

# Guide for STC Financial Sustainability Budgeting Tool

Version 2.4: Jan 24, 2023

## Introduction

This written guide is a step-by-step reference on how to complete the Specialists Team Care (STC) Financial Sustainability Budgeting Tool. It is based on the [video tutorial](#) and uses a similar example. You may also find the Glossary of Terms (at the end) helpful.

This tool serves two purposes:

1. To estimate the total cost of bringing on a new team member. You will be able to estimate what those costs will be to your practice throughout the life of the project.
2. To track progress towards reaching a point of financial sustainability. This is critical for making the transformation towards team-based care. The calculator also helps determine the breakeven point for the investment you will be making on bringing on a new team member.

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*In addition to seeing the project supports provided to you, part of this exercise will need to be shared back to the STC Team as part of your project plan.*

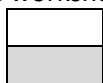
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## Use of Tool

You will work through the Tool's various tabs (worksheets) sequentially:

- A. Calculating Costs:** Estimates operational costs to hiring a new team (staff salary and recurring costs).
- B. Project Budget Estimates:** Estimates the project expenses, revenues (project support), and plans for sustainability.
- C. Calculating Extra Net Billing:** Estimates extra billing and billing adjustments to determine new net billing (after factoring in expenses).
- D. Breakeven Analysis:** Looks at the overall investment into the new model of care and provides an estimate on the time to recover those costs.
- E. Progress Tracker:** Tracks billing over the course of the project. This includes a chart.
- F. Summary Slide:** A summary page that can be shared with the STC Collaborative to support your project.

The worksheets cells are protected:



White cells require your input (numbers and data).

Gray cells are auto-calculated cells where formulas do calculations on your behalf.

## (A) Calculating Costs

Enter today's date and estimate the project start and end dates

### Specialist Team Care - Financial Sustainability Budgeting Tool

#### (A) Calculating Costs

This worksheet estimates operational costs to hiring a new team (staff salary and recurring costs).

<b>Today's Date</b>	26/Nov/2022
<b>Specialist Name</b>	Dr. Team Care
<b>Project Start Date</b>	1/Jan/2023
<b>Project End Date</b>	1/Apr/2024
<b>Project Length (months)</b>	<b>15.0</b>

Example: Project begins **Jan 1, 2023** and ends **Apr 1, 2024**. This gives us a project length of 15 months (this number will be used in calculations throughout the tool).

#### (A1) List new staff members and estimate the salary costs

(A1a) Daily Salary				(A1b) Annual Team Workdays and Salary			
#	Role	Work Hours per Day for New Hire	Hourly Salary plus Benefits	Daily Salary	Avg # Team Work-days per Week	Avg # Team Work-weeks per Year	Annual Salary
1	Registered Nurse	8.0	\$65.00	\$520.00	3.0	48.0	\$74,880.00
2							
3							
4							
5							
<b>Daily Salary Total</b>				<b>\$520.00</b>	<b>Annual Salary Total</b>		<b>\$74,880.00</b>

Example: We plan to hire a new RN and estimate the RN will work **8.0** hours per day at an estimated cost of **\$65.00** per hour (salary plus benefits). This means the daily salary cost will be **\$520.00**. We estimate **3.0** team workdays and **4.0** weeks of vacation, giving us a total of **48.0** workweeks per year. The total annual salary is **\$74,880.00**. There may be other costs depending on the structure of the contract including CPP, EI and WorkSafe payments.

*Note: Most calculations will be done based on this first line (#1). If you have more than one allied health professional, please do an estimated average cost of what they are on this first line (#1).*

Tip: We included a drop-down list of allied health professionals to choose from:

#	Role	Work Hours for New Hire
1	Registered Nurse	
1	Occupational Therapist	
1	Pharmacist	
1	Physical Therapist	
1	Receptionist	
1	Registered Nurse	
1	Social Worker	
1	Transcriptionist	
1	Other (type to specify)	

### (A2) List and estimate recurring costs

These recurring costs need to be paid on a continual basis to support the new team member.

