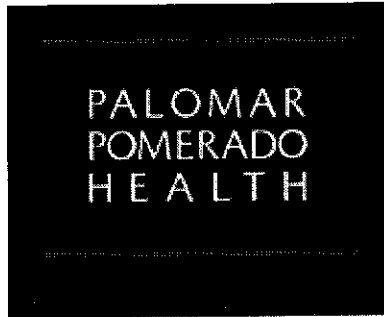


# ADDENDUM B





Center for Wound Care and Hyperbaric Medicine

San Marcos Location

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# Center for Wound Care and Hyperbaric Medicine

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## 1.0 Services

The North County location of the Center for Wound Care and Hyperbaric Medicine will provide a comprehensive place where evidence based techniques for chronic non-healing wounds is performed. A component of this program will include the utilization of hyperbaric oxygen therapy for the treatment of appropriate medical conditions refractory to convention wound treatment and interventions as well as the late effects of radiation. Patient's conditions treated within this program will include but are not limited to: diabetic ulcers, venous stasis ulcers, pressure ulcers, peripheral vascular disease ulcers, late effects of radiation, and chronic refractory osteomyelitis. The predominate population served within this framework includes adults and seniors. This program will mimic the already successful wound care program which exists at the South campus of Pomerado Hospital.

The goal of this program at the North County location is to evolve into an integrated venue of services and referrals where the community can gain access to the health system which was not available in the past. Services and referrals will reflect the needs of the community.

## 2.0 Executive Summary

Palomar Pomerado Health (PPH) is a California Public Hospital District located in North San Diego County, California. As part of the commitment to providing high quality and accessible services to our communities, PPH is expanding its outpatient satellite facilities to ensure that services are available conveniently for members of the community regardless of where they live in the district. The satellite centers will include office space for health-care providers, diagnostic testing capabilities, and specialized services provided directly or through the use of telemedicine.

The following summary will list the main components of the specialized services for the Center for Wound Care and Hyperbaric Medicine. The growth of the program is designed to:

- Establish a gateway for patient entry into the PPH system in the San Marcos area.
- Provide a needed service to the residents of North County in San Diego.
- Grow the outpatient volume and revenue for the health system.
- Increase ancillary spin off revenue for PPH.
- Increase the knowledge base of PPH clinicians to a secondary site of service for their North County patients.
- Further enhance the continuum of wound care throughout the health system.
- Open up the physician panel to Escondido base physicians to participate in the clinic.
- Continue to deliver care from an evidence based framework in the form of a clinical pathway and continue with the existing healing outcomes as in the South location.
- Provide care in a comprehensive and cost effective manner.
- Utilize a wound management data base to track patient, financial, and marketing activities and outcomes.
- Create opportunities to advance the practice of patient and wound care through formal research studies.
- Create an exciting environment where all staff can learn and grow in their respective practices.
- Continue to spread the reputation of a center of excellence for wound care locally and nationally.
- Maintain patient, physician and employee satisfaction as evidenced through outstanding scores.

# Center for Wound Care and Hyperbaric Medicine

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## 2.1 Service/Program Description

The Center for Wound Care and Hyperbaric Medicine (CWCHM) provides non-emergent treatment to patients in an ambulatory care environment. The primary patient population served includes adult and geriatric patients who are seen in the Clinic for evaluation and treatment of chronic, cutaneous non-healing wounds and non-emergent medical diagnosis approved for hyperbaric oxygen therapy. The CWCHM staff includes physicians, Registered Nurses, Certified Hyperbaric Technicians and ancillary staff. The supervising hyperbaric qualified physician will be present on the premises and immediately available to furnish assistance and direction throughout the performance of the procedure. The Center will be open Monday through Friday 8:00 am - 4:30 pm.

The CWCHM is a multi-disciplinary program providing a comprehensive wound management system utilizing an evidence based integrated clinical pathway for wound healing. The pathway includes assessment, vascular studies, revascularization, infection control, wound excision, skin grafting, nutrition, use of bioactive dressings, protection devices, patient and family education, referrals to other appropriate specialists and Hyperbaric oxygen therapy when indicated. Diagnostic Testing including, but not limited to: Transcutaneous oxygen testing, Non-Invasive vascular studies, laboratory testing, glucose monitoring, wound culture and biopsy, and ultrasound studies.

