered to those interested in participating, but will be encouraged to be attended by all pregnant teens and those with limited support systems. All clinical staff will be trained facilitators to run the sessions. Please refer to Appendix B for further details.

XXX Midwifery Practice will have access to the XXX system's support services (nutrition, social work, substance abuse, etc). This will add assurance that our patients will have coordinated care within the same medical system. With the addition of XXX electronic medical record system (EMR), coordinated care will be more efficient (see Appendix C).

Down-stream revenue from referrals will result over time as the midwives refer complicated OB and GYN patients to the XXX physician's practice and to XXX. In addition, referrals to pediatric practitioners for every baby born in the practice will help expand the pediatric caseload for pediatric practices in the community. Referral to Family Medicine providers for pediatric and primary care will contribute to the success of this new practice.

Management Systems

XXX Midwifery Practice will initially have two FTE midwives, two receptionists, two Registered Nurses (RNs), and a director that is included in the two FTE midwives. The staff midwife and director will be exempt staff and paid a predetermined salary. The receptionists and RNs will be non-exempt staff and will be paid hourly wages. All staff will earn fringe benefits. As the practice grows, additional midwives, RNs, medical assistants, and receptionists will be added.

The practice director, XXX, comes with the experience and knowledge of midwifery care XXX – add qualifying skills here.

All staff and providers will be expected to continue to improve their skills and knowledge base. All staff will be expected to complete all mandatory UMU trainings and updated trainings. Midwives will be expected to fulfill continuing education requirements that pertain to the practice of midwifery and/or women's health.

Information Management and Technology

In order to comply with HIPPA and improve efficiency of billing, the practice will use a secured, networked, EMR, also used by XXX. Using this system will allow for continuity of care with other disciplines i.e., MFM, social work, nutritional services, medicine, etc.

EMR

XXX Midwifery Practice will utilize XXX EMR system in order to secure the success and efficiency of the office. EMR technology will increase the systematic approach for each patient and improve continuity of care. A benefit of the EMR will be an increase in revenues by allowing more patients to be seen without working harder or longer as with paper charting. Collections will be improved through optimized coding, management of referral and eligibility date, and tracking of managed care contracts. EMR will reduce transcription costs, data analysis costs, paper shortage and access costs, staff costs, and paper/forms costs. Risk will be reduced with the improvement of the quality of documentation, maintaining security and integrity of patient data, safe check system with medication interactions, allows for analysis of payor relationships, and will be compliant with the documentation and coding laws. Tracking of patients, protocols, indicators, and recalls will improve the quality improvement of our practice.

Billing

XXX Midwifery Practice will utilize XXX, a Management Services Organization utilized by XXX Department of OB/GYN, as an outside billing agency. This will allow the midwifery practice to focus

primarily on patient care. XXX will use electronic claim billing and filing, which in turn will allow us to utilize the benefits of electronic claim filing, i.e. faster payment for processing insurance claims, while at the same time allowing us to maximize valuable clinic time and work force.

Financial Plan

XXX Midwifery Practice will need to rely on seed money for the first two years or until the practice breaks-even. Projected losses for the first two years will be expected, but anticipate breaking even in year three. It is anticipated that the practice will expand enrollment to XX New OB's and XX Established OBs per month by the end of 20XX (year four) and the maturation of these enrolled patients to delivery would result in XX deliveries per month by mid-20XX. Developing sound referral networks will insure the successful growth of the practice. On-going analysis of outpatient volume and deliveries will be critical to monitor profitability of the practice. Table 1 describes the anticipated growth of patient type by year and anticipated deliveries. Table 2 discusses the anticipated expenses, revenues, and surplus/deficits for the first five years, including the start-up costs.

Table 1 Patient Growth by Type and Year

	OB	GYN	Total Patients	Total Deliveries
Year 1				
Year 2				
Year 3				
Year 4				
Year 5				

Table 2 Anticipated Yearly Expenses, Revenues, and Surplus/Deficits

Years	Expenses	Revenues	Surplus/Deficit
Start up Costs	$XX		
Year 1	$XX	$XX	-$XX
Year 2	$XX	$XX	-$XX
Year 3	$XX	$XX	$XX
Year 4	$XX	$XX	$XX
Year 5	**$XX**	**$XX**	**$XX**

An anticipated mix of insurances (XX% private, XX% public) will ensure that in three years, the practice will break even and in five years be self-sustaining. With the advancement of XXX billing system, efficient and quicker returns will be generated. For those patients who participate in public insurance, the staff will offer assistance in completing any application forms in a timely manner to assure adequate coverage during the pregnancy and post partum, and newborn care. These efforts will be coordinated with the LHD to create a position of outreach and onsite referral programs from public health agencies.

Payments according to procedure codes and patient growth are detailed in Appendix D. It will be anticipated that a fast growth will occur in year two, three, and four. Year five will continue to show growth, but at a slower pace.

Five Year Plan

Start-up

Objectives

1. Finalize seed funding through XXX.
2. Secure office space and leasing details.
3. Educate both lay and professional community members, regarding midwifery care as an alternative to traditional women's health care and address misconceptions of associated

with midwifery care starting early summer 20XX. This will be accomplished through outreaches[2] and speaking engagements targeting populations that will benefit most by this service through multiple marketing avenues.

4. Use XXX to assist in the recruiting of midwives and staff by early spring 20XX.

5. Two months prior, begin scheduling patients for the first day of operations.

6. Credential midwives (hospital and insurance) hired before the start of operations.

Costs

The estimated start-up expenses will be $XX. This sum includes the planning, marketing, purchase of medical equipment, medical supplies, office furniture and equipment, office supplies, EMR start up, building renovation, and rent. Marketing will be the most important expense during the six months prior to the day of operations at $XX. Marketing efforts will be focused on educating the community about midwifery care and the proposed practice (Table 3). Figure 2 breaks down to the percentage of contribution of the Start-up Costs.

