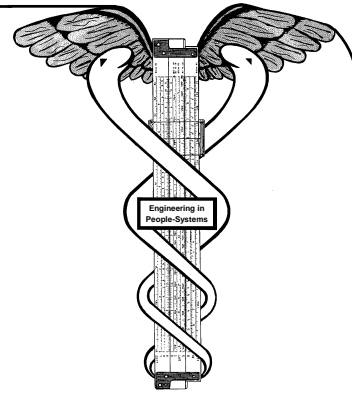


# THE BIO-ENGINEERING Co.

Dr. Dean C. Bellavia

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**Date:** 5<sup>th</sup> of January, 2006

**To:** Dr. Example's Team

**From:** Dr. Dean C. Bellavia, President, The Bio-Engineering Co.

**Re:** Preparing for 2006

**Dear Ex and Team:**

We wish you, your entire team and your family a wonderful holiday season and a super 2006.

In order to help your practice prepare for 2006, please complete the following to the best of your ability and fax it back to me, hopefully in a week or two so that we can discuss and finalize it: if not, I will use the following.

## Fee Schedule 2006:

Recalculated for 2006: See attached and make any corrections

☞ Do you need some specific (new/revised) Tx fees calculated for you? ☐ No ☐ Yes

☞ Comments: \_\_\_\_\_

## Monthly Production Goals for 2006:

Below are considerations that affect your 2005 *Monthly* Production Goals, based on 2001 numbers.

- ☺ A key goal factor is that you have **24%** growth left in your 1.50 FS/D scheduling system
- ☺ A 2<sup>nd</sup> factor is your **74%** Exam Conversion Rate, which you need to maintain or improve
- ☺ A 3<sup>rd</sup> factor is your **391** Exams/year (33/mo); you need to increase for a growth of say, **8%** giving about 35/month
- ☺ A 4<sup>th</sup> factor is starts from OBS, which is at 14% and should be >65%; this is a tremendous source of starts and needs to be under control (or maybe you should make sure the DARPS stats on starts from OBS is correct)
- ☺ Thus, a realistic 2006 production goal is about 8% increase or \$120,000/mo
- ☺ 2006 Collections are usually equal to the 2005 Adj. Production, which is \$111,000/month, although you have about \$5,000/mo in 2006 for lowered %IP in 2005. Thus, a realistic 2006 monthly collections should be about \$116,000/mo

Below are suggested *Monthly* Goals based on 2005 numbers and the above comments, edit any that seem unrealistic.

- |                       |                        |  |  |
|-----------------------|------------------------|--|--|
| ☺ <b>Production:</b>  | 2005 = \$111,019/month | Suggest for 2006 = \$120,000/month                                 | <input type="checkbox"/> OK, or use \$_____/mo |
| ☺ <b>Collections:</b> | 2005 = \$105,331/month | Suggest for 2006 = \$116,000/month                                 | <input type="checkbox"/> OK, or use \$_____/mo |
| ☺ <b>Exams:</b>       | 2005 = 32.6/month      | Suggest for 2006 = 35/month  | <input type="checkbox"/> OK, or use ____/mo    |
| ☺ <b>Full Starts:</b> | 2005 = 18.3/month      | Suggest for 2006 = 19/month  | <input type="checkbox"/> OK, or use ____/mo    |
| ☺ <b>Tx Days:</b>     | 2005 = 15.2/month      | Suggest for 2006 = 15/month  | <input type="checkbox"/> OK, or use ____/mo    |
| ☺ <b>Expenses:</b>    | 2005 = \$62,000/month  | to be resolved after you complete the Budget Considerations below. |  |

## Budget Considerations for 2006:

Below are suggested *yearly* amounts and comments, edit to make them more realistic:

- ☺ Budget Item – **Salary-Related:**    ☒ SAME as in 2006 **plus 3% increase**    OR \_\_\_\_\_  
☐ \$ \_\_\_\_\_ **LESS** in 2006 than in 2005 due to \_\_\_\_\_  
☐ \$ \_\_\_\_\_ **MORE** in 2006 than in 2005 due to \_\_\_\_\_
- ☺ Budget Item – **TEAM P&PS:**    ☐ SAME **\$48,000** in 2006 as in 2005    OR \_\_\_\_\_  
☐ \$ \_\_\_\_\_ **LESS** in 2006 than in 2005 due to \_\_\_\_\_  
☐ \$ \_\_\_\_\_ **MORE** in 2006 than in 2005 due to \_\_\_\_\_
- ☺ Budget Item – **TEAM BONUSES:**    ☐ SAME in 2006 as in 2005    OR: ☐ Same ☐ Increase \_\_\_\_\_  
**Continue with Bonus System?** (\$13,000 bonuses paid in 2005; growth = 14%, Salary Savings = \$56,000)  
 \_\_\_\_\_
- ☺ Budget Item – **Occupancy:**    ☐ SAME in 2006 as in 2005    OR \_\_\_\_\_  
☐ \$ \_\_\_\_\_ **LESS** in 2006 than in 2005 due to \_\_\_\_\_  
☐ \$ \_\_\_\_\_ **MORE** in 2006 than in 2005 due to \_\_\_\_\_
- ☺ Budget Item – **Utilities & Phone:**    ☐ SAME in 2006 as in 2005    **\$7,500 LOWER THAN BUDGETED IN 2005**  
☐ \$ \_\_\_\_\_ **LESS** in 2006 than in 2005 due to \_\_\_\_\_  
☐ \$ \_\_\_\_\_ **MORE** in 2006 than in 2005 due to \_\_\_\_\_
- ☺ Budget Item – **Clinical Supplies:**    ☐ SAME in 2006 as in 2005    **\$4,000 LOWER THAN BUDGETED IN 2005**  
☐ \$ \_\_\_\_\_ **LESS** in 2006 than in 2005 due to \_\_\_\_\_  
☐ \$ \_\_\_\_\_ **MORE** in 2006 than in 2005 due to \_\_\_\_\_
- ☺ Budget Item – **Laboratory:**    ☐ SAME in 2006 as in 2005    **\$3,700 LOWER THAN BUDGETED IN 2005**  
☐ \$ \_\_\_\_\_ **LESS** in 2006 than in 2005 due to \_\_\_\_\_  
☐ \$ \_\_\_\_\_ **MORE** in 2006 than in 2005 due to \_\_\_\_\_
- ☺ Budget Item – **Clerical Expense:**    ☐ SAME in 2006 as in 2005    **\$9,500 LOWER THAN BUDGETED IN 2005**  
☐ \$ \_\_\_\_\_ **LESS** in 2006 than in 2005 due to \_\_\_\_\_  
☐ \$ \_\_\_\_\_ **MORE** in 2006 than in 2005 due to \_\_\_\_\_
- ☺ Budget Item – **Practice Promo/AD:**    ☐ SAME in 2006 as in 2005    **\$8,000 LOWER THAN BUDGETED IN 2005**  
☐ \$ \_\_\_\_\_ **LESS** in 2006 than in 2005 due to \_\_\_\_\_  
☐ \$ \_\_\_\_\_ **MORE** in 2006 than in 2005 due to \_\_\_\_\_
- ☺ Budget Item – **Purchased Services:**    ☐ SAME in 2006 as in 2005    OR \_\_\_\_\_  
☐ \$ \_\_\_\_\_ **LESS** in 2006 than in 2005 due to \_\_\_\_\_  
☐ \$ \_\_\_\_\_ **MORE** in 2006 than in 2005 due to \_\_\_\_\_
- ☺ Budget Item – **Miscellaneous:**    ☐ SAME in 2006 as in 2005    **\$15,000 HIGHER THAN BUDGETED IN 2005**  
☐ \$ \_\_\_\_\_ **LESS** in 2006 than in 2005 due to \_\_\_\_\_  
☐ \$ \_\_\_\_\_ **MORE** in 2006 than in 2005 due to \_\_\_\_\_

☺ **Other Budgetary Comments:**

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## Possible Programs to Implement in 2006:

- ☺ **Marketing & Practice Promotion:**    ☐ Desired by You    ☒ Suggested    ☐ Sounds Interesting    ☒ Done  
Comments: Orec Direct Mailout? \_\_\_\_\_
- ☺ **Bring Scheduling System Up to Date:**    ☐ Desired by You    ☐ Suggested    ☐ Sounds Interesting    ☒ Done  
Comments: \_\_\_\_\_
- ☺ **2006 Patient-Centered TC Program:**    ☐ Desired by You    ☐ Suggested    ☐ Sounds Interesting    ☒ Done  
Comments: \_\_\_\_\_
- ☺ **Revise Your Team Benefits System:**    ☐ Desired by You    ☐ Suggested    ☐ Sounds Interesting    ☒ Done  
Comments: \_\_\_\_\_
- ☺ **Implement a Team Bonus Program:**    ☐ Desired by You    ☐ Suggested    ☐ Sounds Interesting    ☒ Done  
Comments: \_\_\_\_\_
- ☺ **Improve Past Due Control Program:**    ☐ Desired by You    ☐ Suggested    ☐ Sounds Interesting    ☒ Done  
Comments: \_\_\_\_\_
- ☺ **New Patient Fee Payment Options:**    ☐ Desired by You    ☐ Suggested    ☐ Sounds Interesting    ☒ Done  
Comments: Built into Fee Schedule \_\_\_\_\_
- ☺ **Ph-II Start Control Options:**    ☐ Desired by You    ☐ Suggested    ☐ Sounds Interesting    ☒ Done  
Comments: \_\_\_\_\_
- ☺ **OBS Recall Control Options:**    ☐ Desired by You    ☒ Suggested    ☐ Sounds Interesting    ☐ Done  
Comments: \_\_\_\_\_
- ☺ **Run-on Tx Program:**    ☒ In progress    ☐ Suggested    ☐ Sounds Interesting    ☐ Done  
Comments: \_\_\_\_\_
- ☺ **New, Computer-Based Systems:**    ☐ Desired by You    ☐ Suggested    ☐ Sounds Interesting    ☒ Done  
Comments: \_\_\_\_\_
- ☺ **New, Imaging Systems:**    ☐ Desired by You    ☐ Suggested    ☐ Sounds Interesting    ☒ Done  
Comments: \_\_\_\_\_
- ☺ **Ending a Branch Office:**    ☐ Desired by You    ☐ Suggested    ☐ Sounds Interesting    ☒ Done  
Comments: \_\_\_\_\_
- ☺ **Building an Office:**    ☐ Desired by You    ☐ Suggested    ☐ Sounds Interesting    ☒ Done  
Comments: \_\_\_\_\_
- ☺ **Use Internet Practice Promotion:**    ☐ Desired by You    ☐ Suggested    ☒ Sounds Interesting    ☐ Done  
Comments: \_\_\_\_\_
- ☺ **Start Team Relationship Programs:**    ☐ Desired by You    ☐ Suggested    ☐ Sounds Interesting    ☒ Done  
Comments: \_\_\_\_\_

☺ ☐ Desired by You *or* ☐ Let's Discuss – \_\_\_\_\_

☺ ☐ Desired by You *or* ☐ Let's Discuss – \_\_\_\_\_

## Final Comments:

Your exceptional practice is still in a "growth stage" and the main objectives are to keep increase market-ing and production while maintaining expense control. With that in mind:

In general, what do you feel will be the *biggest challenge* facing you practice in 2006, if any?

\_\_\_\_\_

What is your *second* biggest challenge in 2006, if any? \_\_\_\_\_

\_\_\_\_\_

What is your *third* biggest challenge in 2006, if any? \_\_\_\_\_

\_\_\_\_\_

In general, what are you *happily looking forward to* in 2006? \_\_\_\_\_

\_\_\_\_\_

**Thank you for your valued feedback; it will be used to finalize your goals for a successful 2006.**

Best regards,

*Dean*

Dean C. Bellavia, Ph.D.

Bio-Engineering Consultant