The medical and clinical staff provide services on a non-emergent out-patient basis. The Center for Wound Care and Hyperbaric Medicine is not meant to be a source of primary medical care. The most frequent conditions evaluated and treated include, but are not limited to: chronic non-healing wounds resulting from diabetes, arterial and/or venous insufficiency, collagen disorders, pressure ulcers, trauma, osteomyelitis, Periostomal skin disorders, vasculitis, Radiation tissue damage, and wound infection.

## 2.2 Mission/Strategy Commitment

The mission of the Center for Wound Care and Hyperbaric Medicine is to provide an environment conducive to the diagnosis and management of chronic wounds and conditions and to provide education and support for families, patients, and individuals responsible for the patient's care across all settings. Care is comprehensive, innovative, compassionate, cost-effective, and focused on continual improvement.

The Pomerado facility operationalizes the mission and vision of the health system every day through the excellent care and outcomes which are demonstrated. This fact is validated in the consistent achievement of patient satisfaction scores in the 99th percentile, employee satisfaction scores in the 95th percentile and healing rates consistently greater than 83%.

## 3.0 Market Analysis

The market analysis for the San Marcos location was reviewed by four category segments. Segments identified were zip codes per Palomar North District and North Coastal. Total population also was identified in the zip codes as well as age, individuals diagnosed with diabetes, potential wound care patients, and target patient base related to the demographic analysis.

An additional analysis was performed to review the number of patients from the north market area who are currently being seen at the south campus center for wound care and hyperbaric medicine. It was revealed that 60% of the patients that were seen at the south campus location were from the north area zip codes. This fact demonstrates that these services are needed in

## Center for Wound Care and Hyperbaric Medicine

the north district area.

Zip Codes Palomar North	Ages 55-64	Ages 65-74	Ages 75+	Total Pop
92069 CA, SAN MARCOS	3458	3240	4518	52658
92025 CA, ESCONDIDO	3043	1972	2465	49273
92027 CA, ESCONDIDO	3489	2667	2564	48674
92026 CA, ESCONDIDO	3495	3030	4072	43426
92029 CA, ESCONDIDO	1867	1199	1038	17929
92082 CA, VALLEY CENTER	1416	1063	806	14559
92078 CA, SAN MARCOS	593	624	599	6748
92061 CA, PAUMA VALLEY	243	238	215	2607
92059 CA, PALA	117	58	37	1820
92070 CA, SANTA YSABEL	125	123	65	1141
	17,846	14,214	16,379	238,835

	Palomar MC
North Target Market Total Population	238,835
Ages 65-74	14,214
Age 75+	16,379
Total age 65+	30,593
Diagnosed Diabetics	16,718
Potential Wound Care Pts.	5,016
Target patient Base	6%

## 3.1 Target Market Segment Strategy

Market analysis specifically identified the diabetic population as an area for strategic focus however the following describes not only diabetes but other diagnosis that are amicable to the services provided at the Center for Wound Care and Hyperbaric Medicine. Also a review of the population of the Pomerado Center for Wound Care and Hyperbaric Medicine validates that individuals with these additional diagnosis seek care at the facility.

### **Diabetic Foot Ulcers:**

Six million people in the U.S. have chronic wounds. Nearly 3 million are diabetic wounds. 2.5 million People suffer diabetic foot ulcers. 18 million individuals have Diabetes; of those individuals 1.6 million of them will develop a chronic wound. 82,000 lower leg amputations are performed due to Diabetes each year. In 2001, diabetes foot ulcers and amputations were estimated to cost US Health-care payors \$11 billion dollars.

Over half of the major amputations occur in diabetics, and at least a third of these amputees will loose the apposite leg within the next 3 years. Over 3-4 years, less than 50% of the patients who require amputations are alive. Elderly, African Americans and Hispanics have a higher risk of diabetes than other groups. 20% of Hispanics over 20 are at risk of diabetes.

