



SUSTAINABILITY 101

CREATING A BUSINESS PLAN FOR SEXUAL ASSAULT NURSE EXAMINERS

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Elise J. Turner, MSN, CNM, SANE-A

BUSINESS PLAN: A WRITTEN DOCUMENT DESCRIBING THE NATURE OF THE BUSINESS AND ITS FINANCIAL BACKGROUND AND CONTAINING A PROJECTED PROFIT AND LOSS STATEMENT. (ENTREPRENEUR MEDIA, INC. 2009)

Nurses create Sexual Assault Nurse Examiner (SANE) services to provide competent, compassionate care to persons who have been sexually assaulted. Healthcare goals of forensic nursing care are designed to start that person on the path to long-term recovery as well as provide the immediate care needed (Lynch, 2006). Much energy is expended to plan the clinical services and recruit personnel to provide the care. Often, very little energy is dedicated to design a business plan that provides a firm basis for the sustainability of the service and to give the nurse an understanding of how to grow the service.

According to reports by struggling SANE programs to the National Sexual Violence Resource Center, many programs had no coordinator; others had a coordinator that only served on a volunteer basis (Markowitz, 2008). Logan, Cole, and Capillo (2007) found that 58.9% of SANE programs surveyed named funding issues as a recent or current problem. Many other problems listed in the survey were related to funding issues. Financial problems may be expressed as personnel loss, lack of

patients, lack of proper training, and billing or supply problems. The result is that many SANE services experience difficulty after the initial burst of success, and longevity is uncertain. Most financial problems can be avoided or predicted and dealt with successfully through the development of an accurate business plan.

Nursing literature is reflecting a new emphasis on the business skills clinical nurses need to care effectively for patients. Many articles are available to nurses who desire to create a patient care service or understand the dynamics of health care financing and its impact on patients' choices and options. A nurse *intrapreneur* is a nurse who creates and launches a line of business within her/his own agency or institution, such as a SANE service (Manion, 1994). Researching an idea for feasibility, gaining the support of administration, planning the clinical services, and launching the SANE service are all parts of nursing *intrapreneurship*. The key to doing this successfully is the same for any business venture: the business plan.

GETTING STARTED

A business plan will give SANEs a realistic roadmap to sustainable healthcare practice with steps similar to the nursing process: assessing the situation, making a plan, providing the service, evaluating that service and then adjusting the plan (Reel, 2003). The initial purpose of the plan is to determine if the idea is plausible. This includes identifying realistic start-up and continuation costs as well as the timeframe needed to get the service up and running. This approach will increase the

program's credibility and gain cooperation from administrators, while enhancing the SANE's reputation as a knowledgeable and dependable partner. A business plan is necessary for starting a SANE service, and a critical tool for sustaining an existing service. Existing services need a business plan to show financial responsibility and identify opportunities for growth and threats to survival. This guide will review the basic steps of developing a business plan and explain the components.



EVALUATION OF CARE NEEDED

The first step in developing a strong business plan for a new SANE service is to evaluate the cost of providing care under the current arrangement for providing emergency forensic sexual assault

IN ADDITION TO COST ANALYSIS, CONSIDER THE QUALITY OF CARE

services. For established SANE services, document the change over time as the service has matured and become more efficient or the costs that would be incurred if the SANE program was not available. This step is critical to providing an accurate base to compare with planned improvements.

For a typical emergency department setting determine how many cases present per year, cost of the space used, the average time the assault cases take from sign-in to discharge, how many workers (by category) interact with the patient, supplies and equipment used, how the cases are billed by the hospital, how much payment the hospital received from which sources, and how much billing has to be written off.

Most likely the institution is losing money on assault cases due to the length of time the exam room is in use, the hours of staff time required from five or more employees, and less than optimum coding and billing procedures. In addition to cost analysis, consider the quality of care sexual assault patients receive. Are all patients receiving care that is consistent with

the national standards for medical and forensic care, particularly STD/HIV prophylaxis and pregnancy prevention? Surveying staff to identify concerns about caring for assault patients may be helpful. Less than optimal care can constitute a liability risk and create a poor image of the hospital in the community. Most importantly, it can cause additional suffering for a traumatized patient. This initial step is tedious and will require discussions with many different hospital departments to track down the details.