<b>(A2) Recurring Costs</b>						
#	Description	Notes	Cost	Cost per Interval	Daily Cost	Yearly Cost
1	Insurance	Liability insurance (\$961.37 per year)	Yearly	\$961.37	\$6.68	\$961.37
2	Software	EMR user license (\$125 per month)	Monthly	\$125.00	\$10.42	\$1,500.00
3	Supplies	Supplies (paper, needles, etc.)	Monthly	\$25.00	\$2.08	\$300.00
4	Lease	Extra room	Monthly	\$1,000.00	\$83.33	\$12,000.00
5						
6						
7						
8						
9						
10						
<b>Recurring Cost Total</b>					<b>\$102.51</b>	<b>\$14,761.37</b>

Example:

- Liability insurance as a professional (\$961.37 yearly)
- Additional EMR user license (\$125.00 monthly)
- Additional supplies (\$25.00 monthly)
- Additional office space/leased space (\$1,000 monthly)

In total, the recurring costs are estimated to be **\$102.51** per team workday or **\$14,761.37** per year.

### (A3) Review the Cost Summary (the sum of staff salary and recurring costs)

<b>(A3) Cost Summary</b>				
#	Budgeting Step	Daily	Annual	
A1	Staff Salary Total	-\$520.00	-\$74,880.00	
A2	Recurring Cost Total	-\$102.51	-\$14,761.37	
A3	<b>Estimated New Expenses</b>	<b>-\$622.51</b>	<b>-\$89,641.37</b>	The daily estimate (\$622.51) is also your Target Daily Billing for Sustainability.

Example: The total Estimated New Expenses is **\$89,641.37** per year or **\$622.51** per team workday. This is an important figure because it means the practice will need to bill at least **\$622.51** more per team workday to offset costs. This figure is also referred to as the Daily Minimum Billing for Long-Term Sustainability.

## (B) Project Budget Estimates

### (B1) Review project expenses and add any other expenses

<b>(B1) Budgeted Project Expenses Over Entire 15 Month Project Length</b>		
<b>Budgeted Amounts</b>	<b>Notes</b>	<b>Project Total</b>
A1 Staff Salary Total		-\$93,600.00
A2 Recurring Costs Total		-\$18,451.71
Other Expenses		\$0.00
<b>Project Expenses</b>		<b>-\$112,051.71</b>

Example: The cost of bringing on the RN is going to be **\$112,051.71** to start with (for the 15-month period). We do not anticipate any other expenses.

### (B2) Review project revenue

You will receive financial support as a participant in the STC Collaborative. The funding is included here for you.

<b>(B2) Budgeted Project Gross Revenue (Funding)</b>		
<b>Budgeted Amounts</b>	<b>Notes</b>	<b>Project Total</b>
Physician Sessional Startup	Completion of Project Agreement and Workplan	\$3,000.00
Physician Sessional Monthly	Flat Rate (\$1000/month) max 14 months	\$16,800.00
Staff Salary Support	For a max of 640 working hours	\$20,000.00
Other Revenue		\$0.00
<b>Project Revenue</b>		<b>\$39,800.00</b>

There are project supports including benefits for participation time as well as support for hiring the allied health professional:

- **\$19,800.00** for participation.
- Staff Salary Support for hiring an allied health professional. Half of this is paid for the first 80 days up to **\$250.00** per day for a maximum of 640 working hours. We expect most people will hit the maximum amount (**\$20,000**) over the course of the project.

### (B3) Estimate team workdays to determine the Daily Minimum Billing for Term of Project

<b>(B3) Planning for Sustainability</b>		
B1+B2	Net Project Costs (over a period of 15 months)	-\$72,251.71
B1+B2	Monthly Increased Revenue (amount required for net neutral costs)	\$4,816.78
	Average # Workdays per Week	3.0
	Average # of Workweeks per Year	48.0
<b>B3</b>	<b>Daily Minimum Billing for Term of Project (based on workdays/week)</b>	<b>\$401.40</b>

The (Daily) Minimum Billing for Term of Project is the extra revenue you need to bill to be net neutral during the project.

Example: With project supports, the cost of bringing on an RN will be **\$72,251.71** over 15 months. To achieve net neutral during the project, we will need to bill **\$4,816.78** extra per month. The Daily Minimum Billing for Term of Project will be affected by how many team workdays per week (and team workweeks per year). We estimate **3.0** workdays per week for **48.0** workweeks per year. This equals a Daily Minimum for Term of Project of **\$401.40** (to achieve net neutral during the project).