The high cost of treating diabetic lower-extremity ulcers emphasizes the value of intensive outpatient interventions designed to prevent ulcer progression. Including a clinical pathway for wound care and healing including hyperbaric oxygen therapy.

Currently the etiology of Diabetes accounts for 30-40% of the population of the south campus of the Pomerado Center for Wound Care and Hyperbaric Medicine.

### **Venous Stasis Ulcers:**

It is estimated that 2.5 million Americans have venous ulcers. Cost of treatment is believed to be \$2.5 – 3.5 billion. Approximately 2 million work days are lost to chronic venous ulcers. Misdiagnosis by healthcare providers of venous ulcers continues to be a large reason for ulcer occurrence and recidivism.

3.5% of the population older than 65 have venous ulcers. This accounts for 1% of the general population. Recidivism of venous ulcers is high at about 70%. Estimated cost of care is \$10,000 to \$40,000.

Research both in the US and UK demonstrate coordinated care utilizing a plan of care encompassing the use of standardized compression bandages as well as good wound care effectively healed venous ulcers in 12 weeks. Currently the etiology of venous leg ulcers comprises 15-20% of the patient population within the wound clinic.

### **Arterial Ulcers:**

Affects 1/3 of individuals older than 65 yrs old. It is currently estimated 8-12 million people in the US have peripheral vascular disease and are at high risk for wounds and limb loss. 10-25% of PVD progress to critical limb ischemia within 5 yrs and 3-8% experience limb loss.

In 1996, 33,565 persons, corresponding to 71,300 Medicare beneficiaries were identified as undergoing lower-limb amputations. Acute and post acute medical care costs associated with caring for individuals with dysvascular amputation exceeded \$4.3 billion annually. 26% of



## Center for Wound Care and Hyperbaric Medicine

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identified individuals required subsequent amputation procedures within 12 months. More than 1/3 died within 1 yr of initial amputation.

A systematic program of care which includes appropriate assessments well as a vascular component such as non-invasive vascular studies is essential to assist in the prevention of amputations well as appropriate ulcer care. A comprehensive wound clinic & HBOT center can provide this type of service and care.

### **Pressure Ulcers:**

In the U.S. more than 1 million new cases of pressure ulcers are reported per year. Each year pressure ulcers (PU) claim 60,000 deaths per year. Prevalence of pressure ulcers in acute care hospitals can be as high as 17%, Long term care 28% and home care 20%. (National Pressure Ulcer Advisory Panel). Management of PU costs about \$6.4 billion annually, a complex ulcer can cost upwards of \$50,000. A one day prevalence study in 356 acute care facilities involving 42,817 patients revealed an overall prevalence rate of 14.8%.

An integrated wound care program can not only benefit the outpatient populations it can also benefit the inpatient and long term care patients as well.

### **Major Non-Emergent Indications Hyperbaric Oxygen treatments:**

*Preservation and preparation of skin graft or flap* – Surgery is performed on site. Surgical skin graft or flap becomes compromised. Assessment of O<sub>2</sub> flow is established through appropriate assessments according to pathway. MD evaluates results determines if patient indeed does have a compromised flap or graft and meets treatment criteria. HBOT can be ordered for patient treatment. HBOT is good for fibroblast proliferation, collagen synthesis and angiogenesis thus good for wound healing.

*Diabetic Foot indications* – Wagner Grad III or higher – individual must have received standard wound care for 30 days prior to HBOT treatment eligibility.

*Refractory chronic osteomyelitis* – HBOT used as an adjunct to conventional treatment with antibiotics and/or wound care (if indicated) in which the osteo has not resolved within the past 30 days of treatment. The cortex and medullary areas of the bone are involved in the condition.

