Expanding Urgent Care Capability at Reid Health Services Center

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AGENDA

- Introduction and Overview
- Methods and Assumptions
- Business Results
- Sensitivity and Risk Analysis
- Conclusions and Recommendations

DISCLAIMER

The views expressed in this analysis belong to the authors and do not reflect the the views, policy, or position of Baylor University, the Department of Defense, or the U.S. Government. This report provides approximations of important financial consequences that should be considered in decisions involving the feasibility of establishing an urgent care capability at Reid Health Service Center. The analysis is based on information provided by the 559th Medical Group staff to the authors. We believe this information to be accurate. This analysis is meant to serve as a guide in the development of a local business case for the owning organization.

PURPOSE

This report is prepared for the 559th Medical Group to assist with making a decision whether or not to establish an urgent care capability at Reid Health Services Center.

PROBLEM STATEMENT

Basic training elements are losing at least 146 hours of individual training time each weekend when trainees require medical treatment, which impacts overall military readiness, training costs, and overall Air Force personnel replacement processes.

PROPOSED SCENARIOS

1. **Business as Usual**
    a. Maintain current hours of operation

2. **Proposed Action: Establish Urgent Care with Ancillary Support**
    a. Ancillary Services: Laboratory, Radiology (X-Ray), Pharmacy
    b. Patients requiring care exceeding clinic's capability are transported to the SAMMC Emergency Room

3. **Combination Action: Establish Urgent Care without Ancillary Support**
    a. If ancillary services are needed, patients are transported to the Wilford Hall Urgent Care Center
    b. Patients requiring care exceeding clinic's capability are transported to either the Wilford Hall Urgent Care Clinic or the SAMMC Emergency Room based off the patient's medical needs

BUSINESS OBJECTIVES

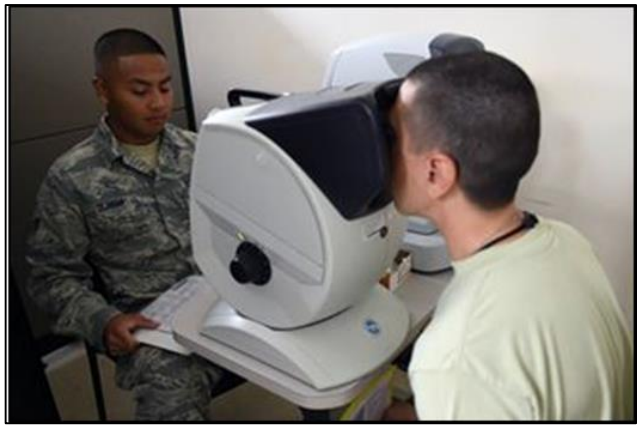
- Reduce lost training time due to medical treatment
- Reduce costs
- Improve patient centered care

FINANCIAL AND NON-FINANCIAL METRICS

- Financial Metrics
  - Total 3-year costs
  - 3-year Net Present Value (NPV)
  - 3-year Return on Investment (ROI)
- Non-Financial Metrics
  - Transportation Time
  - Total Lost Training Time
- Risk and Other Factors
  - Encounter volume variation
  - Negative impact on WHASC Urgent Care Clinic

SITUATION

- Supports 73,500 Airmen annually, to include:
  - Basic Military Trainees (BMT)
  - Defense Language Institute (DLI)
  - Inter-American Air Force Academy (IAAFA)
- Wilford Hall Ambulatory Surgical Center (WHASC) Urgent Care Clinic is operated 24/7
- Current hours at Reid Health Services Clinic
  - Monday-Friday 0645-1630
  - Closed one day per month for training
  - Saturday clinic started 9JAN16 operates 0600-1400
- Ancillary manning at Reid Clinic depends on borrowed military manpower



STRATEGIC IMPORTANCE

- Reid Health Service Center is the primary care facility for student population
  - By offering urgent care at the location of the population:
    - Trainees are able to return to their flight sooner than the current alternative of traveling to Wilford Hall
    - The reduction in the loss of training time can result in lower attrition rates for basic trainees.

- Timetables for viability will be established by the stakeholders
  - The financial situation of Wilford Hall must also be considered while looking at the overall viability of this project.
  - It is assumed this project must have a positive net sum gain for all medical facilities located on Lackland AFB. If Wilford Hall losses more money than what is gained by Reid (when keeping the financial profile of this project in isolation), it is possible for stakeholders to revert to the status quo.

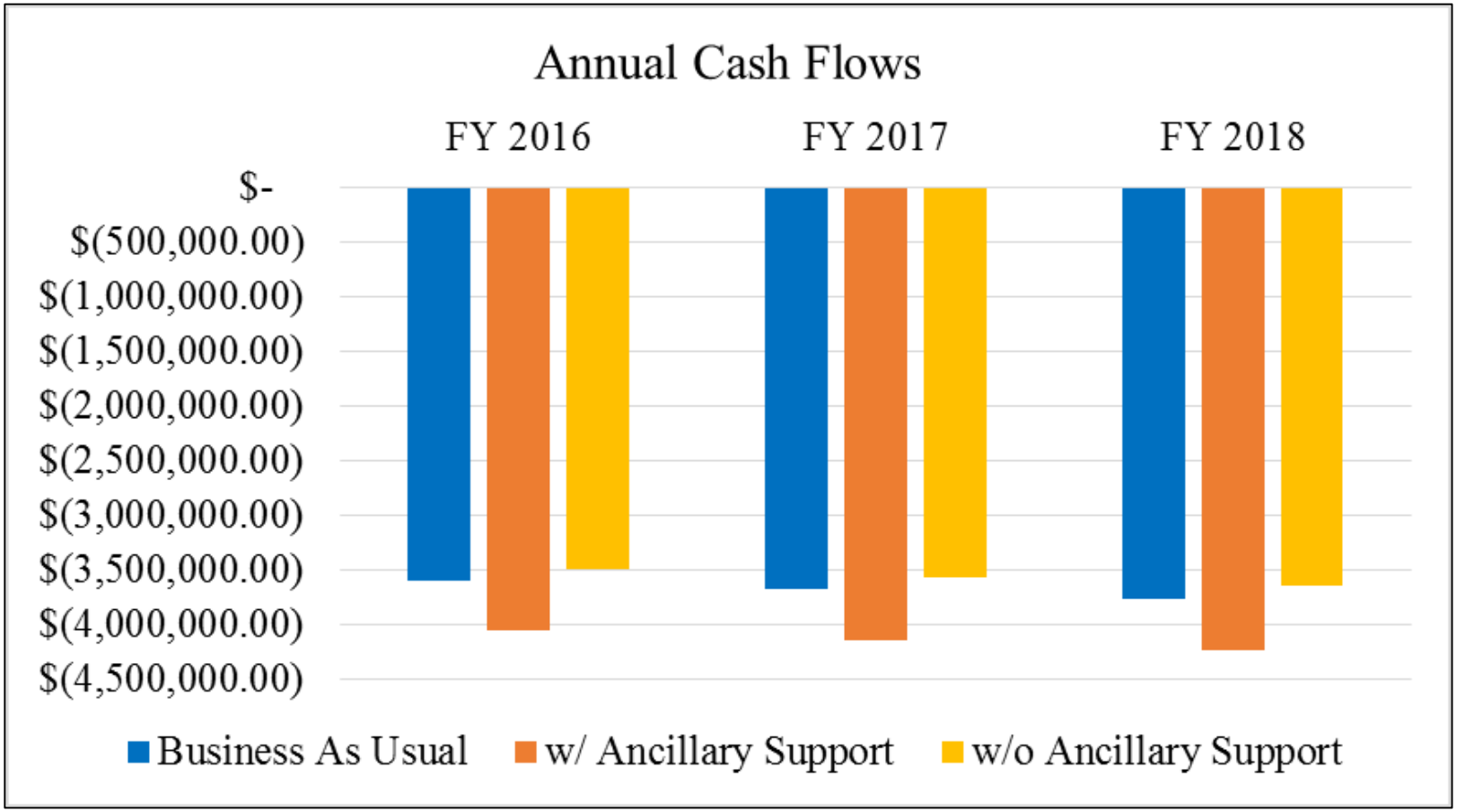
MAJOR ASSUMPTIONS

- 95% of Lackland Air Force Base BMT population will be seen exclusively at Reid Clinic
- Saturday clinic-staffing model is used to determine the staffing model for the proposed 24-hour urgent care service line
- No additional fixed costs are required for the addition of the urgent care service line with the exception of staffing
- Medical capabilities of Reid Health Services Center and Wilford Hall Urgent Care Center are the same
- M2 Data encompasses the BMT population assigned to Lackland Air Force Base