Table 3 Start-up Costs

Start up Costs	
Non-Personnel Services	
Medical equipment and supplies	$XX
Marketing	$XX
Office furniture/equipment and supplies	$XX
Rent	$XX
Building renovation	$XX
Total	**$XX**

[2] Outreaches are systematic attempts to provide services beyond conventional limits.

Figure 2 Categories of Start-up Costs

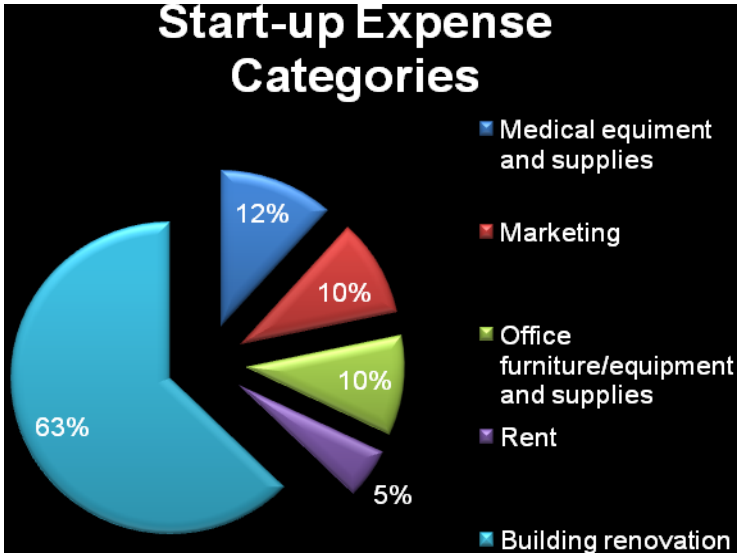


Table 4 Milestones

Milestone	Date	Budget	Manager	Department
Approval of Business Plan by Hospital	1/1/2012	$0		OB/GYN/hospital
Sign lease with Landlord	2 to 4 mos prior to opening	$0		OB/GYN
Design and place first ads	Feb 2012	$0		OB/GYN and Marketing
Begin educational sessions	Mid-winter 2012	$1,100		OB/GYN

Sign contracts with XXX for billing, scheduling, and recruiting	4 to 6 mos prior to opening	$0	OB/GYN
Place first ads to recruit midwives	4 mos prior to opening	$0	OB/GYN
Place ads for RN	3 mos prior to opening	$600	OB/GYN
Begin scheduling patients	2 mos prior to opening	$0	OB/GYN
New Employee Training	1 mo prior to opening	$0	Human Resources
Computer and phone line set up	1 mo prior to opening	$0	OB/GYN, Hospital
Open house	1 day prior to opening	$1,500	OB/GYN
Begin first appointment	Early summer of 2012	$0	OB/GYN

Year One

Objectives

1. Anticipate XX deliveries by end of year one and a total OB/GYN patient base of XX GYN and XX OB patients.

2. Midwives will be appointed to the College of Medicine and College of Nursing.

3. Partner with XXX to coordinate public health referrals for those in need.

Costs

For the first year of service, the anticipated personnel costs will total $XX and non-personnel costs will total $XX. The total costs will be $XX. Marketing efforts will continue to be a necessity and consume a large part of the non-personnel budget at $XX. See Table 5.

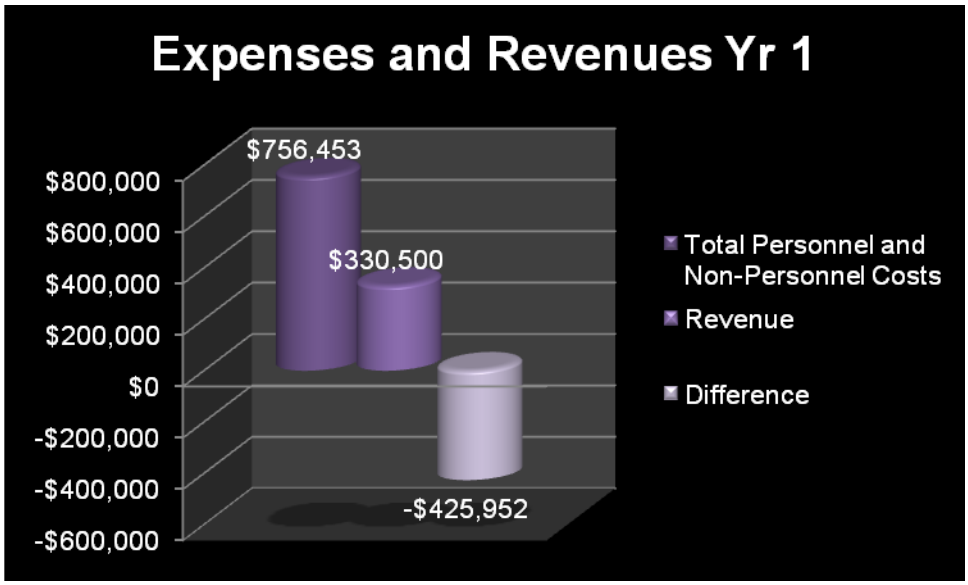
Table 5 Year One Budget

Personnel Services	**Annual Budget**
1 Midwives annual salary	$XX
Director annual salary	$XX
Office Manager	$XX
2 RN annual salary	$XX
2 Receptionists annual salary	$XX
Sub Total	$XXX
CNM Fringe with @39%	$XX
Director Fringe RF @ 43%	$XX
Staff Fringe RF @ 43%	$XX
Personnel Total	**$XXX**
Non-Personnel Services	
Malpractice Insurance (annually)	$XX
Overhead (telephone, pagers)	$XX
EPIC transactions per CNM per Year	$XX
EPIC transactions, Director per year	$XX
Marketing	$XX
Rent (per year)	$XX
Office supplies	$XX
Medical supplies (≤ $500/item)	$XX
Non-Personal Services Total	**$XX**
Total Personnel and Non-Personnel Costs	**$XX**

Revenues

The practice will anticipate XXX obstetrical (OB) patients and XXX gynecological patients, before a 10% transfer or risk out rate. Of the XX patients, XX will deliver in the first year (see Appendix E). Look to Appendix D for a breakdown of anticipated CPT codes, RVU's, and the average reimbursement rates for a XX% public and XX% private payor mix. The midwifery practice will estimate revenues to be $XX, which puts the practice at a deficit of $XX. Seed money will support the difference. See Figure 3.