### **Radiation Injury:**

Estimated 1.2 million new cases of invasive cancer was diagnosed in 2002. Approximately 50% will receive radiation treatments. 5% of those treated are expected to experience "serious complications". Injury can be *acute* – direct cellular toxicity, free radical damage to cells, self-limiting and treatment symptomatically. *Sub-Acute* – Damage manifested in only a few organ systems, Radiation pneumonitis, onset 2-3 months post radiation treatment. Self-limiting. Runs its course then subsides. Can progress to delayed injuries. *Delayed* – Occurs after a "latent period". Months to years after initial treatment. Usually precipitated by an event which involves tissue insult to radiated area. Hallmark "endarteritis". Tissue is hypocellular, hypovascular, hypoxic and fibrotic from prior radiation exposure. Hyperbaric Oxygen stimulates neovascularization to counter act the effects of the radiation damage. New vessels and tissues are created by the body to repair the damaged radiation scarred area.

*Osteonecrosis as an adjunct to conventional treatment* – Indications - Mandibular Radionecrosis after mandibular cancer. HBOT may be given prior and/or post dental procedures to prevent deterioration of previously radiated site. May also be used on any bone

## Center for Wound Care and Hyperbaric Medicine

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which has the delayed effects of radiation.

Soft tissue radionecrosis as an adjunct to conventional treatment - *Indications for HBOT utilization Laryngeal radionecrosis, chest wall, Radiation cystitis, radiation proctitis and enteritis, vaginal necrosis, and extremity damages soft tissue.*

### 3.1.1 Target Population

The target population for patients are individuals with Diabetes, venous disease, arterial disease - peripheral vascular conditions with wounds, pressure ulcers, post radiation tissue injury soft or boney in nature. To name but a few. The center will also treat patients with a variety of acute wounds such as skin tears and post surgical wound dehiscence. These however, are not the primary target market nor patient population in the center.

The usual way patients arrive at the center is through physician referral. Individuals do not need a referral but, generally patients confer with their physicians regarding medical conditions before they would even self refer to the center.

To that end physicians are the primary target market for actual patient volume. Primary care as well as speciality physicians are the focus for referrals. In review of the Pomerado center statistics physicians are the primary referral source for patients.

### 3.1.2 Projected Volumes

Projected volumes for this program reflect a conservative assessment based on the patient population assessment from the target market analysis. Analysis of the South campus center volume indicates that this market should conservatively bring to the center 210 new patients for a visit volume of 2,636. A complete proforma at the end of the document contains a comprehensive review of the financial projections for this program.

### 3.1.3 Competitive Environment

Currently there are no other comprehensive wound care and hyperbaric programs in the North County San Diego district. Tri City is in the process of contracting with a provider for wound care but as of this presentation a final contract has not been completed.

Scripps Memorial had a program but it closed on September 30th due to poor financial performance. The building where the clinic was located is also being demolished and there were no other relocation opportunities on the campus of the hospital. The South wound care clinic is gaining patient admissions from that market as a result of the program closing.

Sharp Memorial will be starting a wound care program however, it will be small in size and it will be working from a grant with limited funding \$22,000. This will be Sharps second attempt at maintaining a wound program. The first clinic was nurse run and closed due to non-revenue generation.

Grossmont wound clinic is open in the East county. It is a nurse run wound clinic and a physician run hyperbaric unit. We collaboratively work with that center for East county

## Center for Wound Care and Hyperbaric Medicine

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patients who have transportation issues. Our Associate Medical Director for Hyperbaric Medicine Brad Bailey MD at one time worked for the Grossmont wound clinic so our relationship is favorable. We do not get many referrals from the East county.

Paradise Valley also maintains a wound care and hyperbaric program. We have a good relationship with that center as well. We do not get referrals from that market.

### **4.0 Operations Management**

The management of the clinic will mirror the program at the south campus. A Systems Director for The Centers for Wound Care and Hyperbaric Medicine will over see both programs. Each program will have clinical management staff which will assist in the daily operations of the centers and directly report to that position. Support staff consisting of clinicians, secretaries and technicians will comprise the additional positions.

The current Medical Director and Associate Medical Director will oversee both locations. The medical staff will consist of physicians that currently work in in the south campus. Additional staff will be recruited as needed from the current medical staff as well as the community when needed.

