



Business Plan

Kinesio Physical Therapy

Daniel Johnson DPT, Kjersten Skjold, DPT

4350 S Washington Street
Grand Forks, ND 58201
(701) 335-3335

4/10/2014

Prepared by Daniel Johnson, DPT, Kjersten Skjold, DPT, Sarah Erickson, DPT, Ricky Morgan,
DPT, Rob Whittaker, DPT, and Scott Holm, DPT

Submitted To: Alerus Financial

Table of Contents

| | |
|--|-------|
| Executive Summary..... | 3-5 |
| Business Description..... | 6-7 |
| Marketing..... | 8-15 |
| Financials..... | 16-25 |
| Floor plan/ADA requirements..... | 26-27 |
| Personnel/Performance Evaluation/Benefits..... | 28-36 |
| Departmental Records..... | 37 |
| Quality Improvement Plan/FOCUS PDCA..... | 38-39 |
| References..... | 40 |

Executive Summary

The Company

Kinesio Physical Therapy, LLC, was founded in 2013 by Dan Johnson, DPT, and Kjersten Skjold, DPT, who specialize in industrial and sports rehabilitation. This motivated team of physical therapists, has made its mission to improve the health and wellness of the greater Grand Forks area by focusing on the rehabilitation of sports and industrial injuries. Together Dan and Kjersten bring 15 years of experience in a variety of rehabilitation settings with extensive continuing education. Both are certified in the Mckenzie Method of Mechanical Diagnosis & Treatment of the spine. Dan Johnson completed an extensive residency in sports rehabilitation, while Kjersten Skjold is certified by the American Academy of Orthopedic Manual Physical Therapists achieving the highest level of manual therapy certification recognized by the American Physical Therapy Association. The team's well rounded skill set in manual therapy and sports rehabilitation is the perfect combination for a successful physical therapy clinic specializing in sports and industrial rehabilitation.

The Concept

At Kinesio Physical Therapy, we are focused on promoting and preserving the health and well-being of our patients in the greater Grand Forks area with work and sport related injuries. Our objective is to develop professional relationships with a number of large scale industrial companies in the Grand Forks area by securing contractual agreements to provide physical therapy services to their employee's with work related injuries. We also intend to have a positive impact on the health and wellness of the Grand Forks community by forming integrated professional relationships with patients, leaders in the community, colleagues, physicians and members of the Grand Forks community.

Services & Products

Kinesio Physical Therapy will provide injury diagnosis, rehabilitation and prevention using evidence based practices in evaluation and treatment of patients. Our treatment will include manual therapy, McKenzie technique for low back and neck pain, strength, conditioning, wellness & prevention opportunities, work place ergonomic evaluations and preseason physical evaluation for local high school athletes.

The Market

The role of physical therapy in the health care community is expanding at a rapid rate. Consequently, the market for physical therapists is also expanding. This exciting season of growth is due to the profession's drive toward autonomy in the health care community, as physical therapists are taking on a more proactive role in the health care market offering not only the diagnosis & treatment of diseases, disabilities and injuries but also the prevention of these health care issues that keep them from living at their greatest potential. Because of this, the demand for physical therapists as a primary health care provider is on the rise. We see this as the

perfect opportunity to expand the presence of physical therapy in the Grand Forks area by offering a clinic designed to fit the needs of industrial workers and athletes.

Target Market

Kinesio Physical Therapy's primary market will be large scale industrial companies with the objective of providing rehabilitation and prevention physical therapy for the industrial workers in our community. We are also very committed to serve an array of clientele with a variety of health care needs including patients requiring physical therapy following bone or joint surgery, student-athletes, weekend warriors, and the geriatric community as a mechanism of achieving our goal to create a community that embraces health and wellness.

The Competition

Currently, the physical therapy market in Grand Forks, ND and the surrounding area is controlled by two major health systems including Altru Health Systems and Sanford Health that offer both inpatient and outpatient physical therapy, along with two private practices, Achieve Therapy & Fitness and Rehab Authority. Our major source of competition will be Achieve Therapy & Fitness whose business model includes rehabilitation and also prevention and wellness. Kinesio Physical Therapy will be the only clinic in Grand Forks whose realm of expertise is the prevention and rehabilitation of industrial and sports related injuries.

Management and Staffing

The founders of Kinesio Physical Therapy, Dan Johnson and Kjersten Skjold will serve as the chief financial officer and chief operations officer respectively. Collectively they bring 15 years of commitment to the profession of physical therapy; both have been previously employed in the private practice setting. Duties of the chief executive officer will be jointly distributed as outlined in the LLC operating agreement. Kinesio Physical Therapy will employ an office manager who will be under the direct supervision of Kjersten Skjold, the COO.

The Future

Where do we see ourselves in the future?

In five years, we intend to expand our staff, space, and patient satisfaction. Our objective is to become a self-sufficient physical therapy clinic with a stellar reputation that attracts patients from around the region. This will be accomplished by securing long term contracts with large scale industrial companies such as American Crystal Sugar Company, Marvin's Windows, Digi Key, Amazon, LM Glassfiber, and Cirrus Design (Cirrus Aircrafts). A comprehensive marketing plan and dedication to involvement in community events will exponentially expand our clientele base.

Because of the intent to expand, the original floor plan of our clinic has provided space for the addition of two private treatment areas, a therapy gym large enough for another therapist and their patient, and room for an additional computer station in the existing office space.

In ten years, we plan to open a second location to serve our expanding patient population outside of the Grand Forks area. Possibilities for the location of future sites include Crookston, MN,

Fargo, ND or Devils Lake, ND. Through meeting our patient and revenue goals at the primary location, we feel we can succeed with multiple locations when Kinesio Physical Therapy has a robust clientele base.

Active Participation in the Community

Through comprehensive physical therapy care, community service, and involvement in community programs we have every intention of being a major physical therapy provider in the Greater Grand Forks region. Our goal is to provide quality care for injured workers and athletes, promote the health of our community, and supply information related to prevention and wellness of injury and disease.

Financials and Funds Sought

The estimated start-up costs for Kinesio Physical Therapy totals \$241,000. Currently, both Johnson and Skjold are prepared to each invest \$25,000 of their personal funds toward the estimated start-up costs. Both partners are also bringing a total of \$3,000 in equity of miscellaneous equipment. However, we are seeking a loan of \$191,000 from Alerus Financial to cover the remainder of the funds. We are projecting that at a minimum each therapist at the clinic, on average, will see five patients per day over the course of the first year. We project that at the very minimum we will make \$100 for each patient seen. Extrapolating this number out over the course of one year we project that after we have fulfilled our fiduciary responsibilities we will make a net profit of \$10,998.12 after taxes. The second and third years that we are open we project that minimally we will be making \$117,081.00 and \$159,081.00 after taxes, respectively.

Business Description

The Business

Kinesio Physical Therapy seeks to become leading specialists in physical therapy for industrial and sports related rehabilitation in the Grand Forks area. We are looking to deliver a comprehensive service to large scale industrial companies and athletes, including the diagnosis, treatment and prevention of work and sport related injuries. Additionally, we are prepared to provide these same companies with strategies to target the overall physical wellness of their employees.

Our Mission

At Kinesio Physical Therapy, our mission is simple. We are looking to promote and preserve the health and well-being of the Grand Forks area with evidence based, comprehensive rehabilitation services for injuries that occur on the job or on the field. Our product will be the highest level of clinical care available with a strong commitment to customer service and satisfaction. Moreover, we will strive to form integrated professional relationships with patients, family members, colleagues, physicians and members of the Grand Forks community in order to create a community that embraces physical health and wellness. Every aspect of our practice is guided by our values of integrity, respect and a commitment to excellence.

Location

Kinesio Physical Therapy is located at 4350 S Washington St Suite 114, Grand Forks, ND. This prime location is in an expanding area of town in close proximity to many physician offices and the new Altru Rehabilitation Center. This area of town is heavily traveled with eye traffic and easy accessibility.

