Budget Plan for the Heart Failure Clinic

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Introduction

In the United States chronic diseases are the main causes of patient disability. Thus, for this reason, most people seek medical attention and are responsible for the 70% spending on healthcare (Dahlström, 2001). Congestive Heart Failure (CHF) is a serious ailment brought on by the failure of the heart to pump sufficient blood and oxygen to vital organs in the human body. According to Amakali (2015), more than 6 million people in the US suffer from heart problems. CDC also states that heart failure is responsible for 55,000 deaths annually. Furthermore, CHF costs the nation a lot of money with analysts estimating the annual expenditure to $34 billion (Amakali, 2015). The authorial intent of this paper is therefore to establish, through use of evidence-based management practices, the best strategies for developing a budget plan geared towards establishing an effective Heart Failure Clinic.

Resourcing Healthcare Services

It is imperative for hospital administrators to work behind closed doors in order to ensure that hospitals' financial security and welfare is up to required standards. This implies that hospital administrators must identify those factors that if not well facilitated within the hospital budget plan may plunge the whole fraternity into financial crisis (Langenbrunner, Cashin, & O'Dougherty, 2009). Consequently, this business plan identifies the major categories and subcategories of the budget necessary for the set up of HFC. They include; Labor Costs, supplies and capital expenses, insurance billing, research and teaching, liability costs et cetera. Some of the categories are discussed below.

Labor Costs

According to CDC, staff wages and benefits consume up to 60% of hospital expenditures. Similarly, labor costs from other sources consumed 11% (Dahlström, 2001)). The American Hospital Association. takes note of one assumption from the above figures. That is, in any service-based business offering patient care, human capital is the essential type of capital that is utilized every day. This implies the Heart Failure Clinic must approximate and cater for all expenditures that will result from labor.

Insurance Billing

Most hospital revenue as we are all aware are earned from insurance services billed on patients. It therefore suffice to say that the HFC billing will not only come from federal Medicare but also from private insurance companies. Regarding indigent patients, the hospital will have to cooperate with county health offices or transfer them to county hospitals.

Supplies and Capital Expenses

Supplies generally consume a lot of hospital expenditure. The supplies in this case are those that are needed for the purpose of giving Medicare to patients. They include drugs, food, laboratory chemicals or equipment. The funds for the same will have to come from the billings earned from services given to patients. Since the HFC is at the initial stages of set-up, the process of construction will incur huge capital expenditures. Therefore, the need for donations to cater for equipment for construction may arise in the future.

Liability Costs/Contingency funds

Due to the fact that we live in a litigious society, the hospital will of course have to protect itself in case of legal battles. Mistakes during operations or patient care cannot be ruled out thus, contingency measures have to be undertaken. For this reason, it is imperative that the clinic sets up Professional liability insurance.

Start-up expenses; In total, the start-up expenses divided into two categories that is, site renovation which will cost approximately $7,000 and secondly equipment purchase expense with IT catered for which will roughly amount to $15,000. These being the key stages of the start-up process, the total expenditure is expected to be $22.000 onwards.

Operational expense of the HFC will in turn comprise the two known categories: fixed and variable costs. The fixed expenses are not expected to change regardless of how long the clinic remains operational. For example, the costs of maintaining the clinic facilities and equipment will be constant. This means that to cater for fixed expenses the clinic will have to admit and treat more patients. The variable expenses on the other hand, are those that the clinic will at times have to reduce or renegotiate in order to cut the costs of services for example staff benefits and payrolls.

Capital Budget Items;

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| Volume Assumptions | Total Approximations |
| Staffing/FTE | Job Class:  Nurse Practitioner – 1.0 FTE  Registered Nurse – 1.0 FTE  Patient Care Technician – 1.0 FTE (phlebotomy trained)  Unit Clerk – 1.0 FTE  Dietician – 0.0 FTE (rotation)  Social Worker – 0.0 FTE (rotation) |
| Salary and benefits | Job Class:  Registered Nurse – $28/ hour  Patient Care Technician – $13/ hour  Nurse Practitioner – $35/hour  Unit Clerk –$11/ hour  Dietician – $18/hour  Social Worker - $14/hour |

Legal and Professional Standards

The key steps in helping ailing patients is to make it clear that adherence to medical procedures lies with them and there is the need to cooperate with clinicians in order to cure the problem. The nurse, apart from being able to inspect every patient as an individual should have the capacity to surrender a portion of the control of the treatment regimen to the patient's readiness and capacity to self-screen. This will help reduce the cost of outpatient services.

Uninsured patients tend to fear the doctor's office due to expense. Therefore, clinicians in HFC should help them comprehend the cost of an office visit by correlation with the cost of a crisis room visit, diagnostic radiology, pharmaceuticals, laboratory testing, et cetera. and the dangers that may come with unattended health problems. In the event that conceivable, let them know precisely what you will charge. Discounts if available should be offered to underinsured or low-salary patients.

Clinical data is key to healthy therapeutic research. Such tools and data resources are; e[lectronic health records](http://guides.lib.uw.edu/content.php?pid=376631&sid=3349256#12207216), patient/disease registries, [administrative data](http://guides.lib.uw.edu/content.php?pid=376631&sid=3349256#12209007), clinical trial data and even health surveys. That aside, efficient billing and collections is critical to the success and profitability of the HFC. The best method of billing is electronic billing whereby electronic patient statements are submitted online.

Access to precise and accurate information about the cost of services in the clinic will greatly impact the consumer's decisions to visit the center. If access to this information is difficult many consumers will not seek medical attention from the clinic due to fear of exorbitant levies upon treatment. In most cases, patients are always unaware of the actual cost of services.

References

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