## (C) Calculating Extra Net Billing

### (C1) Calculate extra billing under new the team care model

(C1) Extra Billing: Sustainability Goal of \$622.51							
#	Visit/Task Type (billing code)	Units per Day	Billing per Unit	Billing per Day	Avg # Team Work- days per Week	Avg # Team Work- weeks per Year	Billing per Year
1	Full initial consult (31010)	1.0	\$212.47	\$212.47	3.0	48.0	\$30,595.68
2	Follow-up consult (31007)	8.0	\$88.74	\$709.92	3.0	48.0	\$102,228.48
3							
4							
5							
6							
7							
8							
9							
10							
<b>Daily Extra Billing</b>				<b>\$922.39</b>	<b>Annual Extra Billing</b>		<b>\$132,824.16</b>

Example: We estimate with a new RN, we will be able to do **1.0** extra full initial consult (code 31010) and **8.0** follow-up consults (31007). The net daily extra billing based on this is **\$922.39** daily (**\$132,824.16** annually).

Remember, we need to reach the Daily Minimum for Term of Project of **\$401.40** during the project. It may be better to also think long-term after the project has completed, in which case we need to earn an estimated **\$622.51** for the Daily Minimum Billing for Long-Term Sustainability (Estimated New Expenses from Worksheet A). Note: Look at the fee schedule as you know your quotes best.

### (C2) Adjust for lost billing opportunities

(C2) Minus Adjustments (lost billing opportunities)							
#	Visit/Task Type (billing code)	Units per Day	Billing per Unit	Billing per Day	Avg # Team Work- days per Week	Avg # Team Work- weeks per Year	Billing per Year
1	Follow-up consult (31007)	1.0	\$88.74	\$88.74	3.0	48.0	\$12,778.56
2							
3							
4							
5							
6							
7							
8							
9							
10							
<b>Daily Billing Adjustment</b>				<b>\$88.74</b>	<b>Annual Billing Adjustment</b>		<b>\$12,778.56</b>

Example: We might do less of a certain task because of the new allied health professional available. We estimate **1.0** less telephone follow-up consult (now handled by the RN) and therefore need to account for lost billing. All calculations depend on team workdays per week and workweeks per year.

### (C3) Review the Billing Summary and determine Estimated Net Billing

(C3) Billing Summary				
#	Budgeting Step	Daily	Annual	
C1	Extra Billing	\$922.39	\$132,824.16	
C2	Minus Adjustments	<del>-\$88.74</del>	<del>-\$12,778.56</del>	
C3	<b>Estimated New Billing</b>	<b>\$833.65</b>	<b>\$120,045.60</b>	<i>This is your estimated new billing before factoring in expenses.</i>
A3	<b>Estimated New Expenses</b>	<del>-\$622.51</del>	<del>-\$89,641.37</del>	<i>These are expenses from Worksheet A.</i>
C3+A3	<b>Estimated Net Billing</b>	<b>\$211.14</b>	<b>\$30,404.23</b>	<i>This is the estimated net billing after expenses.</i>

The extra billing with adjustments gives us an Estimated New Billings of **\$833.65** (exceeding the Minimum Billing for Long-Term Sustainability of **\$622.51**) with a (Daily) Estimated Net Billing of **\$211.14**.

## (D) Breakeven Analysis

### (D1) Estimate One-Time Start-Up Costs

Consider the time and resources involved in bringing on a new team member.

<b>(D1) One-Time Start-Up Costs</b>			
#	Description	Notes	Cost
1	Training	50 hours of direct supervision @ \$250/h	\$12,500.00
2	Hardware	Computer and large monitor	\$2,000.00
3	Other	Stethoscope	\$200.00
4	Hardware	Printer	\$500.00
5			
6			
7			
8			
9			
10			
<b>One-Time Cost Total</b>			<b>\$15,200.00</b>

Example: New training requires time and this is a lost opportunity cost we need to estimate.

- 50 hours of direct supervision (\$12,500.00)
- Computer and monitor (\$2,000.00)
- Stethoscope (\$200.00)
- Printer (\$500.00)

In total, the one-time costs are estimated to be **\$15,200.00**.