Products & Services

Kinesio Physical Therapy will provide a well-rounded approach to rehabilitation treating an array of orthopedic & neuromuscular conditions related to work and sports related injuries of the hip, knee, ankle, low back, neck, shoulder, elbow and wrist. Our services include a variety of treatment techniques including:

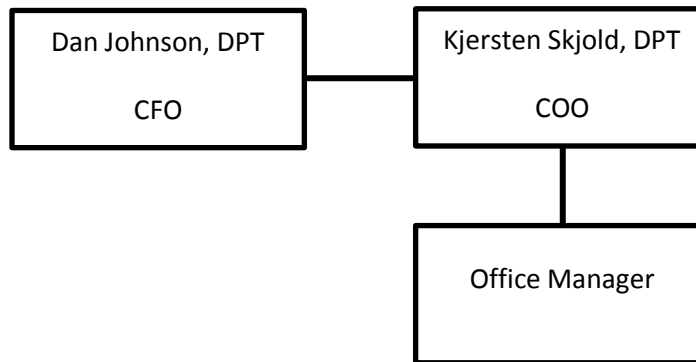
- Strength & Conditioning
- Manual Therapy
- McKenzie Method of the Spine
- Soft Tissue Mobilization
- Modalities for the relief of pain and inflammation
- Patient education
- Home Exercise Programs

We also offer many services for the promotion of wellness and injury prevention including,

- Wellness consultations
- Ergonomic assessments
- Pre-sport physicals
- Bike Fit
- Work and Wellness Seminars
- Gait assessment

Management & Staffing

Organizational Chart



Management of Kinesio Therapy will be designated as follows. Dan Johnson, DPT will be the Chief Financial Officer. His responsibilities will include marketing, public relations, advertising, and overseeing the financial aspects of the business. Kjersten Skjold, DPT will be the Chief Operations Officer ensuring that day to day procedures in the clinic are completed efficiently including the scheduling and delegation of responsibilities to support staff as seen fit. General responsibilities of the office manager are focused on providing excellent customer service to patients seeking rehabilitation at Kinesio Physical Therapy. These responsibilities include, greeting patients, scheduling appointments, contacting new referrals, and ensuring a professional treatment area.

All billing and documentation will be done through WebPT. WebPT will help us stay compliant, increase efficiency, schedule patients, improve operational decision-making with real-time business intelligence, and work on the go. WebPT is a widely used software provider for physical therapy clinics throughout the nation. WebPT will allow us to see more patients and devote less time to billing.

Financial Status

Currently, each partner is in good financial standing. Our bank statements and tax statements are up to date and available for review upon request.

First Year Goals:

- We will secure two contractual agreements with at least two major companies in the Grand Forks area.
- We will attend three health fairs to promote our physical therapy services.
- We plan to do twelve Work and Wellness Seminars at local businesses in an attempt to increase clientele base and meet our contractual agreement goals.
- We are driven to achieve 95% patient satisfaction through survey results in the first year.
- Increase our daily case load from five patients per therapist to ten and maintain this consistent case load throughout the life of the business.
- We hope to net a profit of \$40,000 exceeding our anticipated amount.

Marketing

Physical Therapy Industry Description:

Personnel in the physical therapy industry include health care providers in a wide variety of settings including hospitals, rehabilitation centers, schools, sports medicine facilities, nursing homes, and private practice clinics. Physical therapy provides services which include prescribed rehabilitation evaluation, intervention, re-evaluation, patient education, and consultation. Evaluation and treatment can be provided for patients with injuries to bone, muscle, or nervous system as well as various diseases and disabilities. Physical therapy can provide patient education and wellness consultation for long-term health improvement.

Physical Therapy Trends:

Currently, physical therapy is progressing to an autonomous primary healthcare provider. With more states and insurance companies allowing direct access; physical therapy is becoming a frontline provider for diagnosing and treating injuries, disease, and disability. As baby boomers are aging and remaining active later into life physical therapists are being called on to provide non-invasive care focusing on wellness and prevention. Along with an aging population, an increase in care for preventable diseases such as obesity and type II diabetes is at the fore front of healthcare. With significant changes in the healthcare delivery system, prevention and wellness care, which physical therapy can provide, is becoming more important to lower long-term healthcare costs. Through direct access outpatient care, community involvement, and consultation; physical therapy will continue an upward trend taking a larger role in the healthcare delivery system. Moving forward physical therapy industry goals will include improving effectiveness of care, advancing patient-centered care, furthering professional growth, promoting value and accountability, and ensuring the future.

Statistics:

- In 2013, physical therapists were rated number eight in the top 100 best jobs in terms of employment opportunity, good salary, manageable work-life balance, and job security according to the *US News & World Report*.
- According to the Bureau of Labor Statistics, employment of physical therapists is expected to grow 39% from 2010-2020.
- More than 198,000 physical therapists are licensed in the United States with a median income of \$80,000.
- According to the APTA, physical therapy has a 0.2 percent unemployment rate.

Target Market:

Primary Target:

The primary target market for Kinesio Physical Therapy will be large scale industrial facilities and the Grand Forks Public School system. Our goal is to provide care for the industrial workers and student-athletes in our community. By providing one on one care, group treatment, preventive healthcare, and contracted wellness programs we will provide care to these large sub-groups within our community. With our therapists' specific skills and continuing education, we are equipped to provide care and preventive medicine to large groups of people with similar injuries and/or disease patterns. Grand Forks has a large number of large industrial companies where work injuries are prevalent. The industrial companies we feel could benefit from our services include: LM Glassfiber, American Crystal Sugar Company, Amazon, and Cirrus Design (Cirrus Aircrafts). Along with industrial company contracts, we can provide services to the student-athletes throughout the Greater Grand Forks area. Through our specialties in industrial and sports medicine we are confident that our therapists are equipped to provide the best service to our primary target within the Greater Grand Forks area.

Secondary Target:

At Kinesio Physical Therapy our therapists have the skills and knowledge base to provide comprehensive physical therapy care to large industrial companies and student-athletes throughout the region. In addition to these groups, we also have the ability to provide care to smaller sub-groups of the community. Patients who have undergone orthopedic surgery, weekend warriors, and geriatric clientele could all benefit from physical therapy evaluation and treatment at Kinesio Physical Therapy. Another group that would benefit from the care we provide is our law-enforcement and fire fighters of the community. By contracting with the Grand Forks Police department, the Grand Forks Fire Fighters, and the Grand Forks County Sheriff's department we could provide physical therapy evaluation and treatment as well as preventive and wellness care or consultation. In addition to our larger groups in the community, who could benefit from our care, we feel there are many smaller groups, who will also benefit greatly from the services of Kinesio Physical Therapy.

Competition:

Primary Competition:

Currently, Grand Forks has physical therapy clinics within a large hospital system as well as smaller private practice clinics. Our primary competition will include both of these practices. The health system in Grand Forks is currently dominated by Altru Health Systems, who provide outpatient and inpatient therapy on their medical campus. Along with their on campus physical therapy they also provide therapy throughout the region through outreach clinics. In East Grand Forks the health care system which provides most of the care is Sanford Health. Sanford Health

in East Grand Forks provides outpatient physical therapy with a focus in postural restoration. Overall, these two hospital systems provide comprehensive physical therapy treatment to a variety of populations.

Along with the major health systems in the Greater Grand Forks area there are multiple small private practice clinics. Achieve Therapy and Fitness and Rehab Authority make up the primary private practice clinics in the region. Achieve Therapy and Fitness will be our primary competition within the private practice market. They specialize in sports rehabilitation and functional movement screenings as well as providing preventive care and wellness access to their fitness center.

Secondary Competition:

Our secondary competition includes the physical therapists employed by the Grand Forks School System and the University of North Dakota. The therapists employed through the school system provide physical therapy intervention to disabled students during the school day (student-athletes are not covered by the school system therapist). Therapists employed through the University Of North Dakota provide comprehensive physical therapy treatment to the student-athletes. Overall, these two entities provide physical therapy care to their students, which will limit our access to these populations.

SWOT Analysis:

Strengths:

Within our clinic we possess a wealth of experience and knowledge to benefit our patients. Our primary strength is our therapists' extensive background and training in manual therapy. Our therapists have obtained high level certifications in manual therapy. With these manual therapy certifications our therapists are able to provide a higher level of care to our patients. Along with continued education, our physical therapists have a combined 15 years of experience. This experience has provided our therapists with a wealth of hands-on patient experience.

Previously, Dan has implemented a prevention and wellness program for nurses within a hospital system. He developed a bi-weekly fitness program with the focus on strength, posture, and endurance. Dan determined that nurses were most likely to suffer a work injury in a hospital; through this information he developed a preventive training program to decrease the amount of work injuries. Kjersten previously secured a contract with a small private school to provide physical therapy care to their student-athletes. She created a contract and secured the position within the school. For two years, she provided physical therapy treatment for twelve teams throughout the school year as well as developing and monitoring a summer strength and conditioning program.

Overall, our therapists have improved their knowledge base, developed sports medicine and occupational wellness programs, and provided quality care. Throughout their time in the clinic our therapists have been continually learning from patients and improving their skills.