SCOPE AND BOUNDARIES

- Costs and benefits will be assessed for a 3-year period (FY 16 to FY 18)
- Organizations Impacted
  - Reid Health Services Center (559th Medical Group)
  - WHASC
  - 59th Medical Wing
- Geography
  - Lackland Air Force Base, San Antonio, TX

BUSINESS RESULTS



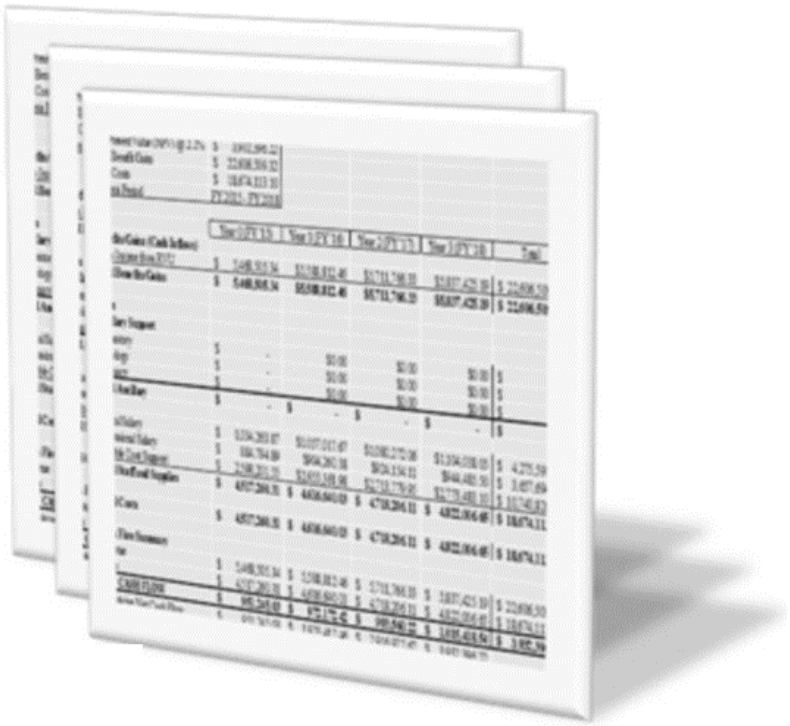
Assumptions

Discount Rate = 2.2%

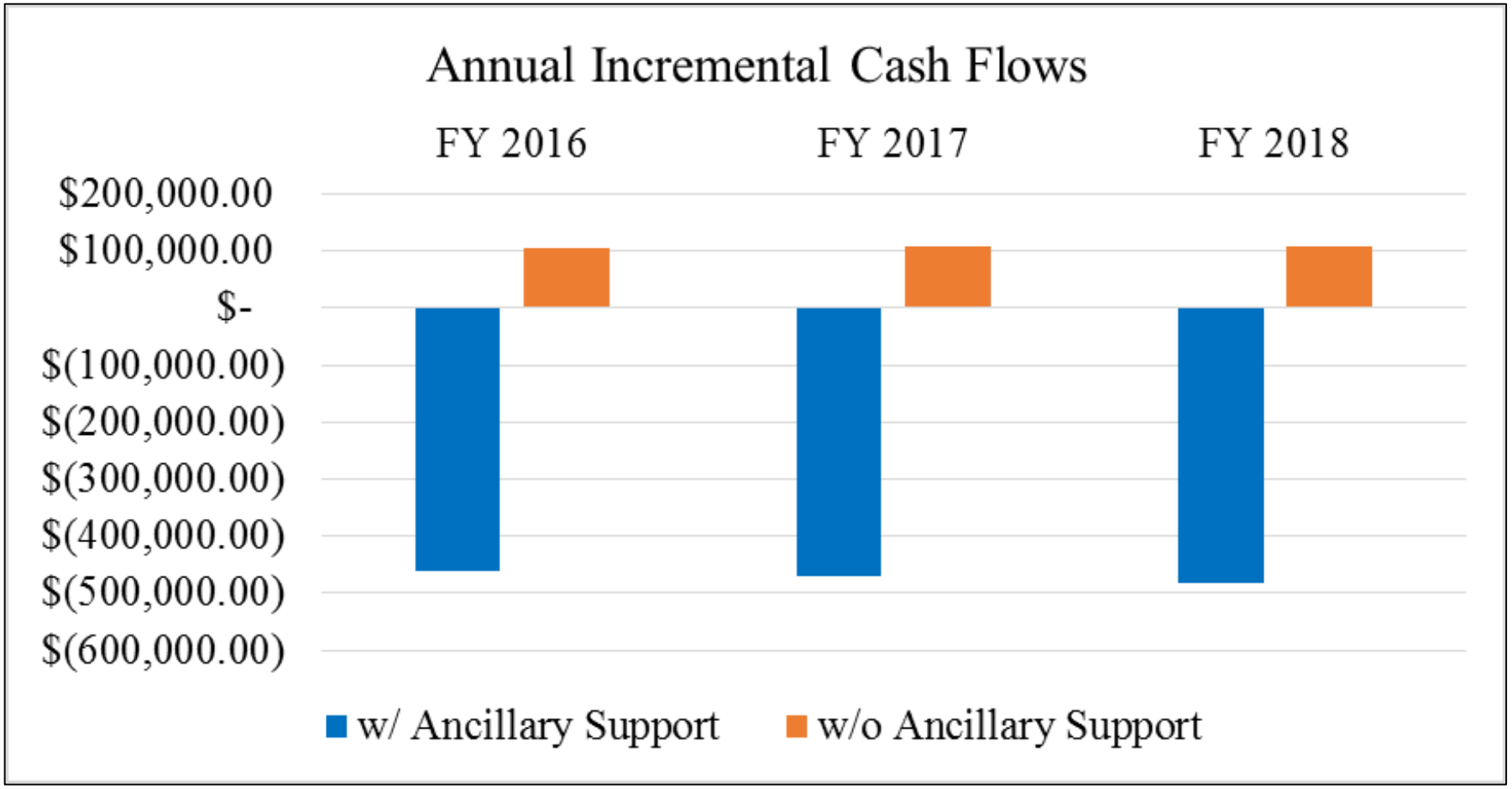
RVU reimbursement = $34.00 per RVU

Financial Results

- **Scenario 1: Business as Usual**
  - 3 Yr Benefits: $ 14,432,124.00
  - 3 Yr Ancillary Costs: $ (13,560,657.58)
  - 3 Yr Staff and Supplies: $ (11,922,213.17)
  - 3 Yr Total Net Cashflow: $ (10,733,581.93)
- **Scenario 2: Urgent Care w/ Ancillary**
  - 3 Yr Benefits: $ 16,281,103.78
  - 3 Yr Ancillary Costs: $ (15,297,279.04)
  - 3 Yr Staff and Supplies: $ (13,449,010.16)
  - 3 Yr Total Net Cashflow: $ (12,107,425.13)
- **Scenario 3: Urgent Care w/o Ancillary**
  - 3 Yr Benefits: $ 16,281,103.78
  - 3 Yr Ancillary Costs: $ (13,560,657.58)
  - 3 Yr Staff and Supplies: $ (13,449,010.16)
  - 3 Yr Total Net Cashflow: $ (10,420,646.03)