Figure 3 Year One Expenses and Revenues



Year Two

Objectives

1. Patient growth is expected at XXX%.
2. Anticipate a patient base of XXX OB patients and XXX GYN patients with XXX deliveries.
3. Consider acceptance of students of all disciplines for clinical rotation and field placement.
4. Begin Centering Pregnancy™/Parenting program

Costs

For the year two of service, the anticipated personnel costs will total $XX due to the need for more staff. The non-personnel costs will total $XX. The total costs will be $XX. Look to Appendix D for a breakdown of anticipated CPT codes, RVU's, and the average reimbursement rates for a XX% public and XXX% private payor mix. See Table 6.

Table 6 Year Two Budget

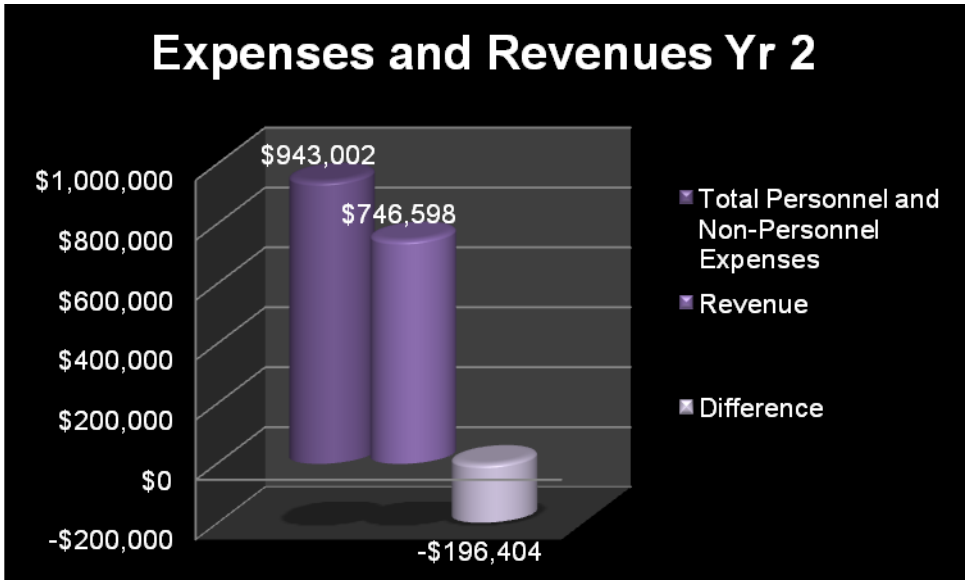
Personnel Services with 3% COLA for exempt	**Annual Budget**
2 Midwives annual salary	$XX
Director annual salary	$XX
Office Manager	$XX
2 RNs annual salary	$XX
1 MAs annual salary	$XX
2 Receptionists annual salary	$XX
CNM Fringe @39%	$XX
Director Fringe RF @ 43%	$XX
Staff Fringe RF @43%	$XX
Personnel Total	**$XX**
Non-Personnel Services	
Medical supplies (≤ $500/item)	$XX
Office supplies	$XX
Rent (per year)	$XX
Malpractice Insurance (annually)	$XX
Overhead (telephone, pagers)	$XX
Marketing	$XX
EPIC transactions per CNM per Year	$XX
EPIC transactions, Director per year	$XX
Non-Personnel Services Total	**$XX**
Total Personnel and Non-Personnel Expenses	**$XX**

Revenues

The practice will anticipate a XX% growth in year two. The patient breakdown will be XXX obstetrical (OB) patients and XXX gynecological patients, before a 10% transfer or risk out rate. Of the XXX patients, approximately XX of OB patients will deliver in year two, increasing the revenues from year

one by XX%. Look to Appendix D for a breakdown of anticipated CPT codes, RVU's, and the average reimbursement rates for a XX% public and XX% private payor mix. The midwifery practice will estimate revenues to be $XX, which puts the practice at a deficit of $XX. Seed money will support the difference. See Figure 4.

Figure 4 Year Two Expenses and Revenues



Year Three

Objectives

1. Patient growth is expected at XX%.
2. Anticipate a patient base of XXX OB patients and XXX GYN patients with XXX deliveries.
3. Increase the number of midwives to four and employ additional support staff (1-MA and 1-RN).
4. Coordinated efforts with local universities to conduct research.
5. Contract with XXX to be a clinical site field placement for student nurse midwives.

6.

Costs

For the year three of service, the anticipated personnel costs will total $XX and non-personnel costs will total $XX. The total costs will be $XX. See Table 7.