COST PROJECTION

The next step is to develop an accurate projection of the proposed costs. Those with existing services should review all actual costs over the last year. List and assign a value to every foreseeable expense; the following categories of costs may be helpful:

Personnel related

- Salary
- Benefits
- On-call pay
- Overtime
- Administration

Non-personnel

- Space rental
- Office supplies and equipment
- Clinic/forensic supplies and equipment
- Insurance
- Medications
- Laboratory tests
- Internet access, phone/fax, and postage
- Travel
- Professional dues
- Recruitment, training and licensure

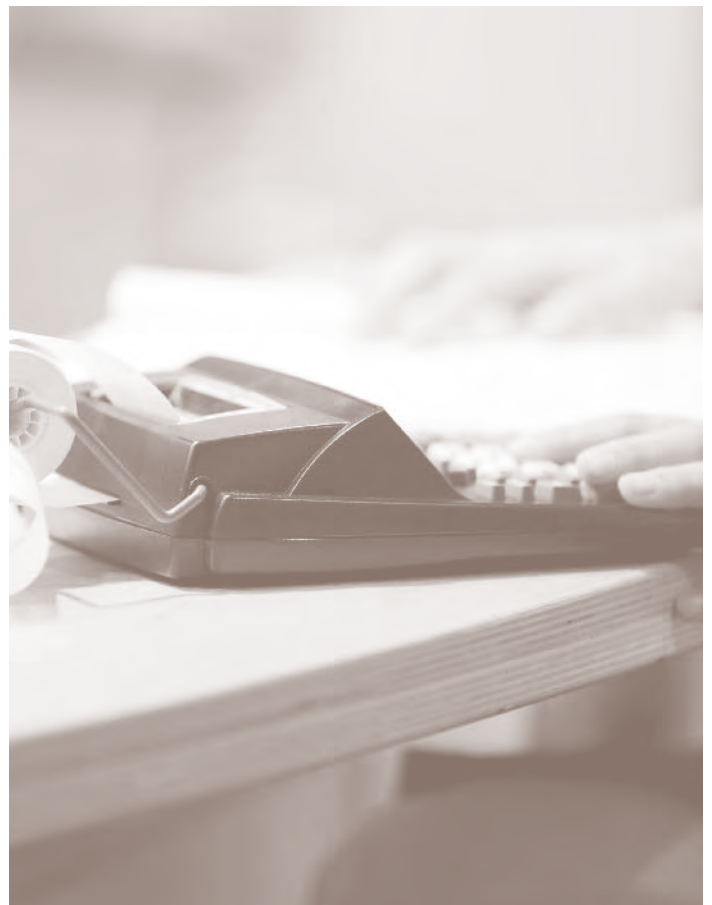
Costs that may be donated or absorbed

- Exam room space
- Use of copy machine
- Staff and volunteer time donated

Determine a per-patient cost based on a projection of the likely number of patients who would seek services from the new SANE program. Consider the current caseload in the emergency department or center and

determine the numbers of victims served by local law enforcement agencies to help develop an estimate.

Existing services can use actual personnel costs, both paid and donated by staff. Ensure accuracy by including the cost of hiring, training, and maintaining the personnel needed for the service and be realistic about providing around-the-clock access to care. The service should be built on reasonable staff expectations and a limited numbers of patients who can be seen. A common mistake is listing only the hourly wage



of the SANE while providing the patient care.

If trainings or other duties require staff to be away, include the cost of paying a replacement worker. New staff will need to work with experienced SANEs and personnel costs will double for those shifts. Do not expect the staff to absorb costs of being on-call, orientation and professional development and resources. Even if the SANE service will not be paying these items, it's a good idea to list them and assign a value. The dollar value of items is surprising and is a common unspoken reason for staff turnover and a critical concern for program sustainability.

In a free-standing unit, estimate the cost of hiring security personnel by determining the cost of an off-duty officer or individual from a private security firm.

For space, the finance department of the hospital or center can estimate the cost per square foot that includes maintenance, utilities and security. Remember that some supplies have to be purchased by the case or other bulk arrangement.

A large cost figure indicates this portion of the business plan is well thought out and will assist in guiding SANEs and their partners in making wise decisions. These costs will not be a surprise to those who work in health care finance.

Visit the Free Management Library for comprehensive tools for budget management http://www.managementhelp.org/finance/np_fnce.htm#anchor176966

INCOME PROJECTION

Once the cost analysis is complete, begin developing the income projections for the business plan. This stage is a bit more cheerful than the costing stage, but requires careful research and attention to detail. Existing services will use actual income from billing and payment records. Use cash amounts received per month, not the amounts billed. In projecting incomes, always use the lowest estimate. It is far better to have more income than projected. Expand the definition of income to include not just payment for patient care, but any costs donated by your institution including space, supplies, equipment, support staff, and any costs absorbed by the employees. Identify sources by category such as private insurance, Medicaid/Medicare, Crime Victim Compensation, state mandated reimbursement fees, grants, and other income. Determine how much each pay source spends for the commonly used sexual assault diagnosis and procedure codes; the hospital's billers and coders can assist in identifying these amounts.

Also consider the lag time between billing and payment for each pay source. Many health care services go under because funds were not available to keep the service going while awaiting lengthy payment delays for care provided. Payers may reimburse differently based on the setting of care. If patients have been cared for in the emergency department and the intent is to move to a freestanding outpatient setting,

the reimbursement rate may be much lower than before. Also consider donations when considering sources of income and list the value of every type including supplies and equipment, volunteer time, expert consultation, discounts, and other non-cash, in-kind donations.

