AllMed01

**Sample Only**

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User Guide

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###### *Model and User Description*

AllMed01 model projects the financial and human resources need when opening and sustaining the operations of a new community based physician practice. Data is entered into the parameter and Inputs worksheets to form a quarterly Profit and Loss statement, ultimately projecting the financial performance of a physician practice. All of the other sheets are linked to the Profit and Loss statement so that changes to the parameter and input worksheets ripple throughout the entire workbook.

The developers of this model assume that the user has financial and operational experience in physician practice management. The standard healthcare financial terms used in the parameter and input worksheets, therefore, are assumed to be understood. The user guide is subdivided into sections that correspond to each worksheet.

**Users are cautioned against making changes to the model other than within the cells on the parameter or input sheets without consulting the person tasked with maintenance of AllMed01. Changes to the sizes of parameter blocks or to formulas within other sheets, will cause errors in the model.**

###### *Info*

The info sheet contains Internet contact information to the model developers so users may address any questions regarding the model.

*Parameters*

The 1st parameter block on this sheet contains the following, which are self-explanatory and are used through out the model:

* Net Revenue/Visit
* Net Collection %
* Expense Inflation Rate
* Annual Staff Salary Increase
* Capital Investment
* Depreciation Period

The parameters were set for AllMed01 by the model developers based on their knowledge of physician practice management. The parameters are grouped into blocks primarily by category. All of the blue cells in the parameter worksheet are independently entered and have no formulas attached. Salary expenses are divided into Physician Salary and Support Staff Salary. The remainder of expenses is divided into Fixed and Variable Expenses. The Conversion factors are used to standardize all data into quarterly format. The FTE Coefficient and Fringe Benefit % are used to calculate total salary expense for the support staff. The FTE coefficient is used to calculate salaries of part-time employee as a percentage of an FTE. The FTE Coefficient and Conversion Factors, which are in the purple cells are standards and should not be changed based on any user definition.

All of the parameters have been named. (See AllMed01 Names List). The following parameter blocks have also been named:

* Support Staff Type
* Fixed Expenses per Month
* Fixed Expenses per Quarter
* Variable Expense per Visit

###### *Inputs*

The Inputs worksheet contains the five input streams used in AllMed01. Support Staff Hire Stream, Visits/Session and Session/Month are color-coded green . Expense Inflation Rate Stream and Annual Staff Salary Increase Stream are inputs, which contain parameters. These inputs are color-coded yellow . The following is a list of the inputs and a description of each:

Support Staff Hiring Stream

The Support Staff Hiring Stream lists by support staff type how many Full time equivalent staff will be hired over the course of the 12 quarters that the model forecasts. The data is entered into each cell independently based on the user’s preference.

Visits per Session

The Visits per Session Stream lists by provider how many patients the provider should be able to see during a 3 ½ hour clinical session. The data is entered into each cell independently based on the user’s preference. The user may also choose to enter visits per session based on a 4-hour session.

Expense Inflation Rate Stream

The Expense Inflation Rate Stream allows the user to input expected inflation of fixed and variable expenses during the 12 quarters of the model. The Expense Inflation Rate Parameter has been entered into the cells that represent year 2. In year 3 a formula has been entered to recognize inflation for year 2 and 3.

Annual Staff Salary Increase Stream

The Annual Staff Salary Increase Stream allows the user to input an increase for support staff salaries. The Annual Staff Salary Increase parameter has been entered into the cells that that represent year 2. In year 3 a formula has been entered to recognize salary increases for year 2 and 3. The model developers have made the assumptions that all staff will receive a raise at the beginning of each year instead of on the staff person’s anniversary date.

###### *Support Staff Salary*

This sheet contains all of the calculations for Support Staff salaries and fringe benefits. The following is a list of the data blocks and a description of each:

Cumulative Support Staff Hiring Stream

This stream indicates the total number of employees in each category for each quarter.

Hours per Quarter

Hours per Quarter indicate the total number of hours worked by each category of employee in each quarter.

Salary Per Quarter

Salary per Quarter indicates the support salary expense by category of employee for each quarter.

Salary Per Quarter with Annual Increase

This stream includes salary per quarter with an adjustment for annual salary increase.

Fringe Benefits per Quarter

Fringe Benefits are based on a percentage of the Total Salary Costs.

*Physician Salaries*

This sheet shows total physician salary expense including base salary plus incentives. Base salary for the year is located on the parameter sheet along with the Incentives and their visit caps. **This sheet contains formulas, which should not be changed.**

###### *Fixed Expenses*

Fixed expenses for the practice are listed on the parameter sheet. Fixed expenses have been designated as either monthly or quarterly expenses. These expenses can be changed independently based on user preference.

This sheet provides the users with total fixed expenses per quarter including an adjustment for inflation. Depreciation for the capital investment by quarter is also included. **The cells in this sheet are all formula driven and should not be changed.**

###### *Variable Expenses*

Variable Expense per Visit is listed on the parameter sheet. Variable expenses in the model are based on volume of patients seen in a quarter. These expenses can be changed independently based on user preference.

This sheet provides the users with total variable expenses per quarter including an adjustment for inflation. **The cells in this sheet are all formula driven and should not be changed.**

###### *Visits and Revenue*

The Visit and Revenue sheet calculates the patient visits each provider is expected to produce along with the revenue generated by those visits. Sessions per month is an input block located on the input sheet. The number of sessions per month is based on two sessions per day for each workday of the month. Sessions per month is divided into Full and Part time providers.

Visits per Session are an input block located on the input sheet. The number of visits per session is based on physician productivity benchmark data. AllMed01 is based on two physicians that have different levels of productivity over time. Therefore the total visits per quarter are divided into physician one and two and nurse practitioners.

This sheet also provides the users with Total Net Revenue per quarter based on volume and net revenue per visit. Net Revenue per Visit is located on the parameter sheet and can be changed based on user preference.

###### *Profit & Loss*

The Profit & Loss sheet is the summary sheet for all of the data streams in the model. The purpose of the Profit and Loss sheet is to see visually the performance of the practice over the 12 quarters that the model is predicting.

The Profit and Loss sheet is the holder of the answers for AllMed01. The data on this sheet is connected to all of the other sheets through the ripple effect. Changes to any sheet will be reflected on the Profit and Loss sheet.