INCREMENTAL CASH FLOWS

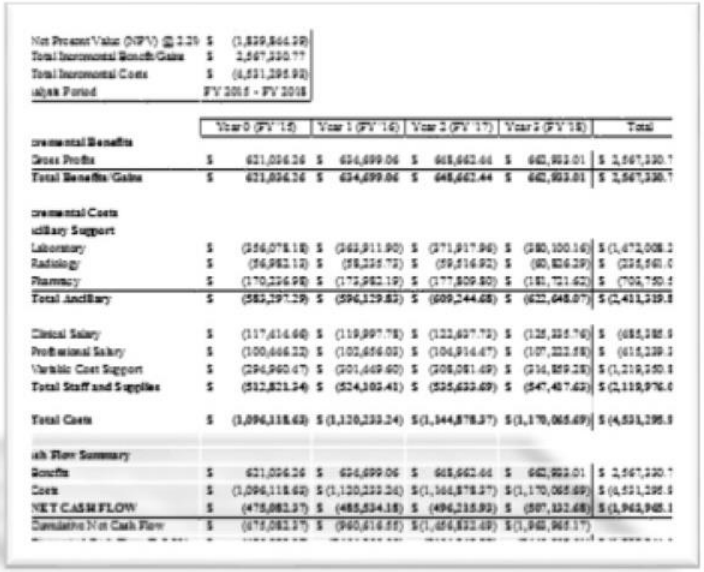


Assumptions

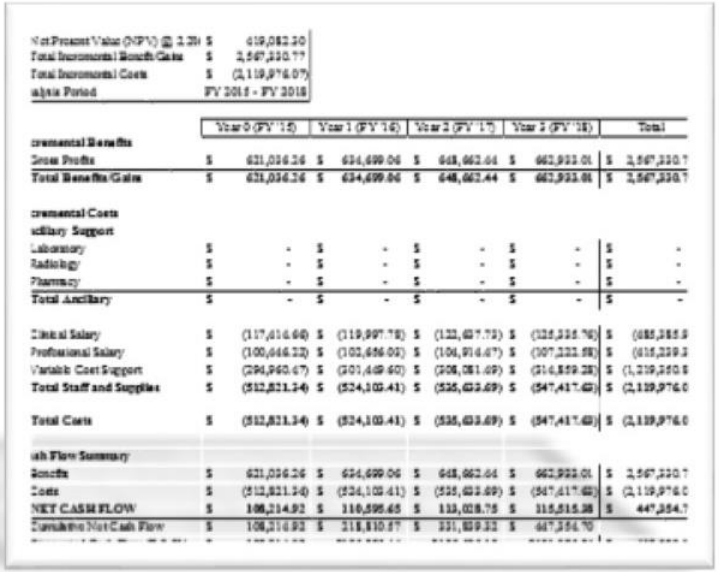
Discount Rate = 2.2%

RVU reimbursement = $34.00 per RVU

INCREMENTAL CASH FLOWS



	Year 0 (FY '15)	Year 1 (FY '16)	Year 2 (FY '17)	Year 3 (FY '18)	Total
Net Present Value (NPV) @ 3.2%	$ (1,839,866.29)				
Total Incremental Benefit/Gain	$ 2,567,330.77				
Total Incremental Costs	$ (4,531,295.93)				
Analysis Period	FY 2015 - FY 2018				
Incremental Benefits					
Gross Profit	$ 621,036.26	$ 634,699.06	$ 648,662.44	$ 662,933.01	$ 2,567,330.77
Total Benefits/Gains	$ 621,036.26	$ 634,699.06	$ 648,662.44	$ 662,933.01	$ 2,567,330.77
Incremental Costs					
Ancillary Support					
Laboratory	$ (356,078.18)	$ (363,911.90)	$ (371,917.96)	$ (380,100.16)	$ (1,472,008.20)
Radiology	$ (56,982.12)	$ (58,236.72)	$ (59,516.92)	$ (60,826.29)	$ (235,561.05)
Pharmacy	$ (170,226.98)	$ (173,982.19)	$ (177,809.80)	$ (181,721.62)	$ (703,750.59)
Total Ancillary	$ (583,287.29)	$ (596,129.82)	$ (609,244.68)	$ (622,648.07)	$ (2,411,319.86)
Clinical Salary	$ (117,414.64)	$ (119,997.78)	$ (122,637.72)	$ (125,335.76)	$ (485,385.90)
Professional Salary	$ (100,666.32)	$ (102,876.02)	$ (105,134.47)	$ (107,222.58)	$ (415,239.38)
Variable Cost Support	$ (294,960.47)	$ (301,649.60)	$ (308,081.49)	$ (314,859.28)	$ (1,219,550.84)
Total Staff and Supplies	$ (512,821.34)	$ (524,103.41)	$ (535,853.69)	$ (547,417.62)	$ (2,119,976.02)
Total Costs	$ (1,096,118.63)	$ (1,120,233.24)	$ (1,144,878.37)	$ (1,170,065.69)	$ (4,531,295.88)
Cash Flow Summary					
Benefits	$ 621,036.26	$ 634,699.06	$ 648,662.44	$ 662,933.01	$ 2,567,330.77
Costs	$ (1,096,118.63)	$ (1,120,233.24)	$ (1,144,878.37)	$ (1,170,065.69)	$ (4,531,295.88)
NET CASH FLOW	$ (475,082.37)	$ (485,534.18)	$ (496,215.93)	$ (507,132.68)	$ (1,963,965.11)
Cumulative Net Cash Flow	$ (475,082.37)	$ (960,616.55)	$ (1,456,832.49)	$ (1,963,965.17)	



	Year 0 (FY '15)	Year 1 (FY '16)	Year 2 (FY '17)	Year 3 (FY '18)	Total
Net Present Value (NPV) @ 3.2%	$ 619,082.30				
Total Incremental Benefit/Gain	$ 2,567,330.77				
Total Incremental Costs	$ (2,119,976.07)				
Analysis Period	FY 2015 - FY 2018				
Incremental Benefits					
Gross Profit	$ 621,036.26	$ 634,699.06	$ 648,662.44	$ 662,933.01	$ 2,567,330.77
Total Benefits/Gains	$ 621,036.26	$ 634,699.06	$ 648,662.44	$ 662,933.01	$ 2,567,330.77
Incremental Costs					
Ancillary Support					
Laboratory	$ -	$ -	$ -	$ -	$ -
Radiology	$ -	$ -	$ -	$ -	$ -
Pharmacy	$ -	$ -	$ -	$ -	$ -
Total Ancillary	$ -	$ -	$ -	$ -	$ -
Clinical Salary	$ (117,414.64)	$ (119,997.78)	$ (122,637.72)	$ (125,335.76)	$ (485,385.90)
Professional Salary	$ (100,666.32)	$ (102,876.02)	$ (105,134.47)	$ (107,222.58)	$ (415,239.38)
Variable Cost Support	$ (294,960.47)	$ (301,649.60)	$ (308,081.49)	$ (314,859.28)	$ (1,219,550.84)
Total Staff and Supplies	$ (512,821.34)	$ (524,103.41)	$ (535,853.69)	$ (547,417.62)	$ (2,119,976.02)
Total Costs	$ (512,821.34)	$ (524,103.41)	$ (535,853.69)	$ (547,417.62)	$ (2,119,976.02)
Cash Flow Summary					
Benefits	$ 621,036.26	$ 634,699.06	$ 648,662.44	$ 662,933.01	$ 2,567,330.77
Costs	$ (512,821.34)	$ (524,103.41)	$ (535,853.69)	$ (547,417.62)	$ (2,119,976.02)
NET CASH FLOW	$ 108,214.92	$ 110,595.65	$ 113,008.75	$ 115,515.38	$ 447,354.75
Cumulative Net Cash Flow	$ 108,214.92	$ 218,810.57	$ 331,819.32	$ 447,354.70	