The hyperbaric component of this program is in partnership with Diversified Clinical Services (DCS). Diversified Clinical Services is a company which specializes in hyperbaric and wound care programs. DCS partners with an organization to assist them in the delivery of wound care and hyperbaric services. They can and do provide procedures, equipment and personnel to ensure program success. Within the last year DCS merged with Prayxis Medical to become the largest wound management company in the country. They currently have 150 centers across the nation and are growing daily.

### **4.1 Location**

Location for the wound care center has been proposed for the San Marcos Outpatient building located at 120 Craven Road Suites 103 & 105 San Marcos, CA 92078.

### **4.2 Space**

See attached floor plan diagram

# Center for Wound Care and Hyperbaric Medicine

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## 4.3 Human Resource Considerations

This section outlines the management structure, staffing requirements, equipment list (located within appendix), and quality considerations.

### 4.3.1 Management Structure

#### **System Director:**

System Director for Wound Care and Hyperbaric Medicine will oversee the operations at the North county location.

#### **Medical Director:**

The Medical Director oversees the medical care rendered in the The Center for Wound Care and Hyperbaric Medicine and reports to the Pomerado Hospital Administrator and Medical staff officer. The Medical Director works collaboratively with the Director of the program. He/she is responsible for the oversight of all activities related to the practice of medicine, wound care and HBOT in compliance with all medical staff bylaws. He/she is also responsible for activities related to wound care practice throughout the system in conjunction with all applicable hospital procedures related to such. Areas to include inpatient acute care, long term care, and home health as appropriate.

#### **Associate Medical Director:**

The program shall also have an Associate Medical Director of Hyperbaric medicine. He/she shall be responsible for all activities directly related to the practice of Hyperbaric Medicine at the North County location. He/she works collaboratively with the Medical Director and Director of the program and follows all applicable guidelines and procedures.

#### **Clinic Staff:**

The clinic staff will be comprised of registered nurses, hyperbaric technicians and health care clinic assistants. These individuals will be the direct patient caregivers for the unit. Staffing will be guided by current procedure.

Secretaries will provide support for the patients, physicians and clinical staff. Their duties consist of a wide variety of administrative and clerical activities. These include but are not limited to insurance verification, co-pay collections, daily batch charge entry with verification, patient appointments and phone calls.

#### **Reporting Structure:**

Each center will have a clinical leader in place. Clinical and secreterial staff in the center will report to the supervisor/manager in that center. The supervisor/manager will report to the Systems Director. All medical staff shall report to the Medical Director. The Associate Medical Director shall be responsible for the Hyperbaric services at both programs.

## Center for Wound Care and Hyperbaric Medicine

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### 4.3.2 Medical Staff

The medical staff will be comprised of physicians currently working in the wound clinic. Specialites consisting of vascular surgery, general surgery, podiatry, emergency medicine, plastic surgery, infectious disease are currently practicing clinicians in the center.

Additional medical staff recruitment will be based on need as governed by patient volume and need. The medical director in collaboration with the medical advisory panel will govern physician need and staffing.

Applicable medical staff bylaws shall be adheared to within both centers. The San Marcos center shall report to the department of surgery at palomar.

### 4.3.3 Staffing

#### FTE Requirements:

1 RN's	1 FTE
1 HCCA's	1 FTE
1 Department secretary	1 FTE
1 Administrative Specialist	1 FTE
1 HBOT Technician	1 FTE
1 Clinical Manger	1 FTE to share with POM
1 Clinical Supervisor	1 FTE
Total:	7 Staff members/FTEs

### 4.3.4 Clinical Quality

Creating a center for wound care and hyperbaric medicine will enhance the clinical quality of the North county area through implementing the same program framework as the wound care clinic and HBOT unit at Pomerado. Over the years it has proven itself to be a successful business as well as clinically effective program for patients as well as physicians.

