



COMMUNITY CARE Scenario

Type of Care Provided

Care provided in this capacity is done through clinics such as 24-hour urgent care centers and minute clinics provided through local pharmacies or community locations. These facilities increase access to care at affordable rates and in convenient locations.

Scenario

Community clinics emphasize care conveniently located within the community. A large push has been made for community-based clinics, such as the expansion of 24-hour urgent care and minute clinics that are available in local pharmacies and other community facilities. Community clinics are low-payment facilities in convenient locations that provide care at affordable rates. You are a new administrator who has just been hired to manage a community health clinic. This clinic is a nonprofit organization that is a federally qualified health center. This location serves an average of 1,200 patients per year. The facility is experiencing some issues with outdated technology, and the computer systems have continued to cause trouble with scheduling patients, causing very long delays.

Question 1

As a new administrator of a nonprofit community health center, what can you do to begin addressing the financial needs of the center, such as the need for new computers? What would be your plan?

Question 2

How would you budget your resources moving forward to ensure this organization is financially viable given the organization has struggled according to historical data. Make sure to think strategically and reference the budget as a starting point.

Budget Considerations

Operational Budget – This budget focuses on a broader view of the total operations of the organization in which all departments are reviewed for both their income potential and the costs associated with the work activities used to generate projected revenues. Each department will have its own budget for the managers to follow and on which to base the activities of the department in order to meet its contribution to the total revenues and the associated costs of the organization.

Dietary Services – This is a departmental budget focused on the costs and potential reimbursement for the organization. The operation is overseen by a dietitian or nutritionist who is responsible for supplying the nutritional needs of the patients within their care. This department may utilize the services of several consultants or contract this service to an outside organization.

Medical Supplies – This budget is focused specifically on the requirement-based services being delivered by the hospital professional, which are often referred to as nondurable disposable items. This budget includes specific items for the surgeon or professional performing the services. These may include such things as oxygen supplies, diabetic supplies, ostomy supplies, bandages, and related supportive items. These items are generally manufactured for one-time use. They are not reused due to the inability to sterilize them. The items that are reusable are classified under capital assets and have a use-time identified with the specific piece of equipment.

Human Resources – This budget indicates the finances needed to support the organization's objectives, from a personnel perspective. Full-time equivalent (FTE) calculations are used to project the personnel budget. These individuals could include nonskilled labors to professional licensed physicians and various job descriptions within the categories. In addition to listing the FTEs, the associated benefits of the FTEs would be projected within this department for each FTE within the organization. This will generally include line items for consultants and temporary positions based on the needs of the organization.

Maintenance/Facility Operations – This departmental budget focuses on the overall upkeep of the building and the related equipment and machines to provide a safe and comfortable environment for both the patients and workers. This budget includes all FTEs and may also include line items for consultants and outside sources based on needs of the facility.

Vendor/External Suppliers – Health service organizations have special needs and may require certain external items and/or services. Most organizations have projected budgets to include the purchase of supplies and services for outside contractors (vendors) who specialize in installation, monitoring, and the repair of specialized equipment or technology being utilized by the specific health care delivery system.

Departmental Costs – This budget focuses on the specific department and its overall needs, costs, and potential revenue in relation to the overall goals of the organization's strategic plan. The manager's primary responsibility is to monitor the operational efficiency of the department, including all areas that directly impact and support the generating of revenue for the organization. Managers may be required to present an analysis of the weekly or monthly operational analysis to the Chief Financial Officer of the organization or a lead manager.

Budget Spreadsheet

Revenue	2011	2012	2013
Donations	51,000	54,788	71,200
Grants and Foundations	12,500	124,510	144,780
Government Grants	1,547,280	1,478,950	1,502,145
Fees for Service Program Revenue	1,478,500	1,378,950	1,495,120
Interest Expense	2,050	2,370	2,850
Grace Lutheran Church	45,662	39,587	51,442
Total	3,136,992	3,079,155	3,267,537
Expenses	2011	2012	2013
Health Center	2,482,845	2,558,265	2,668,951
New Personal	217,874	100,000	230,985
Family/Youth Services	214,888	210,987	230,985
General Management/Administration	140,000	152,000	159,000
Total	3,055,607	3,021,252	3,289,921
Net Profit	-53,815	-61,792	159,232