### (D2) Review the Breakeven Point

<b>(D2) Breakeven Analysis</b>		
Budgeting Step		Subtotal
C3-B3	Estimated Daily Balance during Project	\$432.25 <small>Calculated from \$833.65 - \$401.40</small>
D1	One-time start-up costs	<b>-\$15,200.00</b>
	Breakeven point (in Team Workdays)	<b>35</b> <small>Calculated from \$15200.00 ÷ \$432.25</small>

#### Interpretation:

**It will take 35 team workdays to recover one-time start-up costs with your extra earnings.**

Example: We take the Estimated New Billing (**\$833.65**) and subtract the Daily Minimum for Term of Project (**\$401.40**) to get a net **\$432.25** per team workday (during the project). If we meet the billing target and consider the one-time start-up costs, it will take **35** team workdays to breakeven.

## (E) Progress Tracker

### 1. Enter Target Date for Sustainability (when we aim to meet the goal)

Example: The project starts **Jan 1, 2023** and our Target Date for Sustainability is **Jul 1, 2023**.

### 2. Enter Team Workdays per biweekly billing cycle

Example: We estimate **6.0** Team Workdays (biweekly).

### 3. Estimate biweekly Initial Gross Billing amount

As a baseline, look at MSP payments on a biweekly basis and average it over the last few months.

<b>Specialist Team Care - Financial Sustainability Budgeting Tool</b>		
<b>(E) Progress Tracker</b>		
This worksheet tracks billing over the course of the project.		
<b>Project Start Date</b>	1/Jan/2023	Go to Worksheet A to change date.
<b>Biweekly Team Workdays</b>	6.0	This is roughly twice the workdays per week.
<b>Target Date for Sustainability</b>	1/Jul/2023	181 calendar days until Target Date.
<b>Initial Gross Billing (biweekly)</b>	\$20,000.00	
<b>Daily Billing for L.T. Sustainability (min.)</b>	\$622.51	This is \$3735.06 biweekly, estimated from Worksheet A.
<b>Estimated New Billing (projected)</b>	\$833.65	This is \$5001.90 biweekly, estimated from Worksheet C.

Example: We will assume a (baseline) initial gross billing of **\$20,000.00** biweekly. Recall the Daily Minimum Billing for Long-Term Sustainability is **\$622.51** and the Estimated New Billing is **\$833.65**. These two figures are multiplied by the biweekly Team Workdays to give us estimates for biweekly billing.

- The minimum to bill is **\$3,735.06** biweekly.
- The projected billing is **\$5,001.90** biweekly.

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*You do not need to share these financial details with us. Use this information to understand billing in a simple way. Gross MSP Billings are relatively straightforward for most practitioners and EMRs (they can also come from bank statements). When you share Summary Slide, we won't see this gross billing at all, this is for your own tracking.*

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#### 4. Track Actual Gross Billing moving forward

Date	Day	Actual Gross Billing	Actual Extra Gross Billing	Billing for Long-Term Sustainability (minimum)	Estimated New Billing (projected)
13/Jan/2023	0	\$17,000.00	-\$3,000.00	\$0.00	\$0.00
31/Jan/2023	18	\$16,500.00	-\$3,500.00	\$371.44	\$497.43
15/Feb/2023	33	\$17,000.00	-\$3,000.00	\$680.98	\$911.95
28/Feb/2023	46	\$17,500.00	-\$2,500.00	\$949.24	\$1,271.20
15/Mar/2023	61	\$19,000.00	-\$1,000.00	\$1,258.78	\$1,685.72
31/Mar/2023	77	\$19,750.00	-\$250.00	\$1,588.95	\$2,127.88
14/Apr/2023	91	\$20,000.00	\$0.00	\$1,877.85	\$2,514.77
28/Apr/2023	105	\$20,100.00	\$100.00	\$2,166.75	\$2,901.65
15/May/2023	122	\$20,250.00	\$250.00	\$2,517.55	\$3,371.45
31/May/2023	138	\$22,000.00	\$2,000.00	\$2,847.72	\$3,813.60
15/Jun/2023	153	\$23,000.00	\$3,000.00	\$3,157.26	\$4,228.13
30/Jun/2023	168	\$23,500.00	\$3,500.00	\$3,466.79	\$4,642.65
14/Jul/2023	182	\$25,750.00	\$5,750.00	\$3,735.06	\$5,001.90
31/Jul/2023	199	\$24,500.00	\$4,500.00	\$3,735.06	\$5,001.90
15/Aug/2023	214	\$25,000.00	\$5,000.00	\$3,735.06	\$5,001.90
31/Aug/2023	230	\$25,250.00	\$5,250.00	\$3,735.06	\$5,001.90
15/Sep/2023	245	\$25,500.00	\$5,500.00	\$3,735.06	\$5,001.90
29/Sep/2023	259	\$25,000.00	\$5,000.00	\$3,735.06	\$5,001.90
13/Oct/2023	273	\$24,000.00	\$4,000.00	\$3,735.06	\$5,001.90
31/Oct/2023	291	\$24,500.00	\$4,500.00	\$3,735.06	\$5,001.90
15/Nov/2023	306	\$24,250.00	\$4,250.00	\$3,735.06	\$5,001.90
30/Nov/2023	321	\$25,000.00	\$5,000.00	\$3,735.06	\$5,001.90
15/Dec/2023	336	\$25,250.00	\$5,250.00	\$3,735.06	\$5,001.90
29/Dec/2023	350	\$26,000.00	\$6,000.00	\$3,735.06	\$5,001.90
12/Jan/2024	364	\$24,000.00	\$4,000.00	\$3,735.06	\$5,001.90
26/Jan/2024	378	\$24,500.00	\$4,500.00	\$3,735.06	\$5,001.90
09/Feb/2024	392	\$25,000.00	\$5,000.00	\$3,735.06	\$5,001.90
23/Feb/2024	406			\$3,735.06	\$5,001.90