Weaknesses:

In our clinic we have weaknesses which may limit our ability to effectively treat specific patient populations. Our therapists lack the extensive experience in neurological rehabilitation. This is one specific discipline of physical therapy that we may not be able to provide effective patient care. Another weakness of our physical therapy clinic is our newness to the market. With Altru hospital and Achieve Therapy and Fitness providing care for many years, we will need to demonstrate our ability early to match their presence in the market. Initially we will only employ two physical therapists, which means that vacation time will not be allotted during the first year. In cases of sickness or emergency, we stand to lose patient visits due to missing employees. Overall, our weaknesses will not limit our ability to provide comprehensive care to our target market.

Opportunities:

In Grand Forks there are large populations who would benefit from our services. With effective marketing and skilled services we have an opportunity to tap into the physical therapy market within the city. As the city of Grand Forks begins to put a greater emphasis on physical fitness and wellness, we are given a unique opportunity to provide care for injuries and promote health and wellness through our services. Currently, the healthcare delivery system is trending toward prevention and wellness which we have the opportunity to provide. Along with changes in healthcare delivery, there is also a movement toward decreasing industry costs. With our contracts with large companies and patient groups we will be able to provide care to large number of patients at a reduced cost. By solidifying care a large number of patients we stand to guarantee our patient numbers and income. We feel that our clinicians can provide physical therapy services to the ever-changing demographic within the Greater Grand Forks area.

Threats:

Our largest threat is lack of power and presence in the Grand Forks physical therapy market. As stated earlier, Altru Health Systems and Achieve Therapy and Fitness have a significant strong hold on the market. Our goal will not be to go head to head with these facilities, but instead carve out our own space in the market. Prior to starting we understand that we do not have the presence in the market, but through our therapists' skills and service we can tap into a portion of the market. A second major threat is the changes occurring in health care delivery and the Affordable Health Care Act. With significant reimbursement changes occurring we are unsure of the future of obtaining reimbursement for treatments. Due to the uncertainty of the government mandates we will have to make adjustments and changes to our services as we go.

Marketing Strategy:

Marketing Plan:

- Unique Selling Point:
 - What: Kinesio Physical Therapy specializes in sports medicine treatment and industrial health.
 - Who: Athletes, industrial workers, weekend warriors, post-surgical patients, and general population members.
 - Benefit: Kinesio Physical Therapy offers comprehensive physical therapy treatment to meet the goals of the patient and preventative care for further injury.
 - Proof: Our therapists have obtained advanced certifications in manual therapy and have significant experience in sports and industrial rehabilitation. Our interventions are tailored to the needs of our patients to effectively and efficiently return to work or sport. This is supported by the patient's outcomes that we have tirelessly worked to achieve. On average our patients return to work or sport sooner than other physical therapists.
 - Perception: Our facility provides an atmosphere to push athletes and industrial workers to reach their goals and return to work or sport.
- Market Awareness:
 - Grand Forks Population (2012 Estimate): 53,456
 - Age: Median age 28.4
 - Population Covered by Health Insurance (estimate): 47,488
 - Other Physical Therapy Clinics/Hospitals: 5
- Target Market:
 - Our primary target markets are athletes, weekend warriors, and industrial workers in the Greater Grand Forks area. They enjoy sports, being outdoors, and physical fitness activities.
- Competition: See primary and secondary competition above
- Creating a brand: "Designing a Better Moving You"
- Strategy Review: See marketing strategy below (types of marketing, where, and how)
- Marketing Goals: See below
- Budget: See budget section
- Monitor Results: Results will be monitored by patient surveys and revenue tracking

Types of Marketing:

- Networking:
 - Our therapists will become members of the Greater Grand Forks Young Professionals organization. Through this organization we will make connections with other young professionals, attend executive meetings, attend lunch and learn events, and participate in other activities to strengthen our professional network and market our clinic.
 - Along with the young professionals group, our therapists join the Grand Forks Chamber of Commerce. Involvement in the chamber opens doors for connections with other professionals in the community, listing in the community profile directory, promotion in the chamber newsletter, and other community involvement opportunities.
 - Kinesio Physical Therapy will also seek to participate in local events such as the Wild Hog Half Marathon, Healthy Living Expo, and other health related events.
 - Establish a presence as a provider for Workers Safety and Insurance of North Dakota.
- Other Health Care Professionals Letters:
 - To reach health care providers in the area we plan to send an initial letter explaining our business, services, areas of expertise, and outcome goals. These letters will be mailed to all physicians in the Greater Grand Forks Area, with an offer to set up a follow-up meeting. See Attached.
- Social Media:
 - With the boom in social media marketing, we will target our consumers through Facebook and Twitter. Our Facebook page will serve as a resource for friends to find out more about us and the new things occurring in our practice. This is an area where we can upload pictures of our clinic as well as videos offering health and wellness tips. Our Twitter page will allow us to provide short clips about us and what we provide. Through Twitter we will be able to link users to our Facebook page and articles related to what our practice offers. Social media is a popular and free opportunity to market to our consumers.
- Print Marketing:
 - A once a month mail flyer will be sent out to all of the homes in Grand Forks and East Grand Forks. The month prior to our opening we will send a flyer announcing our grand opening. The

first month of operation flyer will include an offer for a free function screening, in which the therapist will perform a ten minute mini-evaluation followed by information on how physical therapy can help this patient. The next month will include “little known facts about PT”, which will serve as an introduction about the services we offer. The flyer will be sent out once a month for the first one month prior to operation and for the next two months following our grand opening. Following the rollout of the first three flyers we will re-evaluate our marketing strategy based on our customer satisfaction survey.

- Web Site Design:
 - Through the help of a professional marketing firm, we will design and offer a professional website detailing who we are, what we do, and what we can provide. The website will include links to our other marketing resources as well as patient comments on our care. The website will be maintained by the marketing firm and management. It will be updated regularly to keep patients informed on changes occurring in our clinic.

Marketing Goals:

Below are our preliminary marketing goals specific to increasing our patient traffic, expanding our network among other healthcare providers, and growing our personal network as a small business in Grand Forks.

- Secure a one-year or multi-year physical therapy service contract with a major industrial business to obtain consistent patient flow.
- Receive referrals from 10% of physicians who receive our healthcare provider marketing letter to grow our healthcare network.
- 20 patients participate in our free screening from our flyer marketing to increase our patient numbers.
- Lead a lunch and learn with the Greater Grand Forks Young Professionals group to enhance our networking among businesses in Grand Forks.



Dear Dr. [...]

Who:

Kinesio Physical Therapy is a new outpatient physical therapy practice in Grand Forks. Our therapists: Dan Johnson and Kjersten Skjold are both Board Certified Doctors of Physical Therapy. Together this team brings 15 years of experience in a variety of rehabilitation settings and extensive continuing education. Both are certified in the Mckenzie Method of Mechanical Diagnosis & Treatment specializing in the spine. Dan Johnson completed an extensive residency in sports rehabilitation, while Kjersten Skjold is certified by the American Academy of Orthopedic Manual Physical Therapists achieving the highest level of manual therapy certification recognized by the American Physical Therapy Association.

Where:

Our office is located at:
4350 S. Washington St. Suite 114
Grand Forks, ND 58201

What:

We provide comprehensive physical therapy examination and treatment for patients of all ages. Kinesio Physical Therapy accepts all insurance companies as well as private payers. At Kinesio Physical Therapy, it is our mission to promote and preserve the health and well-being of our patients by providing compassionate, comprehensive rehabilitation services delivered with a strong commitment to customer service and satisfaction. Our focus is to serve those in the Grand Forks area with industrial and sports related injuries by providing the highest level of clinical care available, while maintaining the individualized attention that only a small private practice can provide.

Sincerely,

Dan Johnson, DPT & Kjersten Skjold, DPT

Financials

Fund Allocation Management

We are requesting a \$191,000 loan to start our private practice clinic. We will use these funds toward construction of 4350 South Washington St. in Grand Forks and equipment to outfit the space. Our co-owners are contributing \$25,000 each toward the down payment and sharing a 50% ownership.

Equipment total: \$54,748

Construction minus landlord fit up assistance: \$166,000

= \$241,000 - \$50,000 (down payment) = \$191,000

Our anticipated yearly income is \$260,000 for the first year charging approximately \$100 per patient and averaging 5 patients each day per PT. We expect this to increase by word of mouth and marketing to see an average of 10 patients per day in the following years at \$100/patient to equal \$520,000.

The first year we are anticipating a net profit of \$31,808. In the following years we plan to net \$145,583, the co-owners plan to split the profit after all bills are accounted for and taxes are paid on this amount.

Our plan for employee time off will be countered by the ability of one PT to fill in up front; we will request the employee give 1 week notice for all time off so we are able to schedule patients accordingly. In the following year we plan to hire a PT aid that will be co-trained to work at the front office to account for time off when both PT's are seeing 13 patients each day.