Evidenced based medicine practice coupled with national best practices are the guiding principals with which the clinic functions. Outcomes, healing rates, and quality indicator measures are tracked through a comprehensive database and are reviewed monthly at medical staff meetings. Reports can be provided for your review.

An annual quality plan will be established and reported to the system quality department to ensure continuity of practice throughout the system.

## 4.3.5 Service Quality

The aim of service quality is to establish another center of excellence for patient care in the north county. The goal is to achieve patient, employee and physician satisfaction at the same levels as the south campus center.

The south clinic consistently performed within the 99th percentile of patient satisfaction within the Gallup organization and now in the Press Ganey organization (1st quarter) and the 95th percentile for the Gallup employee satisfaction over the past year and a half.

Our success is truly a reflection of how all the staff both physicians and clinic believe in the mission and vision of this organization and the center for wound healing and hyperbaric medicine.

## 5.0 Marketing Plan

The marketing plan will reflect the unique needs of the demographic and physician populations served. Patients will be acquired through a collaborative approach to the marketing strategy. Business development specialists, physician leaders as well as program leaders will on an annual basis create a plan. Community education activities and program statistics will be reviewed monthly by the Director and Business development specialist. Adjustments to the plan will be based on referral patterns, patient volumes, disease states and any unforeseen issues that may arise during the year. The process will be dynamic and sensitive to market changes within the community.

## 5.1 Marketing Strategy

*Marketing Strategy will include but not limited to:*

### **Media activities**

- TV, Radio, print –newspaper, magazine, hospital newsletter, journal.
- Direct mail, Fax blast, or e-mail campaign

### **Hospital Based**

- Grand rounds or medical staff presentation – staff meetings special dinner/lunch
- In-service hospital department staff meetings

### **Health Fairs & Trade Shows**

- Displays at local health fair or trade show –Taking Care Of Your Diabetes

### **Hospital Marketing Activities**

- Partner with other COS Departments to maximize clinic exposure and efforts.
- Work with hospital physician liaison to synergize marketing efforts

# Center for Wound Care and Hyperbaric Medicine

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## **Special Events**

- Physician Dinners
- Open House/Grand Opening

## **Other**

- Face to face physician calls
- Lunch and learns for the office staff
- Thank you notes for referrals
- Hand delivery of patient progress notes
- Education to Home Health
- Unit tours for community MD's

## **5.2 Brand Extension**

In keeping with the mission and vision of the organization it is our desire to be the provider of choice for patients, physicians and employees in North county for wound care and hyperbaric services. By placing the center on the 76th corridor we extend our brand to a community that has not been exposed to prior PPH services. The center will be a part of the web based marketing strategy currently being launched in the system.

## **5.3 SWOT Analysis**

### **Strengths**

- Provide excellent customer service to the community for patients with chronic wounds
- Maintain high patient, employee, and physician satisfaction
- Continue excellent collaboration with internal and external customers
- Increase revenue to the organization not only from clinic operations but from spin off revenue to other ancillary departments within the PPH health system
- Continue to grow the continuum of care for chronic wound care patients
- Maintain the excellent care delivered from an evidenced base framework
- Administer cost effective comprehensive wound care
- Utilize state of the art interventions to effectively heal patients
- Enhance environment to create an additional opportunity for clinical staff to learn and grow
- Creation of an additional Center of Excellence
- Offer services to patients closer to home

### **Weaknesses**

- Lack of penetrating the market both internal (physicians) & external customers (community)
- Underdeveloped referral base
- Under funded marketing budget

### **Opportunities**

## Center for Wound Care and Hyperbaric Medicine

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- Provide needed services to North county residents
- Grow the outpatient volume and revenue of the health system
- Open up the physician panel to Escondido based physicians to participate in the clinic
- Increase internal and external physician's knowledge regarding the wound clinic
- Gain new market share
- Continue to develop recognition on a national basis for wound care and hyperbaric services

### Threats

- Competition from Tri-City/Scripps
- Competition from private physicians, nurses, and physical therapy model clinics
- Changes in Medicare reimbursement
- Managed care organizations
- Loss of revenue due to changes in payor mix

## 6.0 Financial Analysis

The financial analysis section will include a conservative and a moderate proforma that shows two different types of financial scenarios for the San Marcos clinic. Construction costs, start-up capital, payor mix, cash flow, net present value, and the payback period. will be contained within the proforma itself. Subsections are brief highlights of the proforma and detailed proformas are located within the appendix.