Table 7 Year Three Budget

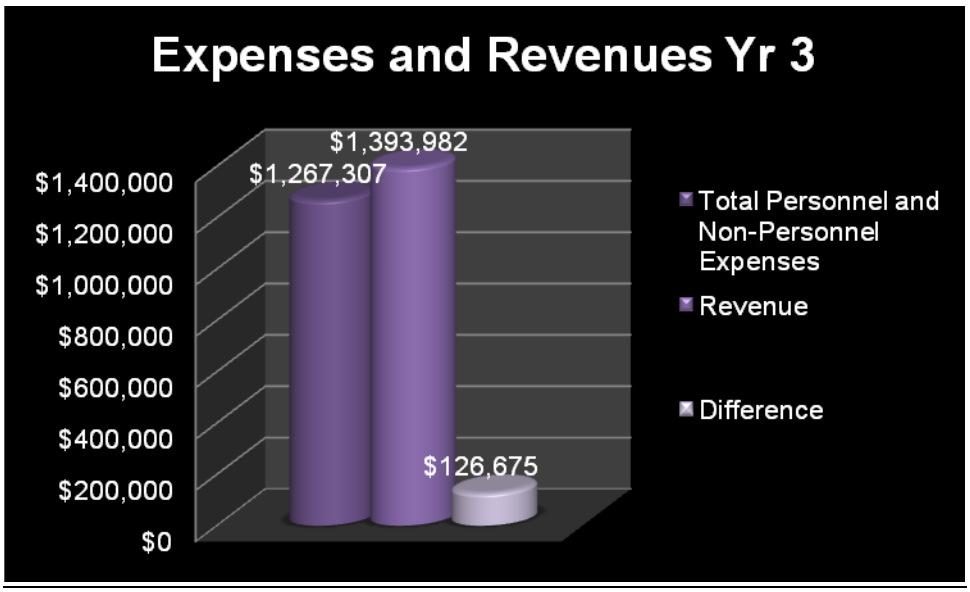
Personnel Services with 3% COLA for exempt	**Annual Budget**
3 Midwives annual salary	$XX
Director annual salary	$XX
Office Manager	$XX
3 RNs annual salary	$XX
2 MAs annual salary	$XX
3 Receptionists annual salary	$XX
CNM Fringe with @39%	$XX
Director Fringe RF @ 44%	$XX
Staff Fringe RF @44%	$XX
Personnel Total	**$XX**
Non-Personnel Services	
Medical supplies (≤ $500/item)	$XX
Office supplies	$XX
Rent (per year)	$XX
Malpractice Insurance (annually)	$XX
Overhead (telephone, heat, water, gas, pagers)	$XX
Marketing	$XX
EPIC transactions per CNM per Year	$XX
EPIC transactions, Director per year	$XX
Non-Personnel Services Total	**$XX**
Total Personnel and Non-Personnel Expenses	**$XX**

Revenues

The practice will anticipate a XX% growth in year three. The patient breakdown will be XXX obstetrical (OB) patients and XXX gynecological patients, before a 10% transfer or risk out rate. Of the XXX patients, approximately XXX of OB patients will deliver in year three, increasing the revenues. Look

to Appendix D for a breakdown of anticipated CPT codes, RVU's, and the average reimbursement rates for a XX% public and XX% private payor mix. The midwifery practice will estimate revenues to be $XX anticipating a profit of $XX. The practice will be self-sustaining. See Figure 5.

Figure 5 Year Three Expenses and Revenues



Year Four

Objectives

1. Patient growth is expected at XX%.
2. Anticipate a patient base of XXX OB patients and XXX GYN patients with XXX deliveries.
3. Continue to cultivate academic and referral relationships.

Costs

For the year four of service, the anticipated personnel costs will total $XX and non-personnel costs will total $XX. The total costs will be $XX. See Table 8.

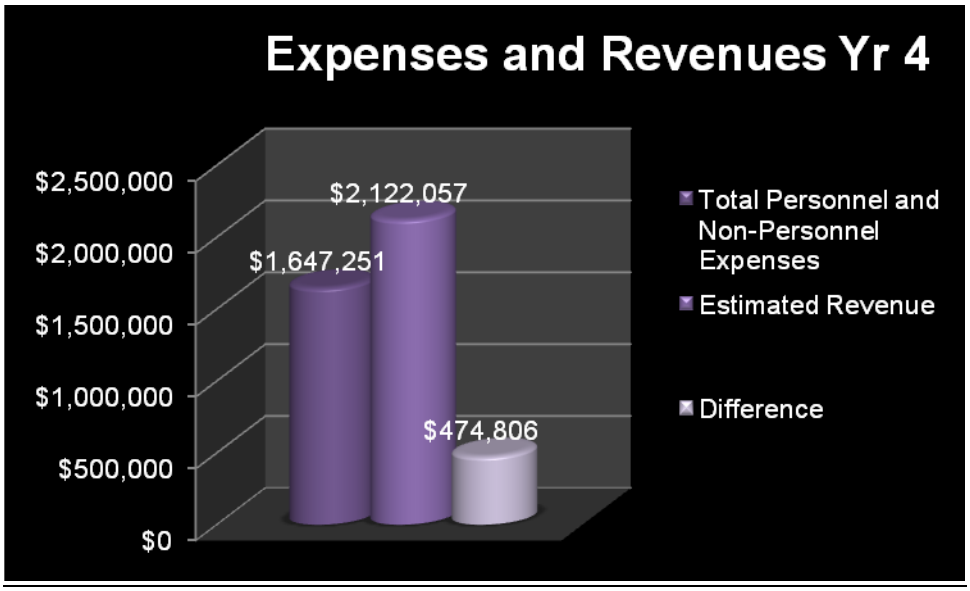
Table 8 Year Four Budget

Personnel Services with 3% COLA for exempt	**Annual Budget**
4 Midwives annual salary	$XX
Director annual salary	$XX
Office Manager	$XX
4 RNs annual salary	$XX
3 MAs annual salary	$XX
3 Receptionists annual salary	$XX
CNM Fringe with @39%	$XX
Director Fringe RF @ 43%	$XX
Staff Fringe RF @43%	$XX
Personnel Total	**$XX**
Non-Personnel Services	
Medical supplies (≤ $500/item)	$XX
Office supplies	$XX
Rent	$XX
Malpractice Insurance (annually)	$XX
Overhead (telephone, heat, water, gas, pagers)	$XX
Marketing	$XX
EPIC transactions per CNM per Year	$XX
EPIC transactions, Director per year	$XX
Non-Personnel Services Total	**$XX**
Total Personnel and Non-Personnel Expenses	**$XX**