Once the income categories for the first year are complete, many items in the cost analysis will have corresponding income line items indicating the cost is covered. For instance, if on-call expenses are listed at \$5/hour, and the SANEs provide free on-call availability, the \$5/hour will be listed as income in the “on-call” category. Once all information has been entered, total the items in the “projected income” column and subtract that from the total “cost estimates” column; the remaining amount will

be the anticipated shortfall. Most likely, the true costs of a SANE service will not be covered with the anticipated income. List the unfunded items; this list will serve as the roadmap to getting the resources and items needed to begin and sustain SANE services. This step is especially useful for existing services to see what is needed to strengthen SANE services prior to expanding or offering additional services. A separate analysis can be used to create a mini-plan for an expansion project to see how the expansion would affect the overall financial profile. If instead of a shortfall, a profit is anticipated, be wary. Costs may have been underestimated or the income overestimated; SANE services can be profitable over time, but typically not in the start-up phase.



PULLING IT TOGETHER

The final steps in creating a business plan include researching and writing the proposal. This document should be updated annually for existing services. A one-page summary in an easy-to-read format should be included, as the proposal may be quite lengthy. The business plan should include a brief description of the

THE SANE MODEL OF CARE IS TYPICALLY MORE COST EFFICIENT

SANE model of care, the community's need for a SANE service, the number of projected patients needing care, the reasons why now is a good time to develop a SANE service, and the anticipated challenges (other than financial). Be sure to include a comparison of the costs of the SANE model of care to the costs of the current way care is being delivered. Cite examples in the literature such as the findings of Crandall and Helitzer (2003). These authors compared patient outcomes before and after the establishment of a SANE service. They found impressive improvements in overall healthcare, evidence collection, law enforcement response, and success of prosecution.

The next portion of the plan summarizes the cost/income analysis by listing the anticipated start up cost, anticipated cost per patient,

anticipated income from billing and other sources, and the percent of cost covered by income. At this point, describe the shortfall, or anticipated profit, and how the profits will be re-invested in the service. Provide a brief description of the potential for growth of the SANE service in the years to come, and lastly, explain the many intangible benefits the SANE service will provide to the sponsoring institution and wider community.

The business plan should be presented to the administrators and potential supporters within the organization. The SANE model of care is typically more cost efficient than the traditional nurse/physician model used in many emergency departments, and certainly provides many positive intangible benefits to the sponsoring institution and patients. A positive response by administrators can lead to a brainstorming session to determine ways to bring in other supporters and help make up the shortfall and generate ongoing support. Local Sexual Assault Response/Resource Teams (SARTs) can help the new SANE service identify unexpected partners. SART members often have professional and social contacts with philanthropists and service organization members who are looking for a project to support. Existing services can use the plan to justify continued sponsorship and anticipate future needs.

LONGER-TERM PLANNING

From the initial work done, it will be easy to generate a five-year plan. Five years may seem like a very long time, but sustainability is the goal, not just getting a service started. In the five-year plan, anticipate fully funding initial expense items before expanding the service. Avoid expanding to providing pediatric exams or other services while still expecting the SANEs to donate on-call time, hours of work, and professional development. Instead, as the SANE service matures, limit its focus and

re-invest in the staff with fair pay, continuing education, professional memberships, costs for certification exams and so forth. In the five-year plan, identify larger public policy issues such as the development of a state-funded pay source for the initial medical/forensic episode of care, or the need for anonymous reporting procedures. With vision and knowledge, and business plan in hand, the nurse *intrapreneur* will be equipped to lead the effort to care for victims of sexual assault. PLANE

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THE SUSTAINABILITY SERIES

The Sustainability Series is a component of the Sexual Assault Nurse Examiner (SANE) Sustainability Technical Assistance Project, which aims to address sustainability issues holistically by working with program coordinators to creatively examine the challenges that individuals and communities face in maintaining healthy, successful, and appropriate medical-legal services for victims of sexual violence. Additional information can be found by visiting www.nsvrc.org.

NATIONAL SEXUAL VIOLENCE RESOURCE CENTER

The National Sexual Violence Resource Center (NSVRC), founded by the Pennsylvania Coalition Against Rape, opened in July 2000 as the nation's principle information and resource center regarding all aspects of sexual violence. The NSVRC provides national leadership in the anti-sexual violence movement by generating and facilitating the development and flow of information on sexual violence intervention and prevention strategies.

ABOUT THE AUTHOR

Elise J. Turner, MSN, CNM, SANE-A, is a Certified Nurse-Midwife with over twenty-five years' experience in women's health. Her background includes health systems development in the private and public sectors. Since 1999, she has been responsible for medical/forensic training in Mississippi, and has provided consultation and training for the US Dept of Defense, and the US Dept of Justice in Kosovo and the Republic of Macedonia. Her recent awards include the IAFN Virginia Lynch Pioneer Award.



www.nsvrc.org

NSVRC

123 North Enola Drive, Enola, PA 17025

Toll free: 877-739-3895

resources@nsvrc.org



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