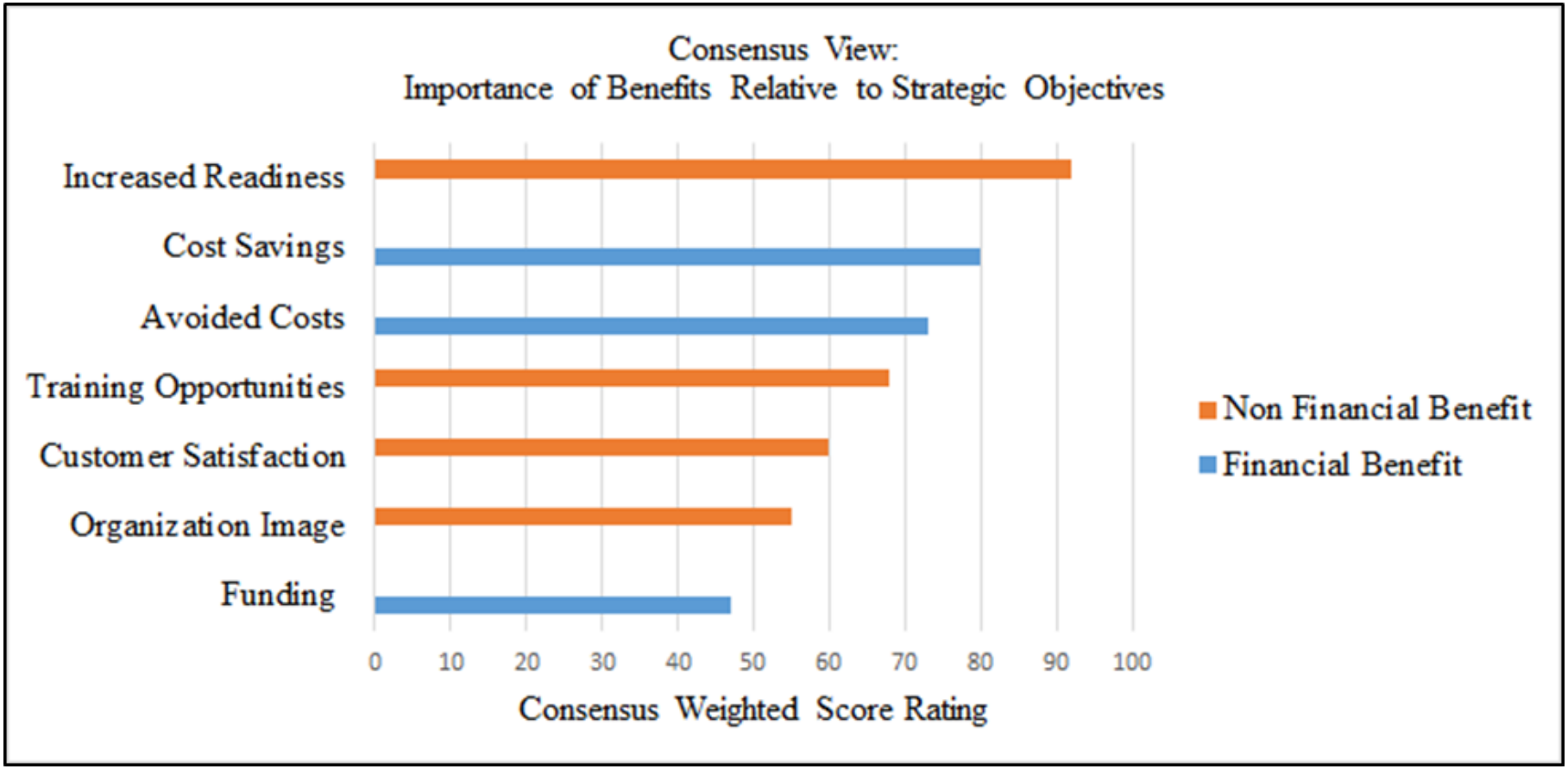
Scenario 2: Urgent Care w/ Ancillary Svcs

- Cash flow difference: $ (1,414,438.66)
- Financial Gains: $ 1,848,979.78
- Financial Losses: $ (3,263,418.44)

Scenario 3: Urgent Care w/o Ancillary Svcs

- Cash flow difference: $ 322,182.79
- Financial Gains: $ 1,848,979.78
- Financial Losses: $ (1,526,796.99)

Nonfinancial Results



TIME SAVINGS COMPARISON

Weekend Time Analysis Wilford Hall UCC

- Walk to shuttle stop: ≤ 15 min
- Wait for shuttle: ≤ 20 min
- Shuttle trip: 5 min
- Wait to be seen: ≤ 45 min
- Treatment: 20 min
- Wait for shuttle: ≤ 20 min
- Shuttle trip: 5 min
- Walk to dorm: ≤ 15 min

Total Time: 3 hrs 10 min

Weekend Time Analysis Reid Health Center

- Walk to Reid: ≤ 15 min
- Wait to be seen: ≤ 45 min
- Treatment: 20 min
- Walk to dorm: ≤ 15 min

Total Time: 1 hr 35 min

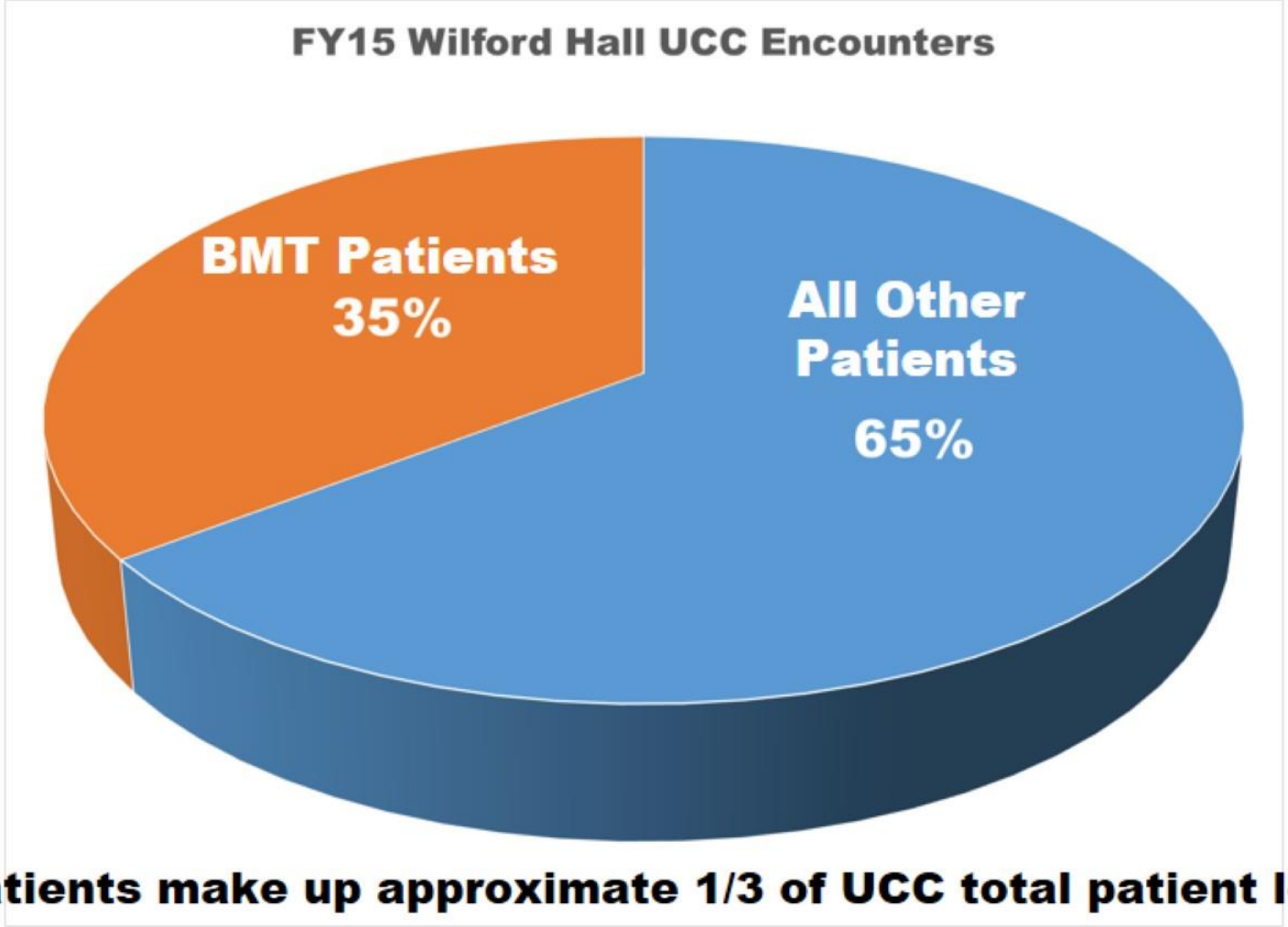
Time Savings: 50 min per trainee per appointment