Loan Amortization

\$2,836.24 \$238,244.36 \$47,244.36 Dec, 2020
 Monthly Principal & Total of 84 Payments Total Interest Paid Pay-off Day
 Interest

| Date | Interest | Principal | Balance |
|-------------|--------------------|--------------------|---------------------|
| Jan, 2014 | \$1,034.58 | \$1,801.66 | \$189,198.34 |
| Feb, 2014 | \$1,024.82 | \$1,811.42 | \$187,386.92 |
| Mar, 2014 | \$1,015.01 | \$1,821.23 | \$185,565.69 |
| Apr, 2014 | \$1,005.15 | \$1,831.09 | \$183,734.60 |
| May, 2014 | \$995.23 | \$1,841.01 | \$181,893.58 |
| Jun, 2014 | \$985.26 | \$1,850.99 | \$180,042.60 |
| Jul, 2014 | \$975.23 | \$1,861.01 | \$178,181.59 |
| Aug, 2014 | \$965.15 | \$1,871.09 | \$176,310.50 |
| Sep, 2014 | \$955.02 | \$1,881.23 | \$174,429.27 |
| Oct, 2014 | \$944.83 | \$1,891.42 | \$172,537.85 |
| Nov, 2014 | \$934.58 | \$1,901.66 | \$170,636.19 |
| Dec, 2014 | \$924.28 | \$1,911.96 | \$168,724.23 |
| 2014 | \$11,759.13 | \$22,275.77 | \$168,724.23 |
| Jan, 2015 | \$913.92 | \$1,922.32 | \$166,801.91 |
| Feb, 2015 | \$903.51 | \$1,932.73 | \$164,869.17 |
| Mar, 2015 | \$893.04 | \$1,943.20 | \$162,925.97 |
| Apr, 2015 | \$882.52 | \$1,953.73 | \$160,972.25 |
| May, 2015 | \$871.93 | \$1,964.31 | \$159,007.94 |
| Jun, 2015 | \$861.29 | \$1,974.95 | \$157,032.99 |
| Jul, 2015 | \$850.60 | \$1,985.65 | \$155,047.34 |
| Aug, 2015 | \$839.84 | \$1,996.40 | \$153,050.94 |
| Sep, 2015 | \$829.03 | \$2,007.22 | \$151,043.72 |
| Oct, 2015 | \$818.15 | \$2,018.09 | \$149,025.63 |
| Nov, 2015 | \$807.22 | \$2,029.02 | \$146,996.61 |
| Dec, 2015 | \$796.23 | \$2,040.01 | \$144,956.60 |
| 2015 | \$10,267.28 | \$23,767.62 | \$144,956.60 |
| Jan, 2016 | \$785.18 | \$2,051.06 | \$142,905.54 |
| Feb, 2016 | \$774.07 | \$2,062.17 | \$140,843.37 |
| Mar, 2016 | \$762.90 | \$2,073.34 | \$138,770.03 |
| Apr, 2016 | \$751.67 | \$2,084.57 | \$136,685.46 |
| May, 2016 | \$740.38 | \$2,095.86 | \$134,589.60 |
| Jun, 2016 | \$729.03 | \$2,107.22 | \$132,482.38 |
| Jul, 2016 | \$717.61 | \$2,118.63 | \$130,363.75 |
| Aug, 2016 | \$706.14 | \$2,130.11 | \$128,233.65 |
| Sep, 2016 | \$694.60 | \$2,141.64 | \$126,092.00 |
| Oct, 2016 | \$683.00 | \$2,153.24 | \$123,938.76 |
| Nov, 2016 | \$671.33 | \$2,164.91 | \$121,773.85 |
| Dec, 2016 | \$659.61 | \$2,176.63 | \$119,597.22 |
| 2016 | \$8,675.52 | \$25,359.39 | \$119,597.22 |
| Jan, 2017 | \$647.82 | \$2,188.42 | \$117,408.79 |

| | | | |
|-------------|-------------------|--------------------|--------------------|
| Feb, 2017 | \$635.96 | \$2,200.28 | \$115,208.51 |
| Mar, 2017 | \$624.05 | \$2,212.20 | \$112,996.32 |
| Apr, 2017 | \$612.06 | \$2,224.18 | \$110,772.14 |
| May, 2017 | \$600.02 | \$2,236.23 | \$108,535.91 |
| Jun, 2017 | \$587.90 | \$2,248.34 | \$106,287.57 |
| Jul, 2017 | \$575.72 | \$2,260.52 | \$104,027.06 |
| Aug, 2017 | \$563.48 | \$2,272.76 | \$101,754.29 |
| Sep, 2017 | \$551.17 | \$2,285.07 | \$99,469.22 |
| Oct, 2017 | \$538.79 | \$2,297.45 | \$97,171.77 |
| Nov, 2017 | \$526.35 | \$2,309.90 | \$94,861.87 |
| Dec, 2017 | \$513.84 | \$2,322.41 | \$92,539.47 |
| 2017 | \$6,977.16 | \$27,057.75 | \$92,539.47 |
| Jan, 2018 | \$501.26 | \$2,334.99 | \$90,204.48 |
| Feb, 2018 | \$488.61 | \$2,347.63 | \$87,856.84 |
| Mar, 2018 | \$475.89 | \$2,360.35 | \$85,496.49 |
| Apr, 2018 | \$463.11 | \$2,373.14 | \$83,123.36 |
| May, 2018 | \$450.25 | \$2,385.99 | \$80,737.37 |
| Jun, 2018 | \$437.33 | \$2,398.91 | \$78,338.45 |
| Jul, 2018 | \$424.33 | \$2,411.91 | \$75,926.54 |
| Aug, 2018 | \$411.27 | \$2,424.97 | \$73,501.57 |
| Sep, 2018 | \$398.13 | \$2,438.11 | \$71,063.46 |
| Oct, 2018 | \$384.93 | \$2,451.32 | \$68,612.14 |
| Nov, 2018 | \$371.65 | \$2,464.59 | \$66,147.55 |
| Dec, 2018 | \$358.30 | \$2,477.94 | \$63,669.61 |
| 2018 | \$5,165.05 | \$28,869.86 | \$63,669.61 |
| Jan, 2019 | \$344.88 | \$2,491.37 | \$61,178.24 |
| Feb, 2019 | \$331.38 | \$2,504.86 | \$58,673.38 |
| Mar, 2019 | \$317.81 | \$2,518.43 | \$56,154.95 |
| Apr, 2019 | \$304.17 | \$2,532.07 | \$53,622.88 |
| May, 2019 | \$290.46 | \$2,545.79 | \$51,077.10 |
| Jun, 2019 | \$276.67 | \$2,559.57 | \$48,517.52 |
| Jul, 2019 | \$262.80 | \$2,573.44 | \$45,944.09 |
| Aug, 2019 | \$248.86 | \$2,587.38 | \$43,356.71 |
| Sep, 2019 | \$234.85 | \$2,601.39 | \$40,755.31 |
| Oct, 2019 | \$220.76 | \$2,615.48 | \$38,139.83 |
| Nov, 2019 | \$206.59 | \$2,629.65 | \$35,510.18 |
| Dec, 2019 | \$192.35 | \$2,643.90 | \$32,866.28 |
| 2019 | \$3,231.58 | \$30,803.33 | \$32,866.28 |
| Jan, 2020 | \$178.03 | \$2,658.22 | \$30,208.07 |
| Feb, 2020 | \$163.63 | \$2,672.62 | \$27,535.45 |
| Mar, 2020 | \$149.15 | \$2,687.09 | \$24,848.36 |
| Apr, 2020 | \$134.60 | \$2,701.65 | \$22,146.71 |
| May, 2020 | \$119.96 | \$2,716.28 | \$19,430.43 |
| Jun, 2020 | \$105.25 | \$2,730.99 | \$16,699.44 |
| Jul, 2020 | \$90.46 | \$2,745.79 | \$13,953.65 |
| Aug, 2020 | \$75.58 | \$2,760.66 | \$11,192.99 |

| | | | |
|------------------|-------------------|--------------------|---------------|
| Sep, 2020 | \$60.63 | \$2,775.61 | \$8,417.37 |
| Oct, 2020 | \$45.59 | \$2,790.65 | \$5,626.73 |
| Nov, 2020 | \$30.48 | \$2,805.76 | \$2,820.96 |
| Dec, 2020 | \$15.28 | \$2,820.96 | \$0.00 |
| 2020 | \$1,168.63 | \$32,866.28 | \$0.00 |