Revenues

The practice will anticipate a XX% growth in year four. The patient breakdown will be XXX obstetrical (OB) patients and XXX gynecological patients, before a 10% transfer or risk out rate. Of the XXX patients, approximately XXX of OB patients will deliver in year four, increasing the revenues. Look to Appendix D for a breakdown of anticipated CPT codes, RVU's, and the average reimbursement rates for a XX% public and XX% private payor mix. The midwifery practice will estimate revenues to be $XX anticipating a profit of $XX. See Figure 6.

Figure 6 Year Four Expenses and Revenues



Year Five

Objectives

1. Patient growth is expected at XX%.
2. Anticipate a patient base of XXX OB patients and 877 GYN patients with XXX deliveries.
3. Increase midwives to six and employ one additional LPN and receptionist.
4. Expect to be self-sustaining.
5. Begin the development of a midwifery-training program.

Costs

For the year five of service, the anticipated personnel costs will total $XX and non-personnel costs will total $XX. The total costs will be $XX. See Table 9.

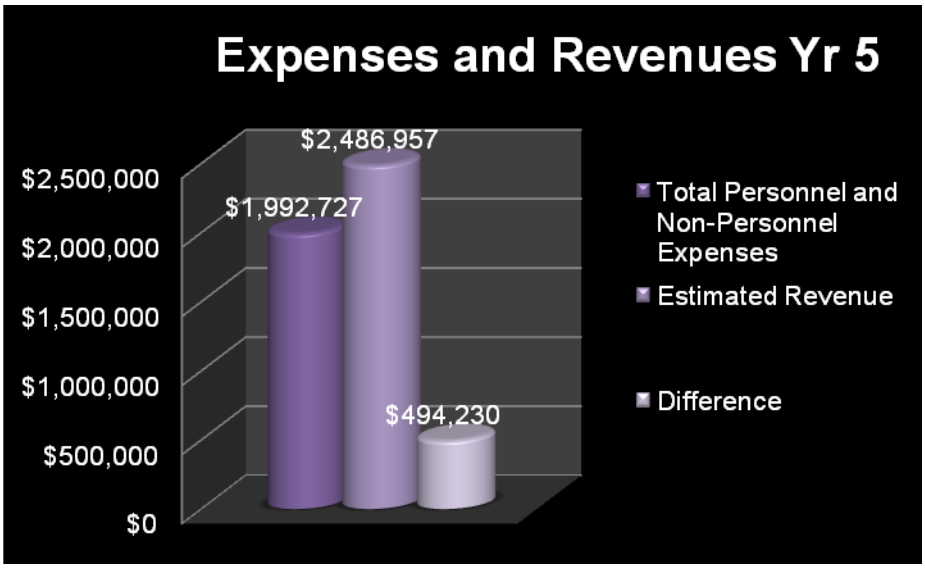
Table 9 Year Five Budget

Personnel Services with 3% COLA for exempt	**Annual Budget**
5 Midwives annual salary	$XX
Director annual salary	$XX
Office Manager	$XX
5 RNs annual salary	$XX
3 MAs annual salary	$XX
4 Receptionists annual salary	$XX
CNM Fringe with @39%	$XX
Director Fringe RF @ 45%	$XX
Staff Fringe RF @45%	$XX
Personnel Total	**$XX**
Non-Personnel Services	
Medical supplies (≤ $500/item)	$XX
Office supplies	$XX
Rent	$XX
Malpractice Insurance (annually)	$XX
Overhead (telephone, heat, water, gas, pagers)	$XX
Marketing	$XX
EPIC transactions per CNM per Year	$XX
EPIC transactions, Director per year	$XX
Non-Personnel Services Total	**$XX**
Total Personnel and Non-Personnel Expenses	**$XX**

Revenues

The practice will anticipate a XX% growth in year five. The patient breakdown will be XXX obstetrical (OB) patients and XXX gynecological patients, before a 10% transfer or risk out rate. Of the XXX patients, approximately, XXX of OB patients will deliver in year five, increasing the revenues. Look to Appendix D for a breakdown of anticipated CPT codes, RVU's, and the average reimbursement rates for a XX% public and XX% private payor mix. The midwifery practice will estimate revenues to be $XX anticipating a profit of $XX. See Figure 7.

Figure 7 Year Five Expenses and Revenue



Figures 8 and 9 provide a visualization of five year anticipated patient mix of OB or GYN and the anticipated deliveries in five years.