For all patients and escorts each weekend saves:

146 hours of training time

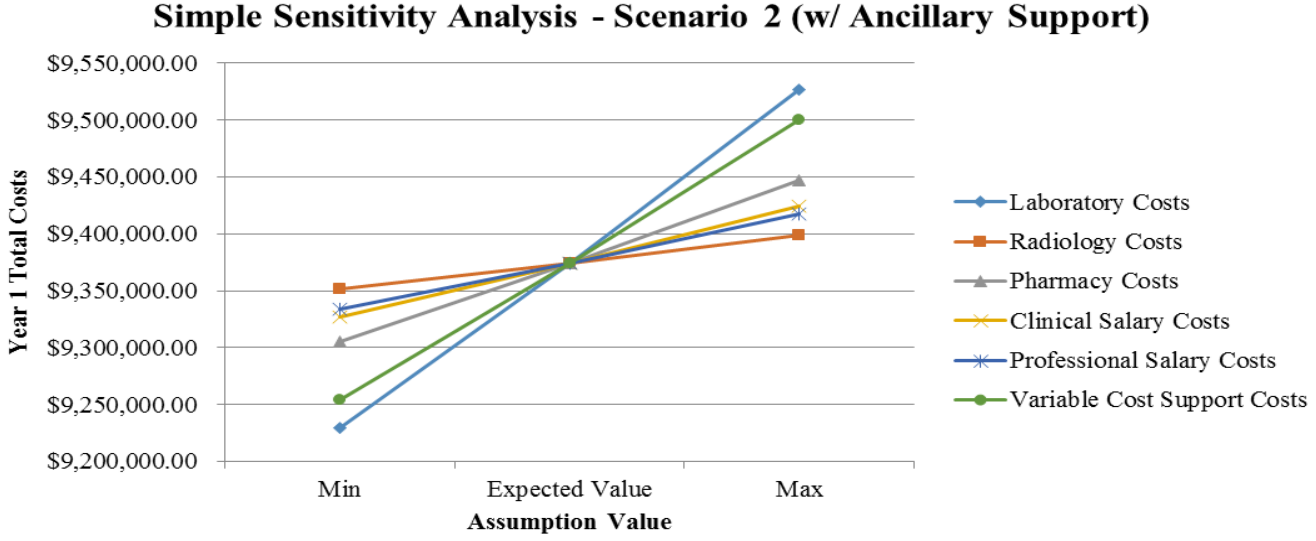
$5.6 Million saved per year

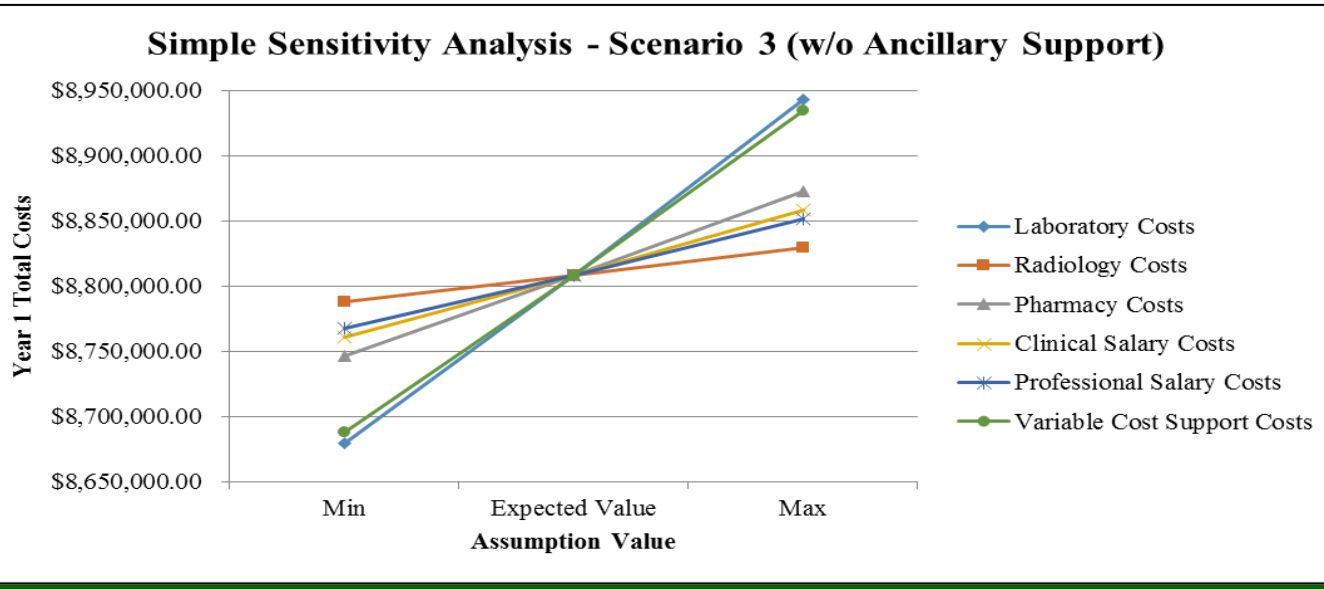
IMPACT ON WILFORD HALL UCC



- **BMT patients make up approximate 1/3 of UCC total patient load**
- **Shifting these patients to Reid will significantly reduce UCC productivity**

SENSITIVITY & RISK ANALYSIS





Sensitivity Analysis isolated each cost at 3 possible values:
Minimum: 90%
Expected Value: 95%
Maximum: 100%

Determined **Laboratory Costs** and **Variable Costs Support** costs carry the most power.