Profit and Loss Projection (3 Years)

| | 2014 | % | 2015 | % | 2016 | % |
|---------------------------------------|-------------|---------|--------------|---------|--------------|---------|
| Sales | \$ 260,000 | 100.00% | \$ 520,000 | 100.00% | \$572,000 | 100.00% |
| Cost/ Goods Sold (COGS) | - | 0.00% | - | 0.00% | - | 0.00% |
| Gross Profit | \$ 260,000 | 100.00% | \$ 520,000 | 100.00% | \$572,000 | 100.00% |
| Operating Expenses | | | | | | |
| Salary (Office & Overhead) | \$ 140,000 | 53.85% | \$ 140,000 | 26.92% | \$140,000 | 24.48% |
| Payroll (FICA taxes etc.) | \$17,360.00 | 6.68% | \$17,360.00 | 3.34% | \$17,360.00 | 3.03% |
| Supplies (office and therapeutic) | \$2,000 | 0.77% | \$2,000 | 0.38% | \$2,000 | 0.35% |
| Repairs/ Maintenance | \$500.00 | 0.19% | \$500.00 | 0.10% | \$500.00 | 0.09% |
| Marketing/Advertising | \$8,573.00 | 2.82% | \$2645.00 | 1.41% | \$2645.00 | 1.28% |
| Mortgage | \$34,034.88 | 13.09% | \$34,035.00 | 6.55% | \$34,035.00 | 5.95% |
| Accounting and Legal | \$1,000.00 | 0.38% | \$1,000.00 | 0.19% | \$1,000.00 | 0.17% |
| Rent | | 0.00% | \$30,900.00 | 5.94% | \$30,900.00 | 5.40% |
| Telephone | \$4,080.00 | 1.57% | \$1,080.00 | 0.21% | \$1,080.00 | 0.19% |
| Utilities | \$4,800.00 | 1.85% | \$4,800.00 | 0.92% | \$4,800.00 | 0.84% |
| Benefits (CEU, PTO, Health Insurance) | \$16,584.00 | 6.38% | \$16,584.00 | 3.19% | \$16,584.00 | 2.90% |
| Professional fees (APTA) & Licensure | \$1,110.00 | 0.43% | \$1,110.00 | 0.21% | \$1,110.00 | 0.19% |
| Web PT | \$19,400.00 | 7.46% | \$19,400.00 | 3.73% | \$19,400.00 | 3.39% |
| Miscellaneous | \$1,000.00 | 0.38% | \$1,000.00 | 0.19% | \$1,000.00 | 0.17% |
| Total Expenses | \$246,202 | 95.85% | \$277,102 | 53.29% | \$277,102 | 48.44% |
| Net Profit Before Tax | \$13,798.12 | | \$247,898.00 | | \$301,898.00 | |
| Income Taxes (ND & Fed) | \$2,800.00 | | \$132,817.00 | | \$142,817.00 | |
| Net Profit After Tax | \$10,998.12 | | \$117,081.00 | | \$159,081.00 | |
| Owner Draw/ Dividends | - | | - | | - | |
| Adj. to Retained Earnings | \$10,998.12 | | \$117,081.00 | | \$159,081.00 | |

Charge Master

| CPT Code | Treatment | Public Price | Medicare | Medicaid | BCBS ND/MN | Workers Comp | HMO/PPO |
|----------|--|--------------|----------|----------|------------|--------------|---------|
| 97001 | PT eval | \$165.00 | \$75.11 | \$78.47 | \$150.22 | \$138.39 | \$60.00 |
| 97002 | PT re-eval | \$85.00 | \$42.13 | \$49.94 | \$84.26 | \$77.68 | \$40.00 |
| 97010 | Hot or cold pack | \$15.00 | \$5.92 | \$6.66 | \$11.84 | \$0.00 | \$4.00 |
| 97012 | Mechanical Traction | \$55.00 | \$15.95 | X | \$31.90 | \$29.38 | \$12.00 |
| 97014 | Electrical stimulation (unattended) | \$50.00 | \$15.95 | X | \$31.90 | \$29.38 | X |
| 97016 | Vasopneumatic device | \$55.00 | \$19.18 | X | \$38.36 | \$35.25 | X |
| 97018 | Paraffin bath | \$35.00 | \$10.98 | X | \$21.96 | \$20.24 | \$7.00 |
| 97032 | Electrical stimulation (manual) | \$60.00 | \$19.18 | \$13.27 | \$38.36 | \$35.25 | \$15.00 |
| 97033 | Iontophoresis | \$70.00 | \$32.43 | X | \$64.86 | \$59.40 | \$25.00 |
| 97034 | Contrast bath | \$50.00 | \$18.10 | X | \$36.20 | \$33.29 | X |
| 97035 | Ultrasound | \$50.00 | \$12.73 | \$13.27 | \$25.46 | \$23.50 | \$13.00 |
| 97110 | Therapeutic exercises | \$75.00 | \$32.07 | \$15.93 | \$64.14 | \$58.75 | \$30.00 |
| 97112 | Neuromuscular reeducation | \$80.00 | \$33.51 | \$15.93 | \$67.02 | \$61.36 | \$26.00 |
| 97116 | Gait training | \$80.00 | \$28.49 | \$15.93 | \$56.98 | \$52.22 | \$21.00 |
| 97140 | Manual therapy | \$85.00 | \$29.92 | X | \$59.84 | \$54.84 | \$25.00 |
| 97150 | Group therapeutic procedures | \$50.00 | \$17.39 | \$8.32 | \$34.78 | \$31.39 | \$15.00 |
| 97530 | Therapeutic activities | \$70.00 | \$34.94 | \$15.93 | \$69.88 | \$63.97 | \$30.00 |
| 97597 | Active wound care/20cm or < | \$155.00 | \$76.19 | \$109.12 | \$152.38 | \$45.04 | X |
| 97598 | Active wound care >20cm | \$100.00 | \$24.94 | \$35.42 | \$49.88 | \$21.54 | X |
| 97602 | Wound care non-selective | \$35.00 | | X | | | X |
| 97605 | Neg press wound tx, <50cm | \$100.00 | \$41.66 | X | \$83.32 | \$50.27 | X |
| 97606 | Neg press wound tx, >50cm | \$130.00 | \$44.19 | X | \$88.38 | \$55.49 | X |
| 97750 | Physical performance test or measurement | \$70.00 | \$33.17 | X | \$66.34 | \$61.36 | X |

Payer Mix

| Payer | % |
|----------------------|-------------|
| BCBS ND/MN | 60% |
| Medicare | 15% |
| Medicaid | 5% |
| Workers Comp | 15% |
| HMO/PPO | 5% |
| Total Charges | 100% |

Equipment & Supplies

Office Supplies

| | Price | Quantity | Total |
|-------------------------|--------------|-----------------|-----------------|
| Break Room | | | |
| Mini Fridge | \$200 | 1 | \$200 |
| Microwave | \$115 | 1 | \$115 |
| Office Manager | | | |
| Computer | \$1,000 | 1 | \$1,000 |
| Chair | \$500 | 1 | \$500 |
| Desk | \$700 | 1 | \$700 |
| Printer Combo | \$500 | 1 | \$500 |
| Waiting Chairs x8 | \$3,200 | 1 | \$3,200 |
| Blinds | \$600 | 1 | \$600 |
| Phone | \$30 | 1 | \$30 |
| Keyboard Tray | \$70 | 1 | \$70 |
| Office Supplies | \$150 | 1 | \$150 |
| Garbage Can | \$10 | 1 | \$10 |
| Shared PT Office | | | |
| Computers | \$1,000 | 2 | \$2,000 |
| Phones | \$60 | 1 | \$60 |
| Keyboard tray | \$140 | 1 | \$140 |
| Chairs | \$500 | 2 | \$1,000 |
| Desk | \$1,200 | 1 | \$1,200 |
| File Cabinet | \$250 | 1 | \$250 |
| Office supplies | \$150 | 1 | \$150 |
| Printer combo | \$500 | 1 | \$500 |
| Garbage can | \$10 | 1 | \$10 |
| Shelving | \$300 | 1 | \$300 |
| Ice Machine | \$1,600 | 1 | 1600 |
| | | Total | \$14,285 |

Cleaning Supplies

| | Price | Quantity | Total |
|--------------------------|-------|--------------|----------------|
| Cleaning Supplies | | | |
| Washer | \$700 | 1 | \$700 |
| Dryer | \$750 | 1 | \$750 |
| Disposable gloves | \$20 | 1 | \$20 |
| Soap/sanitizer | \$50 | 1 | \$50 |
| Detergent | \$20 | 1 | \$20 |
| Vacuum | \$150 | 1 | \$150 |
| Misc. cleaning supplies | \$100 | 1 | \$100 |
| | | Total | \$1,790 |