Figure 8 Five Year Anticipated Patient Types/Growth

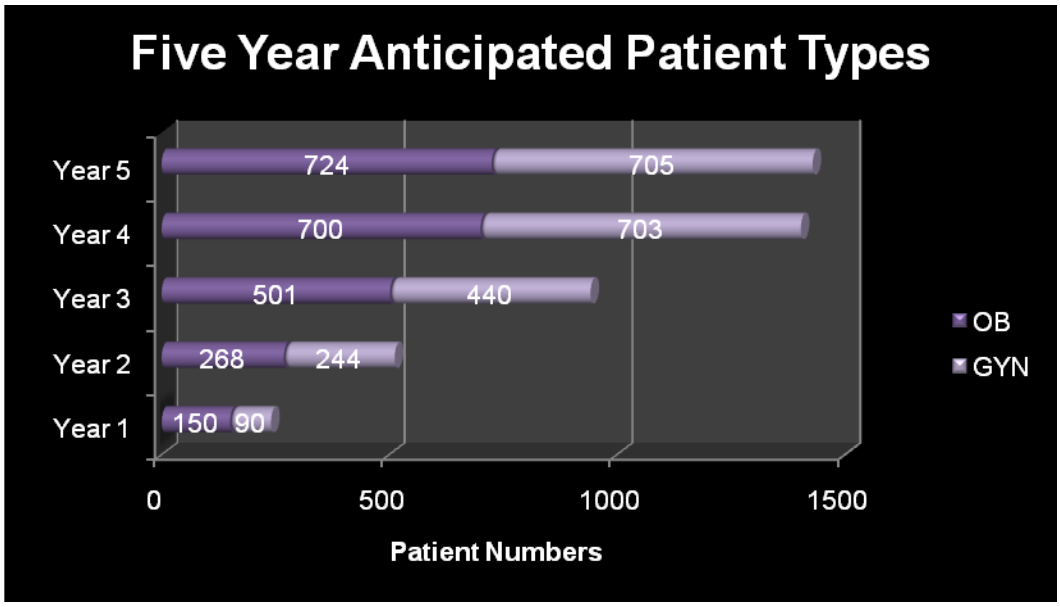


Figure 9 Five Year Anticipated Deliveries

Market Analysis Summary

According to U.S. Census Bureau (2010), XXX% of women who reside in YOUR County are of childbearing age (15-44). The YOUR CITY area has multiple opportunities for strategic partnerships to enhance rapid practice growth. This population of patients will positively respond to a practice with midwifery care and a supportive caring environment. Potential community partners to enhance rapid growth of underserved and Medicaid patients include:

- **YOUR PERINATAL OUTREACH**
- **Family Planning Service**
- **LOCAL Health Department PRENATAL PROGRAM**

In addition, targeting patients with private insurance who are seeking a "high-touch" experience associated with a tertiary care setting will be a balance to the payor mix of the practice. Contract negotiations between XXX and private payors to add midwifery care to the existing contracts is a critical first step.

Market Segmentation

Consumers

With nearly XX% of the population in YOUR County in 20XX comprising of women, there will be an advantage to developing an alternative women's health service. The advantage is to offer access to an alternative option to traditional allopathic women's health care. The practice will target women 15 and older who are interested in alternative women's health care. The mean age of this community is 40; therefore, the practice will be very capable of providing routine gynecological, family planning, perimenopausal, and postmenopausal care. One of the biggest strategies will be to educate the women of YOUR County on the services midwives provide and disprove the myths associated with midwifery

care. The practice will strive to provide a unique experience that will cater to women by offering a prime location that is convenient to access, a quality experience with each patient visit that includes "high touch" concept that addresses each patients need, and modern technology to provide information understandable by women with low levels of health literacy.

Competition

There are currently XX OB/GYN practices and XX private midwife practice that are affiliated with YOUR HOSPITAL. XX out of the XX accept GYN patients only, while the other four provide OB/GYN services. XX of these practices employ midwives. The solo midwife is also affiliated with HOSPITAL, located XX miles away in TOWN. XX practices are located in TOWN (XX miles); XX in the STREE/TOWN (Xmiles) and the XX practice is located TOWN STREET (Xmiles). See Appendix F.

Target Market Segment Strategy

XXX Midwifery Practice will locate and focus its efforts on the western side of YOUR County population. Our segmentation strategy is geographic for the reasons of: the urban, suburban, and rural patients of this area are in need of alternative women's health care that addresses the individual needs and the access to care problem; the expected growth of the local population has been projected that a few suburban towns will increase in population by XX6%.

Service Business Analysis

XX Midwifery Practice will be part of a larger medical industry. It will be associated with an academic center, a community hospital, a high-risk obstetrical center, a hospital-based women's health resident clinic, a faculty generalist OB/GYN private practice, HOSPITAL private OB/GYN providers, and a faculty family practice group. Private OB/GYN practices in YOUR County are numerous and generally smaller (XXX providers).

According to the Census Bureau, there are nearly XXX women near the office (ZIP CODE), suggesting an excellent patient-midwife ratio based on the number of midwives as well. With the

limited number of surrounding OB/GYN provider practices, these statistics are favorable for patient growth.

Competition and Buying Patterns

In general, competition among midwives and OB/GYN practices in YOUR County and the surrounding area is small. With projected growth in population of XX%, a XX% in annual pregnancies will continue to be expected, and the limited number of women's health providers, this practice creates a great potential for meeting patient load goals in year three.

Marketing Strategy

The first strategy for a successful start will be based on the development of collateral materials such as a practice brochure, which must be developed quickly. A web site will be a very important tool for targeting all women and a link to the ACNM midwife locator engine should be established immediately. A comprehensive marketing and communications plan will be one of the priorities during the first few weeks that the Director is on-board. This strategy will quickly create a high profile, logo, "look", name recognition, and understanding of midwifery care within the community through public speaking, networking, promotional events, and printed advertising. These marketing tools will be followed up with a sales strategy that relies on a pleasant and accessible location, well-trained, highly motivated employees, and a commitment to provide the best care and patient experiences possible in every interaction. An innovative component of this program will be the linking of this midwifery practice to public health programs, such as XXX. The advantage of this strategy is that every element of it is within our control.

XXX Midwifery Practice will have a competitive edge based on an alternative option to women's health care, location, quality of care, availability to patients, 24/7 inpatient coverage, quality time spent with each patient, focus on individual needs and providing education and support, strong social supports

and referral for those in need of additional services, pleasant staff and office environment. All of these factors will result in high level of patient satisfaction and high self-referral rates.

In conjunction with XX Marketing Department, a momentum will be created approximately three months prior to actual start of business to get the name and the kind of services offered recognized. Along with this, extensive education will be provided to the community and professionals addressing myths associated with midwives and the benefits of midwifery care.