Example: We said our average baseline gross billing was **\$20,000.00**. Productivity will likely be lower in the first few months. We encourage clinics to book lighter in the first while during training and onboarding. Let's estimate **\$17,000** in week one, **\$16,500** in week two, before steadily picking up. Eventually, we get closer to baseline and exceed it with extra billing.



The chart will automatically plot the Actual Gross Billing so we can see in real-time how we're doing and whether we are on track to reaching sustainability.



Chart Legend:

- **Actual Extra:** Calculated from Actual Gross Billing minus Initial Gross Billing. This is the extra amount earned in the new model of care.
- **Projected:** Calculated from Estimated New Billing multiplied by biweekly team workdays. Practices should try to meet this projection as best they can.
- **Minimum:** Calculated from Estimated New Expenses (Daily Minimum Billing for Long-Term Sustainability) multiplied by biweekly team workdays. This is the lower limit to bill and not what the practice hopes to achieve with new billings. It is critical to least meet this minimum to be sustainable.

*Example: Our Actual Extra Gross Billing falls within the range and exceeds the minimum line. Our practice is therefore sustainable.*

## (F) Summary Slide

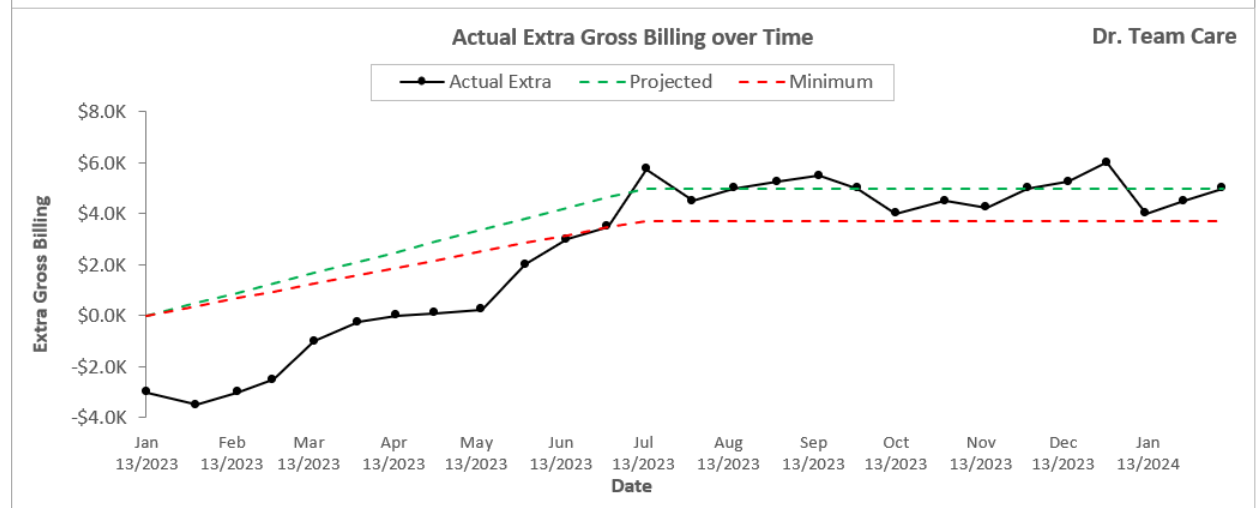
This sheet is something we hope you can share with us based on the budget and estimates. When you submit your monthly report, we'll ask you to print this page as a PDF (or screenshot) and submit it to us so we can follow your progress.