Rehab Equipment

| | Price | Quantity | Total |
|-----------------------------|---------|----------|----------|
| Therapy Gym | | | |
| E-stim/US combo unit | \$3,205 | 1 | \$3,205 |
| 2cm sound head | \$295 | 1 | \$295 |
| 5cm sound head | \$295 | 1 | \$295 |
| 10cm sound head | \$295 | 1 | \$295 |
| Cart for estim | \$138 | 1 | \$138 |
| E-stim | \$105 | 1 | \$105 |
| Gait belts | \$13 | 4 | \$52 |
| Small goniometer | \$10 | 4 | \$40 |
| Large gonimoter | \$10 | 4 | \$40 |
| Vertical theraband rack | \$83 | 1 | \$83 |
| Dumbbell strip | \$95 | 1 | \$95 |
| Ankle weights | \$30 | 1 | \$30 |
| Rolling stools | \$55 | 4 | \$220 |
| Freezer | \$370 | 1 | \$370 |
| Hot pack (HP) large | \$15 | 2 | \$30 |
| HP med. | \$8 | 2 | \$16 |
| HP cervical | \$7 | 1 | \$7 |
| High low plinth | \$2,800 | 4 | \$11,200 |
| Cold pack large | \$17 | 2 | \$34 |
| CP medium | \$9 | 2 | \$18 |
| CP cervical | \$10 | 2 | \$20 |
| Traction machine & Table | \$5,100 | 1 | \$5,100 |
| Chairs | \$100 | 6 | \$600 |
| Garbage | \$10 | 1 | \$10 |
| Dirty linen container | \$35 | 1 | \$35 |
| Linen | \$500 | 1 | \$500 |
| Privacy curtains | \$1,000 | 1 | \$1,000 |

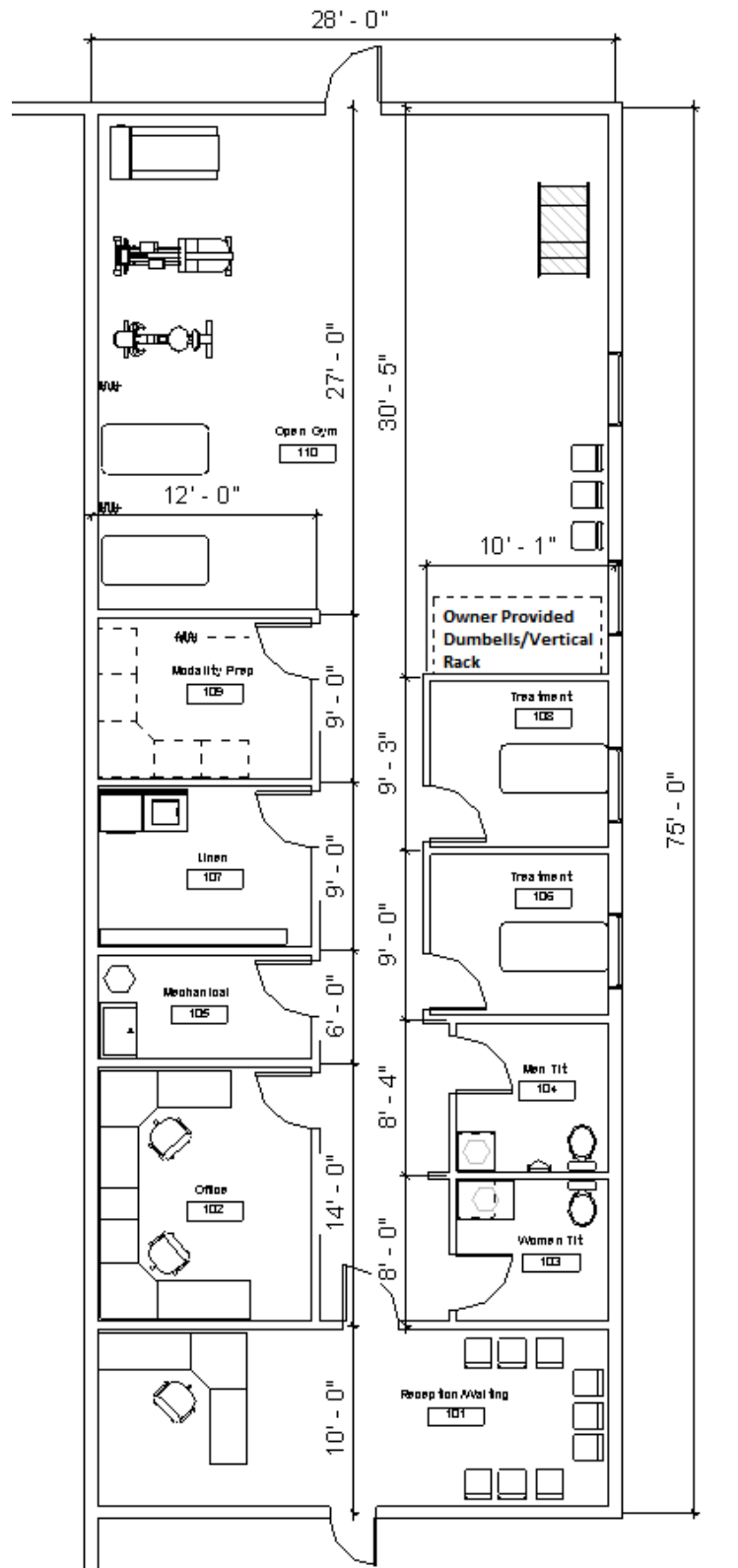
| | | | |
|-----------------------------|---------|--------------|----------|
| BOSU board/ball | \$95 | 1 | \$95 |
| Wobble board | \$35 | 1 | \$35 |
| Disc stability trainer firm | \$31 | 1 | \$31 |
| Disc stability trainer soft | \$31 | 1 | \$31 |
| Exercises balls medium | \$35 | 1 | \$35 |
| Ex ball large | \$40 | 1 | \$40 |
| Hot pack tongs | \$5 | 1 | \$5 |
| Hydroculator w/ casters | \$1,950 | 1 | \$1,950 |
| Game ready unit | \$2,181 | 1 | \$2,181 |
| Ankle wrap | \$335 | 1 | \$335 |
| Knee wrap | \$345 | 1 | \$345 |
| Shoulder wrap | \$353 | 1 | \$353 |
| Elliptical | \$1,300 | 1 | \$1,300 |
| Recumbent exercise bike | \$729 | 1 | \$729 |
| Upper body ergometer | \$5,225 | 1 | \$5,225 |
| Treadmill | \$1,200 | 1 | \$1,200 |
| Therabands | \$250 | 1 | \$250 |
| Mirror | \$100 | 1 | \$100 |
| Drying rack | \$21 | 1 | \$21 |
| Trampoline | \$43 | 1 | \$43 |
| Cones | \$11 | 1 | \$11 |
| 8" wedge | \$104 | 1 | \$104 |
| 4" wedge | \$72 | 1 | \$72 |
| Stop watch | \$4 | 1 | \$4 |
| Rocker board | \$72 | 1 | \$72 |
| Tape measure | \$4 | 1 | \$4 |
| 4"x24" bolster | \$51 | 1 | \$51 |
| 6"x24" bolster | \$61 | 1 | \$61 |
| Culligan machine | \$150 | 1 | \$150 |
| | | Total | \$38,666 |

| Construction 2,380 SF | Cost |
|---|------------------|
| 7 year lease at \$13/square foot (SF) = yearly rent | \$30,900 |
| landlord provides \$30/SF for fit up costs | (\$71,400) |
| architect/engineer | \$15,000 |
| Construction | \$238,000 |
| Signage interior | \$650 |
| Signage exterior | \$4,000 |
| Total | \$217,150 |

Marketing Budget

| Marketing Type | Initial Cost | Recurring Cost/Year | Total Cost/Year |
|-----------------------|---------------------|----------------------------|------------------------|
| Networking | \$380.00 | \$45.00 | \$875.00 |
| Professional Letters | \$800 | \$0.00 | \$800.00 |
| Social Media | \$0.00 | \$0.00 | \$0.00 |
| Print Marketing | \$2000.00 | \$2000.00 | \$1298.00 |
| Web Site Design | \$5,000 | \$600.00 | \$5,600 |
| Total | \$8080.00 | \$2645.00 | \$8573.00 |

Appendix of Supporting Documents
FLOOR PLAN



Basic floor plan design summary and ADA requirements:

We wanted to have a nice inviting area when you first arrive into the space where you will be greeted by the office manager. Immediately outside of the waiting area you will find the bathrooms so that patients aren't traveling through the gym area to use this while waiting and the front end coordinator can use the restroom and quickly get back to their location so patients aren't waiting. The PT office will be near the office manager so if there are questions this person can easily get the PT's attention without straying too far from the front. Next we wanted to have the storage closet and supply room before traveling back to the patient rooms and finally the gym space.