DECISION MATRIX

Criteria	Weight	Scenario 1 Business as Usual		Scenario 2 Urgent Care with Ancillary Support		Scenario 3 Urgent Care without Ancillary Support	
Financial Cost	3	2	(6)	1	(3)	3	(9)
Financial Benefits	3	1	(3)	2	(6)	3	(9)
Ease of Implementation	3	1	(3)	3	(9)	2	(6)
Support of Leadership	3	1	(3)	2	(6)	3	(9)
Time to return to training	5	1	(5)	3	(15)	2	(10)
Time required to implement	3	1	(3)	2	(6)	3	(9)
Effect on other Services	1	1	(1)	3	(3)	2	(2)
TOTAL (Weighted TOTAL)		8	(24)	16	(48)	18	(54)

RECOMMENDATION

Held in isolation, **Scenario 3 (Urgent Care without Ancillary Support)** is the best business decision.

1. Predicted 3-year cash flow is greatest for scenario 3. The incremental net cash flow is

- $322,182.79 greater than business as usual
- $1,736,621.45 greater than expanding urgent care with ancillary service

2. Anticipated cash inflows from both projects are about $1.85 million more than the status quo over a 3-year projection.

3. Scenario 3 incurs less costs to operationalize and realizes a higher return on investment. The three year ROI for Scenario 3 has a value of 21.1% and Scenario 2 has a value of -43.3%.

4. Both scenarios anticipate reducing lost training time and increasing readiness. Scenario 2 would lead to greater time savings, but at a greater financial cost.

THINGS TO CONSIDER

However, from a **59th Medical Wing perspective Scenario 1 (Business as Usual) is the best option**.

1. 1/3 of all UCC care will be diverted to Reid and overall costs will increase due to redundant operations.

2. 24/7 operations will result in staff burn-out if additional staff is not hired. An additional military team will cost an additional $737,400 per year.

Recommendations for further consideration:

1. Weekend augmentation of UCC staff would assist with weekend increase in patient load and reduce wait times.
2. Utilizing an Independent Duty Medical Technician (IDMT) on weekends will further reduce weekend load on the UCC

QUESTIONS

BACK UP SLIDES

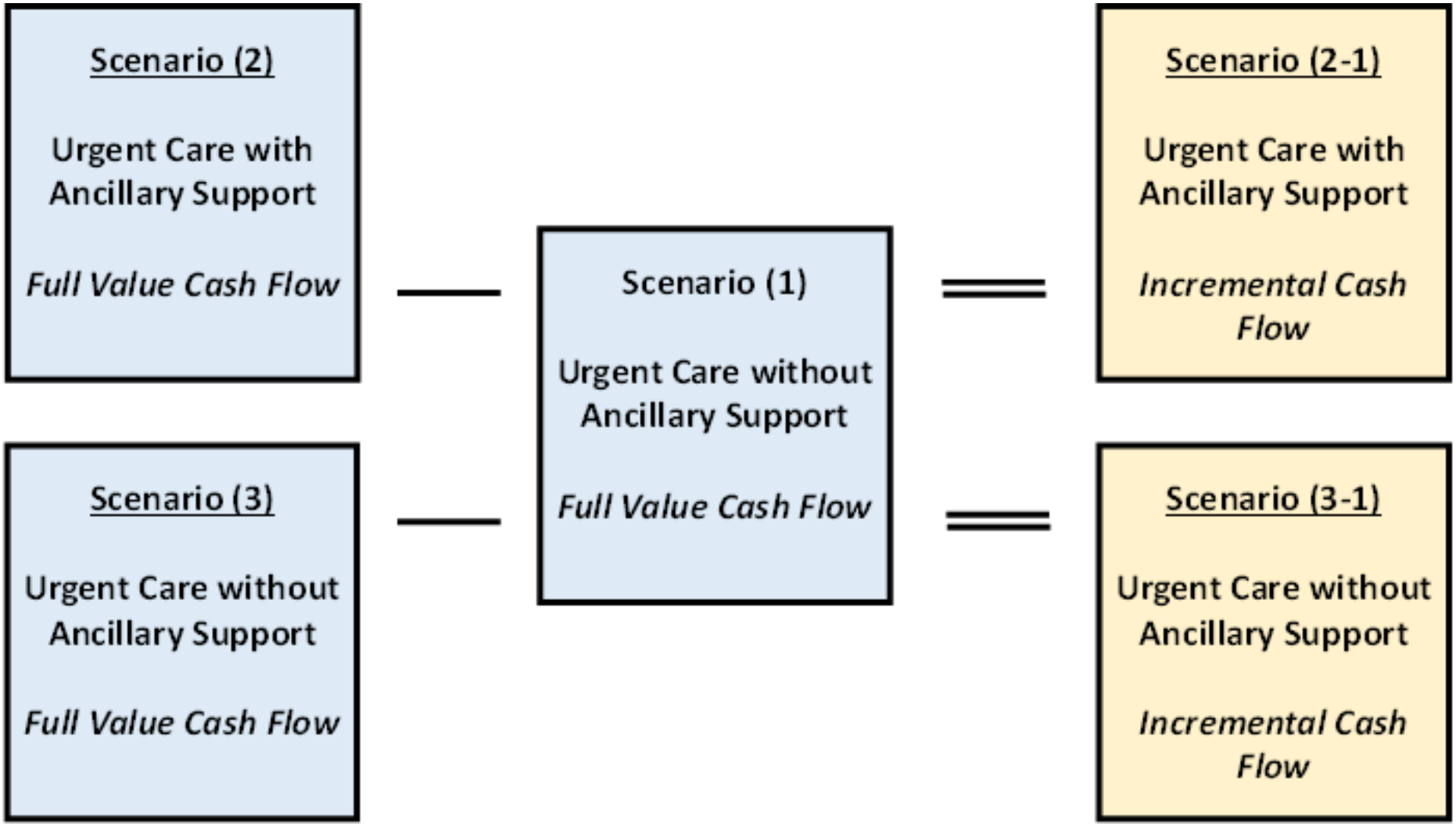
DATA SOURCES

- 559th Medical Group Strategic Planning Out-Brief (2 OCT 2015, 7 JAN 2016)
- M2 Data Repository

COST MODEL

	Acquisition & Implementation Costs	Operation Costs	Ongoing Change and Growth Costs
	Costs at acquisition or during initial implementation	Periodic or frequently occurring costs that continue 3 years	These costs come with adds, moves and changes to the computing environment
Ancillary Support	- Will utilize military personnel currently on payroll	- Laboratory - Radiology - Pharmacy	-If expanded, extra personnel required are 3 technicians
Personnel Costs	- Will utilize military personnel currently on payroll	- Clinical Salary - Professional Salary	-If expanded, extra personnel required are 2 providers
Variable Cost Support	-Will utilize current resources. No additional costs incurred	Variable Cost Support includes a total of the following: - Medical Supplies - Needs of facility (electricity, water, housekeeping, security; facility maintenance)	-No projected facility expansion required

Cash Flow Model



SCENARIO 1 (BUSINESS AS USUAL)
FULL VALUE CASH FLOW STATEMENT

Net Cash Flow	$ (10,733,581.93)
Net Present Value (NPV) @ 2.2%	$ (11,050,746.75)
Total Benefit/Gains	$ 14,432,124.00
Total Costs	$ (25,482,870.75)
Analysis Period	FY 2016 - FY 2018