Specialist Team Care - Financial Sustainability Budgeting Tool				
(F) Summary Slide				
Project Dates		January 01, 2023	April 01, 2024	
Cost and Billing Summary				
Budgeting Step	Daily	Annual	Project Length (15mo.)	
A1 Staff Salary Total		-\$520.00	-\$74,880.00	-\$93,600.00
A2 Recurring Cost Total		-\$102.51	-\$14,761.37	-\$18,451.71
C1 Extra Billing		\$922.39	\$132,824.16	\$166,030.20
C2 Minus Adjustments		-\$88.74	-\$12,778.56	-\$15,973.20
<b>Estimated Net Billing (before project budget)</b>		<b>\$211.14</b>	<b>\$30,404.23</b>	<b>\$38,005.29</b>
Project Funding				
B2		Project Funding (Revenue)		\$39,800.00
		<b>Net Project Balance</b>		<b>\$77,805.29</b>

### Actual Extra Gross Billing over Time

Dr. Team Care



Date	Actual Extra	Projected	Minimum
Jan 13/2023	-\$3.0K	\$0.0K	\$0.0K
Feb 13/2023	-\$3.5K	\$0.5K	\$0.5K
Mar 13/2023	-\$1.0K	\$1.5K	\$1.0K
Apr 13/2023	\$0.0K	\$2.5K	\$1.5K
May 13/2023	\$0.5K	\$3.5K	\$2.0K
Jun 13/2023	\$3.0K	\$4.5K	\$3.0K
Jul 13/2023	\$6.0K	\$5.0K	\$3.5K
Aug 13/2023	\$5.0K	\$5.0K	\$3.5K
Sep 13/2023	\$5.5K	\$5.0K	\$3.5K
Oct 13/2023	\$4.0K	\$5.0K	\$3.5K
Nov 13/2023	\$4.5K	\$5.0K	\$3.5K
Dec 13/2023	\$5.0K	\$5.0K	\$3.5K
Jan 13/2024	\$5.0K	\$5.0K	\$3.5K

## Glossary of Terms

### Worksheet A – Calculating Costs

#### Project Length (in months)

The project length is based on the Project Start Date and Project End Date.

#### Estimated New Expenses (also known as Daily Minimum Billing for Long-Term Sustainability)

The total operational cost to hiring a new team (staff salary and recurring costs). This daily estimate is useful because it is the amount a practice needs bill to be sustainable when excluding project support and funding.

#### Team Workdays / Workweeks

The number of workdays / workweeks involving the specialist's team. These are important to calculations as they determine expenses (staff salary, recurring costs) and revenue (billing). Note there may be other billing days that do not involve the team.

### Worksheet B – Project Budget Estimates

#### Daily Minimum Billing for Term of Project

The amount that must be earned per team workday during the project length to be net neutral (breakeven).

### Worksheet C – Calculating Extra Net Billing

#### Estimated New Billing

The amount billed under the new team care model. This does not factor in expenses.

#### Estimated Net Billing

This is the net billing under the new team care model. This is calculated by taking Estimated New Billing minus Estimated New Expenses.

### Worksheet D – Breakeven Analysis

#### Breakeven (days)

The number of team workdays it takes to recover one-time start-up costs (factoring in project support).

### Worksheet E – Progress Tracker

#### Target Date for Sustainability

The date in which to aim to have the new model of care be financially sustainable.

#### Initial Gross Billing (biweekly)

The amount paid into the bank account every two weeks before new model of care (baseline gross billing). Take an average.

#### Actual Gross Billing

The actual amount paid into the bank account every two weeks under new model of care.

#### Actual Extra Gross Billing

The amount of extra gross billing above the (baseline) Initial Gross Billing (biweekly).