Marketing Materials

To accomplish a visible presence, the practice will offer written materials that promote midwifery care and the office location that is simple to read coupled with a professional and polished look and feel. The information will include facts regarding midwifery care, roles of midwives in the obstetrical community, biographical information, location, photos, as well as other promotional materials. This will be available for our patients as well as potential patients.

The practice will provide multiple educational brochures from ACNM and American College of Obstetricians and Gynecologists (ACOG). In addition, patient information handouts will be available via Department of OB/GYN website.

Besides patient friendly written brochures and handouts (English and Spanish), there will be a number of videos, mailings, and other materials used to promote the medical office and medical information. This will include magazine/newspaper advertisements, movie theaters, buses, and bus shelters, commercial announcements on the radio and television, billboards, as well as other advertising avenues for getting the word out.

Marketing Expenses

Media Utilized / Associated Costs of the Media Budgeted Funds

Media	Budgeted Funds
Print and Social Media	
Bus / Bus Shelters	$XXX (for 3 months)
Billboards	$XXX (for 2-3 months)
Print Advertising	$XXX (for 3 months)
Movie	$XXX (10 weeks, $XXX/mo.)
Radio	$XXX
Print	$XXX (flyers/brochures/posters)
Agency News Letters XXX WIC Tribune March Of Dimes	$0 $0 $0 $0
Upstate Blog , Update, Announcements website, Seminar Series, HOSPITAL Family Resource Center, Physician's Practice Magazine **Food for Outreach visits to Organizations** 11 organizations @ $100per site **Website Advertisement** Business Finder Healthcare Directories Facebook Twitter	$0 $XXX $0 $0 $0 $0
Total	**$XXX**

Sales Strategy

The practice will offer incentives to the patients to serve as small mementos for each delivering patient as well advertisement of the practice. This may include monogrammed bags, Onsies, pens, coffee mugs, water bottles, stationary, etc. The marketing team will research this for comparative pricing and quality of products once the practice is operating.

Approximately four months prior to opening, the major marketing activities will begin. These activities will be in collaboration with the Marking Department at XXX and the lead agent will be XXX.

She will assist the Director in connecting with the most important marketing avenues. In addition, XXX will assist with placing ads for midwifery positions and setting up interviews.

Approximately two months prior to opening the practice will begin scheduling patients to be seen on the opening day. An arrangement will be made to have a receptionist available to operate the telephone to schedule appointments through the Department of OB/GYN at XXX.

Once operations are commenced, emphasis in advertising will continue for the next year and will continue to use the XXX Marketing advantage until second to third year of business, which by then our word of mouth will take over as our main source of referrals, thus reducing the costs of advertising.

All pricing for visits and procedures will be billed according to industry standards and monitored by the Department of OB/GYN and XXX. The practice will contract with the major private insurance carriers (Excellus, MVP, Aetna, United Health Care, and POMCO, etc) in our area and public insurance programs (Medicaid, Medicaid Managed Care, Medicare, etc).

Keys to Success

The keys to a successful midwifery practice will rely on patient satisfaction, the staff and office organization, and the marketing and sales of midwifery care.

Patients

- Educate patients on the importance of preventative care and regular check-ups
- Stress the importance of follow-up care through a recall system to remind patients of their appointments
- Focus on women's health needs
- Alternative option in women's health care

- Convenience of office location

Staff and Office Organization

- Unique, state of the art model that includes Centering Pregnancy™, continuity component, teen focus, relationship with local colleges and universities to perform credible research, and XXX
- Recognize that office staff is as crucial in the success of the business
- Progressive atmosphere

Finances

- Keep a low overhead
- Use EPIC for the latest and most accurate billing practices
- Optimize the number of patients we see in an hour while providing quality midwifery care

Marketing and Sales

- Aggressively market and create a presence in the community by catering to hospitals, perinatal outreach programs, community organizations, schools, colleges, universities, popular media avenues, and much more.
- Network with XXX OB/GYN, MFM faculty, Family Medicine and Primary Care providers, Family Planning Service, and XXX for referral relationship
- Location in an area with a low women's health services
- Located close to XXX

Appendices

APPENDIX A

ZIP CODES WITH THE LOWEST PERCENTAGE OF BIRTHS RECEIVING EARLY PNC IN YOUR COUNTY

ZIP CODES WITH THE HIGHEST PERCENTAGE OF BABYS WITH LBW

IN YOUR COUNTY[3]

APPENDIX B

CENTERING MODEL OVERVIEW[4]

Centering is an evidence-based redesign of health care delivery that helps to promote:

- safety,
- efficiency,
- effectiveness,
- timeliness,
- culturally appropriate patient-centered care, and
- more equitable care.

Centering is a model of group healthcare, which incorporates three major components: *assessment*, *education*, and *support*. Group participants meet with their care provider and other group participants according to a regular schedule for a much longer period of time (usually 90-120 minutes) than a usual check-up visit. **Centering** promotes individual health empowerment and community-building. The 13 Essential Elements of Centering secure these benefits.

At the start of a typical session, patients have a brief individual assessment by the care provider, participate in self-care activities, complete a Self-Assessment Sheet on a particular topic, enjoy

[4] https://www.centeringhealthcare.org/pages/centering-model/model-overview.php

refreshments, and have informal conversation with the other participants. When the group "circles up" together, there is facilitated discussion about a heath topic and the exchange of corporate wisdom on shared health experiences. Groups are lively, interactive, and patient-centered.

Agencies bill for group care in the same way as corresponding individual care visits. Centering Pregnancy care starts around the beginning of the second trimester and goes through delivery.

Research has shown increased patient and provider satisfaction in **Centering** groups and improved patient outcomes.