	Year 1 (FY 16)	Year 2 (FY 17)	Year 3 (FY 18)	Total
Benefits/Gains (Cash Inflows)				
Gross Income from RVU	$ 4,706,407.73	$ 4,809,948.70	$ 4,915,767.57	$ 14,432,124.00
Total Benefits/Gains	**$ 4,706,407.73**	**$ 4,809,948.70**	**$ 4,915,767.57**	**$ 14,432,124.00**
Costs				
Ancillary Support				
Laboratory	$ (2,699,575.34)	$ (2,758,966.00)	$ (2,819,663.25)	$ (8,278,204.58)
Radiology	$ (432,004.98)	$ (441,509.08)	$ (451,222.28)	$ (1,324,736.34)
Pharmacy	$ (1,290,636.66)	$ (1,319,030.66)	$ (1,348,049.34)	$ (3,957,716.66)
Total Ancillary	**$ (4,422,216.97)**	**$ (4,519,505.74)**	**$ (4,618,934.87)**	**$ (13,560,657.58)**
Clinical Salary	$ (890,168.90)	$ (909,752.61)	$ (929,767.17)	$ (2,729,688.68)
Professional Salary	$ (761,524.13)	$ (778,277.66)	$ (795,399.77)	$ (2,335,201.56)
Variable Cost Support	$ (2,236,216.77)	$ (2,285,413.54)	$ (2,335,692.63)	$ (6,857,322.94)
Total Staff and Supplies	**$ (3,887,909.79)**	**$ (3,973,443.81)**	**$ (4,060,859.57)**	**$ (11,922,213.17)**
Total Costs	**$ (8,310,126.76)**	**$ (8,492,949.55)**	**$ (8,679,794.44)**	**$ (25,482,870.75)**
Cash Flow Summary				
Revenue	$ 4,706,407.73	$ 4,809,948.70	$ 4,915,767.57	$ 14,432,124.00
Costs	$ (8,310,126.76)	$ (8,492,949.55)	$ (8,679,794.44)	$ (25,482,870.75)
NET CASH FLOW	**$ (3,603,719.03)**	**$ (3,683,000.85)**	**$ (3,764,026.87)**	**$ (11,050,746.75)**
Cumulative Net Cash Flow	$ (3,603,719.03)	$ (7,286,719.88)	$ (11,050,746.75)	
Discounted Cash Flow @ 2.2%	$ (3,603,719.03)	$ (3,526,143.87)	$ (3,603,719.03)	$ (10,733,581.93)

SCENARIO 2 (URGENT CARE W/ ANCILLARY) FULL VALUE CASH FLOW STATEMENT

Net Cash Flow	$ (12,107,425.13)
Net Present Value (NPV) @ 2.2%	$ (12,465,185.41)
Total Benefit/Gains	$ 16,281,103.78
Total Costs	$ (28,746,289.19)
Analysis Period	FY 2016 - FY 2018

	Year 1 (FY 16)	Year 2 (FY 17)	Year 3 (FY 18)	Total
Benefits/Gains (Cash Inflows)				
Gross Income from RVU	$ 5,309,371.83	$ 5,426,178.01	$ 5,545,553.93	$ 16,281,103.78
Total Benefits/Gains	**$ 5,309,371.83**	**$ 5,426,178.01**	**$ 5,545,553.93**	**$ 16,281,103.78**
Costs				
Ancillary Support				
Laboratory	$ (3,045,291.64)	$ (3,112,288.06)	$ (3,180,758.40)	$ (9,338,338.10)
Radiology	$ (487,328.92)	$ (498,050.16)	$ (509,007.26)	$ (1,494,386.34)
Pharmacy	$ (1,455,919.74)	$ (1,487,949.98)	$ (1,520,684.87)	$ (4,464,554.59)
Total Ancillary	**$ (4,988,540.31)**	**$ (5,098,288.19)**	**$ (5,210,450.53)**	**$ (15,297,279.04)**
Clinical Salary	$ (1,004,166.79)	$ (1,026,258.46)	$ (1,048,836.14)	$ (3,079,261.39)
Professional Salary	$ (859,047.36)	$ (877,946.40)	$ (897,261.22)	$ (2,634,254.99)
Variable Cost Support	$ (2,522,593.88)	$ (2,578,090.95)	$ (2,634,808.95)	$ (7,735,493.78)
Total Staff and Supplies	**$ (4,385,808.03)**	**$ (4,482,295.81)**	**$ (4,580,906.32)**	**$ (13,449,010.16)**
Total Costs	**$ (9,374,348.34)**	**$ (9,580,584.00)**	**$ (9,791,356.85)**	**$ (28,746,289.19)**
Cash Flow Summary				
Revenue	$ 5,309,371.83	$ 5,426,178.01	$ 5,545,553.93	$ 16,281,103.78
Costs	$ (9,374,348.34)	$ (9,580,584.00)	$ (9,791,356.85)	$ (28,746,289.19)
NET CASH FLOW	**$ (4,064,976.50)**	**$ (4,154,405.99)**	**$ (4,245,802.92)**	**$ (12,465,185.41)**
Cumulative Net Cash Flow	$ (4,064,976.50)	$ (8,219,382.49)	$ (12,465,185.41)	
Discounted Cash Flow @ 2.2%	$ (4,064,976.50)	$ (3,977,472.12)	$ (4,064,976.50)	$ (12,107,425.13)

SCENARIO 3 (URGENT CARE W/O ANCILLARY)
FULL VALUE CASH FLOW STATEMENT

Net Cash Flow	$ (10,420,646.03)
Net Present Value (NPV) @ 2.2%	$ (10,728,563.96)
Total Benefit/Gains	$ 16,281,103.78
Total Costs	$ (27,009,667.74)
Analysis Period	FY 2016 - FY 2018

	Year 1 (FY 16)	Year 2 (FY 17)	Year 3 (FY 18)	Total
Benefits/Gains (Cash Inflows)				
Gross Income from RVU	$ 5,309,371.83	$ 5,426,178.01	$ 5,545,553.93	$ 16,281,103.78
Total Benefits/Gains	**$ 5,309,371.83**	**$ 5,426,178.01**	**$ 5,545,553.93**	**$ 16,281,103.78**
Costs				
Ancillary Support				
Laboratory	$ (2,699,575.34)	$ (2,758,966.00)	$ (2,819,663.25)	$ (8,278,204.58)
Radiology	$ (432,004.98)	$ (441,509.08)	$ (451,222.28)	$ (1,324,736.34)
Pharmacy	$ (1,290,636.66)	$ (1,319,030.66)	$ (1,348,049.34)	$ (3,957,716.66)
Total Ancillary	**$ (4,422,216.97)**	**$ (4,519,505.74)**	**$ (4,618,934.87)**	**$ (13,560,657.58)**
Clinical Salary	$ (1,004,166.79)	$ (1,026,258.46)	$ (1,048,836.14)	$ (3,079,261.39)
Professional Salary	$ (859,047.36)	$ (877,946.40)	$ (897,261.22)	$ (2,634,254.99)
Variable Cost Support	$ (2,522,593.88)	$ (2,578,090.95)	$ (2,634,808.95)	$ (7,735,493.78)
Total Staff and Supplies	**$ (4,385,808.03)**	**$ (4,482,295.81)**	**$ (4,580,906.32)**	**$ (13,449,010.16)**
Total Costs	**$ (8,808,025.00)**	**$ (9,001,801.55)**	**$ (9,199,841.19)**	**$ (27,009,667.74)**
Cash Flow Summary				
Revenue	$ 5,309,371.83	$ 5,426,178.01	$ 5,545,553.93	$ 16,281,103.78
Costs	$ (8,808,025.00)	$ (9,001,801.55)	$ (9,199,841.19)	$ (27,009,667.74)
NET CASH FLOW	**$ (3,498,653.17)**	**$ (3,575,623.54)**	**$ (3,654,287.26)**	**$ (10,728,563.96)**
Cumulative Net Cash Flow	$ (3,498,653.17)	$ (7,074,276.71)	$ (10,728,563.96)	
Discounted Cash Flow @ 2.2%	$ (3,498,653.17)	$ (3,423,339.69)	$ (3,498,653.17)	$ (10,420,646.03)

SCENARIO 2 (URGENT CARE W/ ANCILLARY) INCREMENTAL CASH FLOW STATEMENT

Δ Net Incremental Cash Flow	$ (1,414,438.66)
Δ Net Present Value (NPV) @ 2.2%	$ (1,354,198.49)
Δ Total Incremental Benefit/Gains	$ 1,848,979.78
Δ Total Incremental Costs	$ (3,263,418.44)
Analysis Period	FY 2016 - FY 2018