The location found is a perfect size for a small business at 2380 square feet. It is located in a strip mall connected to an eye clinic and YorHom which sells medical supplies. The exposure received from patients picking up their equipment next door would be valuable. The location is in a newly constructed building in the direction the town is expanding toward. We will be located directly across from Choice fitness where we will gain exposure to potentially injured athletes through signage. Being in the strip mall allows for easy parking with employee parking in back. It is also easy to get into the parking lot and leave from. Another benefit of opening in a new location is people are looking to see what's new around the area. When reusing a building people previously occupied, people may not look twice as they are accustomed to driving by without paying attention.

We are set up for a small amount of expansion in the future; we have 2 rooms with curtains and space in the office for up to two additional therapists, or one therapist and an aid. Our primary plan for expansion would not be to have an excess of therapists under one roof but to expand to other cities nearby: Crookston, Fargo, and Devil's Lake.

The existing bathrooms in the space were ADA compliant in that they had a 5' turning radius but lacked the proper grab bars to be fully compliant. We will need to install a grab bar on the side wall that is 42 inches minimum and is 12" maximum off of the rear wall. We will also need to install a 36" long minimum grab bar on the rear wall and have the bar extend a minimum of 12" on one side and 24" minimum on the other side.

Another ADA issue that we have brought to the landlords attention is the existing width of sidewalk for a building that has a side approach for an entrance. The current width of approach is 48" which is 12" short of compliance for width. We do have the 18" clearance on the pull side so the only correction is the width. The landlord is going to fix this at their expense by bumping out the sidewalk in front of our main entrance an additional 12" minimum that will extend the 18" past pull side.

We will also be implementing other ADA recommendations with our coat racks, soaps, etc. and keep them at 4' off of finished floor

Personnel

A. Type and Number of employees

1. 2 PT
2. 1 Office Manager with business experience

B. Job Responsibilities

The office manager will be in charge of the front end of the clinic. Their duty is to welcome any guests that enter the clinic, answer phones, and keep their area clean and tidy. They need to speak with patients, physicians, and insurance companies to address any situation that needs to be addressed. The office manager is also in charge of keeping equipment and treatment areas clean in between treatments. Responsibilities include, but are not limited to:

- a) Answer phones / Take messages / Transfer calls
- b) Scheduling
- c) Resolving billing issues
- d) Insurance issues
- e) Calling physicians for more information
- d) Laundry, wiping down equipment, putting away equipment
- f) Paying rent / other fees (prepare and mail checks)
- g) Handling physician information (protocol, imaging, etc.)
- h) Conferences, meetings, PTO
 - Schedules meetings
 - Takes notes during meetings
- i) Welcome visitors and direct them to the right area
- j) Mailing
 - Open, read, or distribute mail to whom it is addressed
 - Mail reminders for patient appointments
 - Advertising, newsletters, promotional information, etc.
- k) Organize records
- l) Computer Savvy (uses Internet efficiently and effectively)
- m) Keep track of daily work of staff
- n) Order / put away supplies when it comes in
- o) Know how to operate office equipment (Computer Savvy, use internet, phone, copiers, scanners, fax machines, etc.)
- p) Complete forms according to company procedures
- q) Make copies of essential information when needed

** Job responsibilities can change at any time as per the clinic owners, under the condition that the office manager has enough time to accept, adjust, and learn the new responsibilities.**

Office Manager Biannual Performance Evaluation

Purpose: The Office Manager evaluation is to be completed every six months to assess their current level of performance. On the following pages, the Office Manager will be scored by the supervisor based on levels of performance. Each category needs to be addressed one-on-one with the Office Manager during the performance evaluation. Suggestions need to be made for areas that need improvement. The performance evaluation is designed to improve working conditions at Kinesio Physical Therapy. Please fill out form completely.

Level I = Unsatisfactory Performance (1-38); **Level II** = Meets Expectations (39-55); **Level III** = Exceeds Expectations (56-65) **Total = 65 points**

| Office Manager Score | Task |
|-----------------------|---|
| 1 2 3 4 5 | Office Callers <ul style="list-style-type: none"> • Promptness in responding to office callers • Courteous to callers • Satisfaction given to callers • Uses good judgment in determining best way to help client • Accuracy and completeness in reporting messages |
| Comments | |
| 1 2 3 4 5 | Phone <ul style="list-style-type: none"> • Promptness in responding to telephone callers • Courteous to callers • Satisfaction given to callers • Uses good judgment in determining best way to help client • Accuracy and completeness in reporting messages |
| Comments | |

| | |
|-----------------------|---|
| 1 2 3 4 5 | <p>Job Performance and Initiative</p> <ul style="list-style-type: none"> • Enthusiastic about the job • Organizes assigned tasks and establishes priorities • Does not let other activities in office detract from own responsibilities • Adapts to change • Adapts to workload • Arrives and leaves work on scheduled hours |
| Comments | |
| 1 2 3 4 5 | <p>Staff Relationships</p> <ul style="list-style-type: none"> • Respects rights and opinions of others • Gives equal treatment to job assignments of each staff • Accepts constructive suggestions (criticism) • Gives constructive suggestions (criticism) • Makes suggestions to improve staff relationships |
| Comments | |
| 1 2 3 4 5 | <p>Professional Philosophy</p> <ul style="list-style-type: none"> • Businesslike and professional appearance and attitude • Loyalty to staff and organization • Keeps business confidential (Follows HIPPA Guidelines) • Markets Kinesio Physical Therapy as part of ongoing work • Acquires through appropriate training and other means the skills needed to perform required tasks |
| Comments | |

| | |
|--|---|
| <p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> | <p>Management of Publications</p> <ul style="list-style-type: none"> • Orders publications in a timely manner • Files or distributes pieces after staff review • Maintains the reference files and the handout files • Adequate knowledge of publications available and in inventory • Displays current and seasonal publications • Prices publications upon arrival |
| <p>Comments</p> | |
| <p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> | <p>Mail</p> <ul style="list-style-type: none"> • Bulk Mailings completed in timely manner • Understands penalty mail regulations • Manages daily mail in a timely manner, including pick up and sorting, processing, and delivery to Post Office • Maintains and updates mailing lists |
| <p>Comments</p> | |
| <p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> | <p>Office Equipment</p> <ul style="list-style-type: none"> • Operates all office equipment • Assists in keeping equipment in good working order |
| <p>Comments</p> | |

| | |
|-----------------------|--|
| 1 2 3 4 5 | <p>Computer</p> <ul style="list-style-type: none"> • Participates in training needed to have required skill level • Uses applications: Microsoft Word, Web PT, Excel, (as tasks require) • Shows increased skill in operation |
| Comments | |
| 1 2 3 4 5 | <p>Letters, Fliers, Posters and other documents</p> <ul style="list-style-type: none"> • Material are proofed and accurate upon completion • Materials are well constructed and layout are attractive • Copies are placed in appropriate file (masters in master file, letters in staff correspondence file, If copied publication, one copy in reference file, multiple copies in handout file) |
| Comments | |
| 1 2 3 4 5 | <p>News Releases</p> <ul style="list-style-type: none"> • News releases are completed accurately and sent routinely • News calendar is kept current |
| Comments | |

| | |
|-----------------------|---|
| 1 2 3 4 5 | <p>Management</p> <ul style="list-style-type: none"> • Maintains calendar to include meeting room and other facility usage • Keeps Resource notebook up-to-date • Handles pre-registration • Maintain notebook of weekly staff schedules • Manages staff meeting on rotational basis • Maintains attractive bulletin board in entry • Assists with maintenance of physical facilities including room setup and other tasks in preparation for treatment |
| Comments | |
| 1 2 3 4 5 | <p>Office Supplies</p> <ul style="list-style-type: none"> • Orders needed supplies in a timely manner • Aware of supplies/materials in inventory • Considers price when placing orders |
| Comments | |

Level I = Unsatisfactory Performance (1-38); **Level II** = Meets Expectations (39-55); **Level III** = Exceeds Expectations (56-65) **Total = 65 points**

Strengths of Office Manager:

Areas needing improvement:

Goals for upcoming year:

Recommendations:

I agree that all information was presented clearly, professionally, and directly to me. I understand where I am currently at in each aspect of the evaluation. I will continue to work toward excellence to help make Kinesio Physical Therapy successful.

Printed Name

Signature

Date

I have completed the evaluation form to the best of my ability. I will assist the Office Manager with future goals and help them make improvements as necessary.