APPENDIX C

EMR INFO

APPENDIX D Payments According to Procedure Code, Patient Growth, and RVU by Year

THIS IS AN EXAMPLE

Procedure Code	RVU	Avg Pmt	Year 1		Year 2		Year 3		Year 4		Year 5	
99201 - OFFICE OUTPATIENT VISIT U/A PG test	111	$33	36	$1,171	79	$2,575	150	$4,893	226	$7,339	271	$8
99202 - OFFICE OUTPATIENT VISIT	423	$54	500	$27,048	1100	$59,505	2090	$113,060	3135	$169,590	3762	$2
99203 - OFFICE OUTPATIENT VISIT	1307	$82	120	$9,824	264	$21,614	502	$41,066	752	$61,599	903	$7
99204 - OFFICE OUTPATIENT VISIT	628	$113	72	$8,147	158	$17,924	301	$34,056	451	$51,083	542	$6
99205 - OFFICE OUTPATIENT VISIT	82	$182	12	$2,187	26	$4,810	50	$9,140	75	$13,710	90	$1
99211 - OFFICE OUTPATIENT VISIT	442	$11	4	$43	9	$95	17	$181	25	$271	30	
99212 - OFFICE OUTPATIENT VISIT	1628	$31	9	$280	20	$617	38	$1,172	56	$1,759	68	$2
99213 - OFFICE OUTPATIENT VISIT	8016	$41	72	$2,922	158	$6,427	301	$12,212	451	$18,318	542	$2
99214 - OFFICE OUTPATIENT VISIT	1235	$55	9	$492	20	$1,082	38	$2,055	56	$3,083	68	$3
99215 - OFFICE OUTPATIENT VISIT	236	$84	0.9	$75	2	$166	4	$315	6	$473	7	
99221 - HOSPITAL ADMIT, STRAIGHTF	395	$74	30	$2,222	76	$5,640	145	$10,716	217	$16,074	260	$1
99222 - HOSPITAL ADMIT, MODERATE	863	$108	60	$6,490	132	$14,278	251	$27,129	376	$40,693	451	$4
99223 - HOSPITAL ADMIT, HIGH COMP	242	$143	15	$2,144	78	$11,129	148	$21,144	222	$31,716	266	$3
99231 - SUBSEQUENT HOSPITAL VISIT	1676	$33	15	$495	15	$495	29	$941	43	$1,411	51	$1
99232 - SUBSEQUENT HOSPITAL VISIT	1212	$63	45	$2,842	54	$3,411	103	$6,480	154	$9,720	185	$1
99233 - SUBSEQUENT HOSPITAL VISIT	303	$80	13.5	$1,078	70	$5,594	133	$10,629	200	$15,943	240	$1

99238 - HOSPITAL DISCHARGE <30 MN	372	$50	90	$4,517	108	$5,420	205	$10,298	308	$15,448	369	$1
99239 - HOSPITAL DISCHARGE >30 MN	98	$44	0	$0	0	$0	0	$0	0	$0	0	
99384 - PREVENTIVE VISIT, NEW, 12	41	$61	9	$549	20	$1,208	38	$2,295	56	$3,442	68	$4
99385 - PREVENTIVE VISIT, NEW, 18	131	$80	36	$2,880	79	$6,336	150	$12,038	226	$18,058	271	$2
99386 - PREVENTIVE VISIT, NEW, 40	78	$121	40.5	$4,901	89	$10,781	169	$20,484	254	$30,726	305	$3
99387 - PREVENTIVE VISIT, NEW, 65	15	$146	4.5	$657	10	$1,446	19	$2,746	28	$4,120	34	$4
99394 - PREVENTIVE VISIT, EST, 12	11	$31	0		8	$256	16	$486	24	$729	28	
99395 - PREVENTIVE VISIT, EST, 18	677	$73	0		66	$4,818	125	$9,154	188	$13,731	226	$1
99396 - PREVENTIVE VISIT EST 40	249	$86	0		74	$6,386	141	$12,132	212	$18,199	254	$2
99397 - PREVENTIVE VISIT, EST, 65	3	$114	0		2	$188	3	$357	5	$536	6	

APPENDIX E

Number of Patient Growth Related to Percentage of Growth

Pt Visits	**Number of Pts**	**% Growth**
New OB		
New Gyn		
Total		
Year 2	**# Pts**	XXX%
Est OB		
New OB		
Est GYN		
New GYN		
Total		
Year 3	**# Pts**	XXX%
Est OB		
New OB		
Est GYN		
New GYN		
Total		
Year 4	**# Pts**	XXX%

Est OB		
New OB		
Est GYN		
New GYN		
Total		
Year 5	**# Pts**	XXX%
Est OB		
New OB		
Est GYN		
New GYN		
Total		

APPENDIX F

Location of XXX Proposed Midwifery Practice in Relation to Other Providers in YOUR County, STATE,

DATE

INSERT MAP

APPENDIX G

Mission/Vision/Philosophy

XXX Midwifery Mission Statement:

The mission of the XXX Midwifery Practice is to provide safe, full scope obstetrical and gynecological services to women of YOUR County. This care will be provided in an ethical and humanistic manner with focuses on prevention, safety, and patient satisfaction.

Vision of XXX Midwifery Practice will:

1. Be available to our patients.
2. Be viewed as an alternative to physician care, not a substitute.
3. Function within a system that allows for independent and collaborative practice and referrals as needed.
4. Provide a focus on the prevention of untoward outcomes through patient participation and education.
5. Participate in state and national organizations regarding issues affecting the practice of midwifery.
6. Participate in continuing education, to improve the quality of practice.

XXX Midwifery Philosophy:

XXX Midwifery Practice believes in a comprehensive approach to women's health. We believe that the woman and her family should be involved with decisions regarding greater health and well-being during her care. This will be achieved by creating an environment where the clinical staff educate, participate in active listening, advise, and support the woman and her family.