	Year 1 (FY 16)	Year 2 (FY 17)	Year 3 (FY 18)	Total
Incremental Benefits				
Δ Gross Profits	$ 602,964.10	$ 616,229.32	$ 629,786.36	$ 1,848,979.78
Δ Total Benefits/Gains	**$ 602,964.10**	**$ 616,229.32**	**$ 629,786.36**	**$ 1,848,979.78**
Incremental Costs				
Ancillary Support				
Δ Laboratory	$ (345,716.31)	$ (353,322.06)	$ (361,095.15)	$ (1,060,133.52)
Δ Radiology	$ (55,323.95)	$ (56,541.07)	$ (57,784.98)	$ (169,650.00)
Δ Pharmacy	$ (165,283.08)	$ (168,919.31)	$ (172,635.54)	$ (506,837.93)
Δ Total Ancillary	**$ (566,323.34)**	**$ (578,782.45)**	**$ (591,515.66)**	**$ (1,736,621.45)**
Δ Clinical Salary	$ (113,997.89)	$ (116,505.85)	$ (119,068.98)	$ (349,572.72)
Δ Professional Salary	$ (97,523.23)	$ (99,668.74)	$ (101,861.45)	$ (299,053.43)
Δ Variable Cost Support	$ (286,377.12)	$ (292,677.41)	$ (299,116.32)	$ (878,170.84)
Δ Total Staff and Supplies	**$ (497,898.24)**	**$ (508,852.00)**	**$ (520,046.75)**	**$ (1,526,796.99)**
Δ Total Costs	**$ (1,064,221.58)**	**$ (1,087,634.45)**	**$ (1,111,562.41)**	**$ (3,263,418.44)**
Cash Flow Summary				
Δ Benefits	$ 602,964.10	$ 616,229.32	$ 629,786.36	$ 1,848,979.78
Δ Costs	$ (1,064,221.58)	$ (1,087,634.45)	$ (1,111,562.41)	$ (3,263,418.44)
Δ NET CASH FLOW	**$ (461,257.47)**	**$ (471,405.14)**	**$ (481,776.05)**	**$ (1,414,438.66)**
Δ Cumulative Net Cash Flow	$ (461,257.47)	$ (932,662.61)	$ (1,414,438.66)	
Δ Discounted Cash Flow @ 2.2%	$ (461,257.47)	$ (451,328.25)	$ (441,612.77)	$ (1,354,198.49)

SCENARIO 3 (URGENT CARE W/O ANCILLARY) INCREMENTAL CASH FLOW STATEMENT

Δ Net Incremental Cash Flow	$	322,182.79
Δ Net Present Value (NPV) @ 2.2%	$	308,461.20
Δ Total Incremental Benefit/Gains	$	1,848,979.78
Δ Total Incremental Costs	$	(1,526,796.99)
Analysis Period		FY 2016 - FY 2018

	Year 1 (FY 16)	Year 2 (FY 17)	Year 3 (FY 18)	Total
Incremental Benefits				
Δ Gross Profits	$ 602,964.10	$ 616,229.32	$ 629,786.36	$ 1,848,979.78
Δ Total Benefits/Gains	**$ 602,964.10**	**$ 616,229.32**	**$ 629,786.36**	**$ 1,848,979.78**
Incremental Costs				
Ancillary Support				
Δ Laboratory	$0.00	$0.00	$0.00	$0.00
Δ Radiology	$0.00	$0.00	$0.00	$0.00
Δ Pharmacy	$0.00	$0.00	$0.00	$0.00
Δ Total Ancillary	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Δ Clinical Salary	$ (113,997.89)	$ (116,505.85)	$ (119,068.98)	$ (349,572.72)
Δ Professional Salary	$ (97,523.23)	$ (99,668.74)	$ (101,861.45)	$ (299,053.43)
Δ Variable Cost Support	$ (286,377.12)	$ (292,677.41)	$ (299,116.32)	$ (878,170.84)
Δ Total Staff and Supplies	**$ (497,898.24)**	**$ (508,852.00)**	**$ (520,046.75)**	**$ (1,526,796.99)**
Δ Total Costs	**$ (497,898.24)**	**$ (508,852.00)**	**$ (520,046.75)**	**$ (1,526,796.99)**
Cash Flow Summary				
Δ Benefits	$ 602,964.10	$ 616,229.32	$ 629,786.36	$ 1,848,979.78
Δ Costs	$ (497,898.24)	$ (508,852.00)	$ (520,046.75)	$ (1,526,796.99)
Δ NET CASH FLOW	**$ 105,065.86**	**$ 107,377.31**	**$ 109,739.61**	**$ 322,182.79**
Δ Cumulative Net Cash Flow	$ 105,065.86	$ 212,443.18	$ 322,182.79	
Δ Discounted Cash Flow @ 2.2%	$ 105,065.86	$ 102,804.17	$ 100,591.17	$ 308,461.20

SENSITIVITY & RISK ANALYSIS

- Sensitivity Analysis reviewed total costs, isolating each individual cost at three possible values: 90%, 95%, and 100% of the recaptured urgent care population from Wilford Hall to Reid Clinic.

Scenario with Ancillary Support

Assumptions	Min 90%	Expected Value 95%	Max 100%	Δ
Laboratory Costs	$ (2,900,277.76)	$ (3,045,291.64)	$ (3,197,556.23)	$ (297,278.47)
Radiology Costs	$ (464,122.78)	$ (487,328.92)	$ (511,695.37)	$ (47,572.59)
Pharmacy Costs	$ (1,386,590.23)	$ (1,455,919.74)	$ (1,528,715.73)	$ (142,125.50)
Clinical Salary Costs	$ (956,349.32)	$ (1,004,166.79)	$ (1,054,375.13)	$ (98,025.81)
Professional Salary Costs	$ (818,140.34)	$ (859,047.36)	$ (901,999.73)	$ (83,859.39)
Variable Cost Support Costs	$ (2,402,470.36)	$ (2,522,593.88)	$ (2,648,723.58)	$ (246,253.21)

Scenario without Ancillary Support

Assumptions	Min 90%	Expected Value 95%	Max 100%	Δ
Laboratory Costs	$ (2,571,024.13)	$ (2,699,575.34)	$ (2,834,554.11)	$ (263,529.97)
Radiology Costs	$ (411,433.31)	$ (432,004.98)	$ (453,605.22)	$ (42,171.91)
Pharmacy Costs	$ (1,229,177.77)	$ (1,290,636.66)	$ (1,355,168.49)	$ (125,990.72)
Clinical Salary Costs	$ (956,349.32)	$ (1,004,166.79)	$ (1,054,375.13)	$ (98,025.81)
Professional Salary Costs	$ (818,140.34)	$ (859,047.36)	$ (901,999.73)	$ (83,859.39)
Variable Cost Support Costs	$ (2,402,470.36)	$ (2,522,593.88)	$ (2,648,723.58)	$ (246,253.21)

Decision Matrix Results

Coarse of Action	Advantages	Disadvantages
Scenario 2: Urgent Care with Ancillary Support	-Best reduction in lost time because no transportation to UCC for ancillary services necessary. -Most patient centered with one stop shop for healthcare needs.	-More expensive than business as usual and scenario 3. -Additional hours potentially stressful on staff.
Scenario 3: Urgent Care without Ancillary Support	-More cost effective than scenario 2. -Less lost time than utilizing UCC. -More patient centered than UCC.	-More potential to lose time due to required utilization of UCC for ancillary services. -Less patient centered than scenario 2 because not one stop shop.