

Example Business Plan Components

(Not just a Management Plan)

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1. Projected annual budget
 - a. Administrative budget (within cost cap)
 - b. Provider payments (minimum of X% of budget – medical loss ratio)
2. Analyses of revenue sources
 - a. Projected annual revenues by source
 - b. Projected monthly revenues by source
3. Monthly expenditure projections
 - a. Provider payments
 - b. Regional administration - payroll
 - c. Historic analysis of average monthly client inflows and out flows and service authorization patterns
4. Monthly cash flow analysis (variance between projected monthly revenues and projected monthly expenditures)
 - a. Historic analysis of receivables and effect on monthly cash flow
 - b. Historic analysis of claims payment - adjustment factors by service/provider type
5. Method for accruing claims costs
6. Method for cleaning out un-paid claims
7. Method for tracking incurred but not received (IBNR) and received but unpaid (RBUC) claims
8. Assessment of financial risk factors – both to cash flow and to annual budget
 - a. Revenue reduction/interruption
 - b. Unplanned expenditures
 - i. Provider payments
 - ii. Other (liability, etc.)
 - c. Provision for operating reserve
 - d. Provision for accessing fund balance
 - i. Provision for accessing county fund balances for cash flow management and budget risk management of the fund balances are not pooled under the region
9. If applicable, identification of the fiscal intermediary for the region
 - a. Specification of the functions and accountabilities of the fiscal intermediary
10. Specification of staff functions and accountabilities for financial tracking and risk analysis
 - a. Description of the administrative firewall between budget/finance functions and service authorization and management functions
11. Specifications data and analytic approaches for linking intake, enrollment, service authorization, service utilization and client flow information with the budget tracking and risk management functions.