Printed Name

Signature

Date

Personnel Expenses: Office Manager

1. Salary
 - \$40,000/year
2. Taxes
 - Payroll Tax
 - FICA (2014) = 6.2% on gross salary/year
3. Fringe benefits
 - Health Insurance
 - Monthly premium
 - \$1,072/mo 3 enrollees
 - Deductible: The amount you owe for health care services your health insurance or plan covers before your health insurance or plan begins to pay. For example, if your deductible is \$1,000, your plan won't pay anything until you've met your \$1,000 deductible for covered health care services subject to the deductible. The deductible may not apply to all services.
 - \$1,000/yr Family total
 - \$500/yr Per individual
 - Out-of-pocket Maximum: Your expenses for medical care that aren't reimbursed by insurance. Out-of-pocket costs include deductibles, coinsurance, and copayments for covered services plus all costs for services that aren't covered.
 - \$2,000/yr family
 - \$1,000/yr Per individual
 - Copayments/Coinsurance: Copay is a fixed amount (for example, \$15) you pay for a covered health care service, usually when you get the service. The amount can vary by the type of covered health care service. Coinsurance is your share of the costs of a covered health care service, calculated as a percent (for example, 20%) of the allowed amount for the service. You pay coinsurance plus any deductibles you owe. For example, if the health insurance or plan's allowed amount for an office visit is \$100 and you've met your deductible, your coinsurance payment of 20% would be \$20. The health insurance or plan pays the rest of the allowed amount.
 - **Primary Doctor: \$20**
 - **Specialist Doctor: \$40**
 - **Generic Prescription: \$15**
 - **ER Visit: \$300**
 - PTO
 - Given each year: 32 hours = 4 days off
 - For each 8-hour day an employee works, they can put 12.5% of that day toward PTO. So for every 8-hour day worked, one can gain 1 hour of PTO.
 - At the end of the year, one can roll over a maximum of 10 hours into the New Year. If you don't use your hours up that were accrued for the year, they will be gone at the end of the year.

- Retirement fund
 - Employer matching program = 50% of the first 6%.
 - If the employee puts 6% of their gross salary into a retirement fund, the employer will match the amount by 50% of the amount paid by the employer or put 3% of the employee's gross salary into the fund.
 - Example: Gross salary = \$40,000/year. If employee puts \$2,400/year into the fund, then the employer will put \$1,200/year into the fund. If the employee fails to put \$2,400/year into the fund the employer will NOT put any money into the fund either.

Date Developed _____
Date Reviewed _____
Developed by _____

Departmental Records

Policy/procedure for departmental records:

- A. Medical Record: The collection of information concerning a patient and his or her health care that is created and maintained in the regular course business, made by a person who has knowledge of the acts, events, opinions or diagnoses relating to the patient, and made at or around the time indicated in the documentation
- B. PT will be required to use the WebPT software for all records. Each Medical Record shall contain sufficient, accurate information to identify the patient, support the diagnosis, justify the treatment, document the course and results, and promote continuity of care among health care providers. The information may be from any source and in any format as long as it makes it onto the secure WebPT site and if physical files are necessary they are kept under lock and key.
- C. A Medical Record shall be maintained for every individual who is evaluated or treated at this facility
- D. The Medical Record is confidential and is protected from unauthorized disclosure by law.
- E. Medical Record content shall meet all State and federal legal, regulatory and accreditation requirements
- F. All Medical Record entries should be made as soon as possible after the care is provided, or an event or observation is made. An entry should never be made in the Medical Record in advance of the service provided to the patient. Pre-dating or backdating an entry is prohibited
- G. The information contained within the Medical Record must be accessible to the patient and thus made available to the patient and/or his or her legal representative upon appropriate request and authorization by the patient or his or her legal representative.
- H. When an error is made in a medical record entry, the original entry must not be obliterated, and the inaccurate information should still be accessible. The correction must indicate the reason for the correction, and the correction entry must be dated and signed by the person making the revision. Examples of reasons for incorrect entries may include “wrong patient,” etc. The contents of Medical Records must not otherwise be edited, altered, or removed. Patients may request a medical record amendment and/or a medical record addendum.

Quality Improvement Plan

Our plan to monitor quality will be based on the last question referring to the patient’s overall satisfaction with the experience. The point of this survey will be to assess any issues as they arise so we can make changes accordingly. At the ends of each month we will tally up the results of each question and place them in a bar graph for review at our monthly meeting.

Kinesio Physical Therapy Satisfaction Survey

Please rate your degree of satisfaction:

(1=strongly disagree, 2=disagree, 3=neither agree nor disagree, 4=agree, 5=strongly agree, N/A if you do not have an opinion on the question.

| | 1 | 2 | 3 | 4 | 5 | NA |
|---|---|---|---|---|---|----|
| My privacy was respected during my physical therapy care. | | | | | | |
| My physical therapist and other staff were courteous. | | | | | | |
| The clinic scheduled appointments at convenient times. | | | | | | |
| I was satisfied with the treatment provided by my physical therapist. | | | | | | |
| My physical therapist understood my problem or concern. | | | | | | |
| The home exercise program my physical therapist gave me was helpful. | | | | | | |
| I was seen promptly when I arrived for treatment. | | | | | | |
| The location of the facility was convenient for me. | | | | | | |
| I would recommend this facility to family or friends. | | | | | | |
| My bills are accurate. | | | | | | |
| The cost of the physical therapy treatment received was reasonable. | | | | | | |
| If I had to, I would pay for these physical therapy services myself. | | | | | | |
| Overall, I was satisfied with my experience with physical my therapy. | | | | | | |

Comments:

How did you hear about us?

FOCUS-PDCA

Find

The process we focused on was patients missing their appointments or being significantly late. The goal of our clinic is to have less than a 5% no show rate and we are currently having 10% no show. This is an important process to identify and fix to maximize income to our new clinic.

Organize

The owners and office manager will be a part of this quality management.

Clarify

Patients being late for an appointment can result from many factors including unclear scheduling, PT not managing time effectively, patient dissatisfaction, and many other factors. By finding the process that is impacting appointments, patients can be seen more regularly and improve cash flow to the clinic.

Understand

Measuring the variation in this process can include utilizing a patient satisfaction survey, monitor PT time management (documentation, phone calls, etc.), and tracking now shows or how late patients are to their scheduled appointment.

Select

Improving time management methods

- PT time management
 - Schedule time in the day for phone calls and documentation
 - avoiding distractions (i.e. helping other staff, answering the phone right away, paperwork), delegating
 - keeping planner and calendar
- Keeping patients schedule consistent
- Remind patients for visits via phone/electronic/written
- Improving patient satisfaction in areas that are indicated to be unsatisfactory

Plan

The PTs and office manager will have a meeting to discuss areas where time can be managed more efficiently, better ways of scheduling and reminders, and areas where patients are dissatisfied.

Do

The meeting will be mandatory and strategies discussed as well as the staff being supplied with a calendar, planner, and instructed on how to use electronic versions of each. A procedure will be developed to schedule patients and remind them of appointments. Satisfaction surveys will be sent to patients.

Check

Dan and Kjersten will meet biweekly to analyze the data collected and find where variations occur the most frequently.

Act

Necessary changes to improve time management of the staff and to alter scheduling accordingly.

References

Marketing

<http://www.apta.org/PTinMotion/2009/6/Feature/PhysicalTherapyMarketing/>

<http://www.apta.org/PTinMotion/2008/5/Feature/21stCenturyMarketing/>

<http://www.apta.org/PTinMotion/2006/9/BoardPerspective/>

2013 APTA year in review.

<http://www.apta.org/2013/>

Marketing and public relations for the physical therapist

<http://www.apta.org/PTinMotion/2013/12/Feature/MarketingPR/>

Equipment List/Floor Plan

Tony Erickson Altru Project Manager

Articles

1. Bowers MR, Kiefe CI. Measuring health care quality: Comparing and contrasting the medical and the marketing approaches. *Am J Med Qual.* 2002;17(4):136-144.
2. Harp SS. The measurement of performance in a physical therapy clinical program. A ROI approach. *Health Care Manag (Frederick).* 2004;23(2):110-119.
3. Laskaris J, Regan K. The new break-even analysis. *Health Finance Manage.* 2013;67(12):88-95.
4. Nosse LJ, Friberg DG. Management and supervisory principles for physical therapists. Lippincott Williams & Wilkins; 2009. http://books.google.com/books?id=zL_2OwAACAAJ.
5. Richmond T, Powers D. Business fundamentals for the rehabilitation professional. SLACK; 2009. <http://books.google.com/books?id=yIrguS7ku6IC>.
6. Sahlman WA. How to write a great business plan. *Harv Bus Rev.* 1997;75(4):98-108.
7. Schafer DS. Environmental-scanning behavior among private practice physical therapy firms. *Phys Ther.* 1991;71(6):482-490.