### 6.1 Start Up Capital

The initial capital investment for startup equipment, tenant improvement, and furnishings is estimated at \$ *(to be determined once a location is decided)*.

To be determined based on information provided by architect in design process.

The monthly wound expert data base program, equipment, changes to the physical plant etc. Vendor to provide chambers.

#### 6.1.1 Equipment

See appendix



## **6.2 Conservative-Moderate Proforma**

Detailed conservative and moderate proformas located within the appendix

### **6.2.1 Payor Mix**

See Appendix

### **6.2.2 Cash Flow**

### **6.2.3 Net Present Value**

### **6.2.4 Payback Period**

Conservative estimate the program payback time frame will be three years.

## **7.0 Requirements**

The requirements section will list the timeline to complete this project, information system requirements, medical staff needs, and the regulatory requirements needed in order to open our doors on day one.

### **7.1 Launch/Implementation Timeline**

See Appendix

# Center for Wound Care and Hyperbaric Medicine

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## 7.2 Information Systems

The Center for Wound care and Hyperbaric Medicine will continue to utilize the current Wound Expert Database to track wound progress. As the center strives to become paperless Wound Expert has an Electronic Medical Record (EMR) component which can be interfaced with Cerner for a seamless medical record.

## 7.3 Regulatory

The center will operate under the provider based designaiton of the hospital. Currently working with consultants on atestation paperwork which must be filed with our fiscal intermediary in order to bill for services provided at the center.

All standard applicable regulatory agencies will be involved with this project. Facilities project manager to assist with regulatory timelines and paperwork.

## 8.0 Feasibility

The feasibility of this program is demonstrated by the literature supporting the fact that chronic disease is growing in the population. As the population continues to age chronic disease will persist. Diabetes, venous disease, and peripheral vascular disease are the largest contributors to the chronic disease states in the older population and reflect the primary target market for the Center for Wound Care and Hyperbaric Medicine. To that end, that establishes a base from which to obtain patients for the center.

Success can also be projected due to the fact this program will be the only kind of its type in North county. The target market for patients will cover the Inland North as well as the North costal areas. Providing community education to individuals as well as physicians in this area will increase the referral base for the program.

A review of the proforma indicates a profit can be achieved from this program. In reviewing the South campus program it also demonstrates that revenue is achievable for the program. The plan is to utilize the successful methods for profitability from that program and incorporate them into the north campus program. It is also a goal to improve processes to enhance successful performance. Risk based on the proforma is low.

Implementation of the program is based on appropriate business plan compilation and presentation as well as administrative approval from all levels of the organization. Difficulty with implementation can be foreseen in the actual construction process. Issues may arise that will possibly delay opening. Contingencies are being created to account for such events but the unforeseen is hard to plan for in the construction process.

An exit strategy for this program would be to buy out the management services contract. Terms to be listed in the specific document. An exit strategy would be a last resort for the resolution of an insurmountable problem.

### **9.0 Recommendation**

The proposed PPH San Marcos Center for Wound Care and Hyperbaric medicine will improve the overall quality of Wound Care services throughout the community. It will deliver positive financial returns, enhance and improve the satisfaction of both physicians and patients, it will open the door to patients that did not access the PPH system before and will increase profitability through the addition of the site to the North county area.

## Appendix

### Executive Summary

Palomar Pomerado Health (PPH) is a California Public Hospital District located in North San Diego County, California. As part of the commitment to providing high quality and accessible services to our communities, PPH is expanding its outpatient satellite facilities to ensure that services are available conveniently for members of the community regardless of where they live in the district. The satellite centers will include office space for health-care providers, diagnostic testing capabilities, and specialized services provided directly or through the use of telemedicine.

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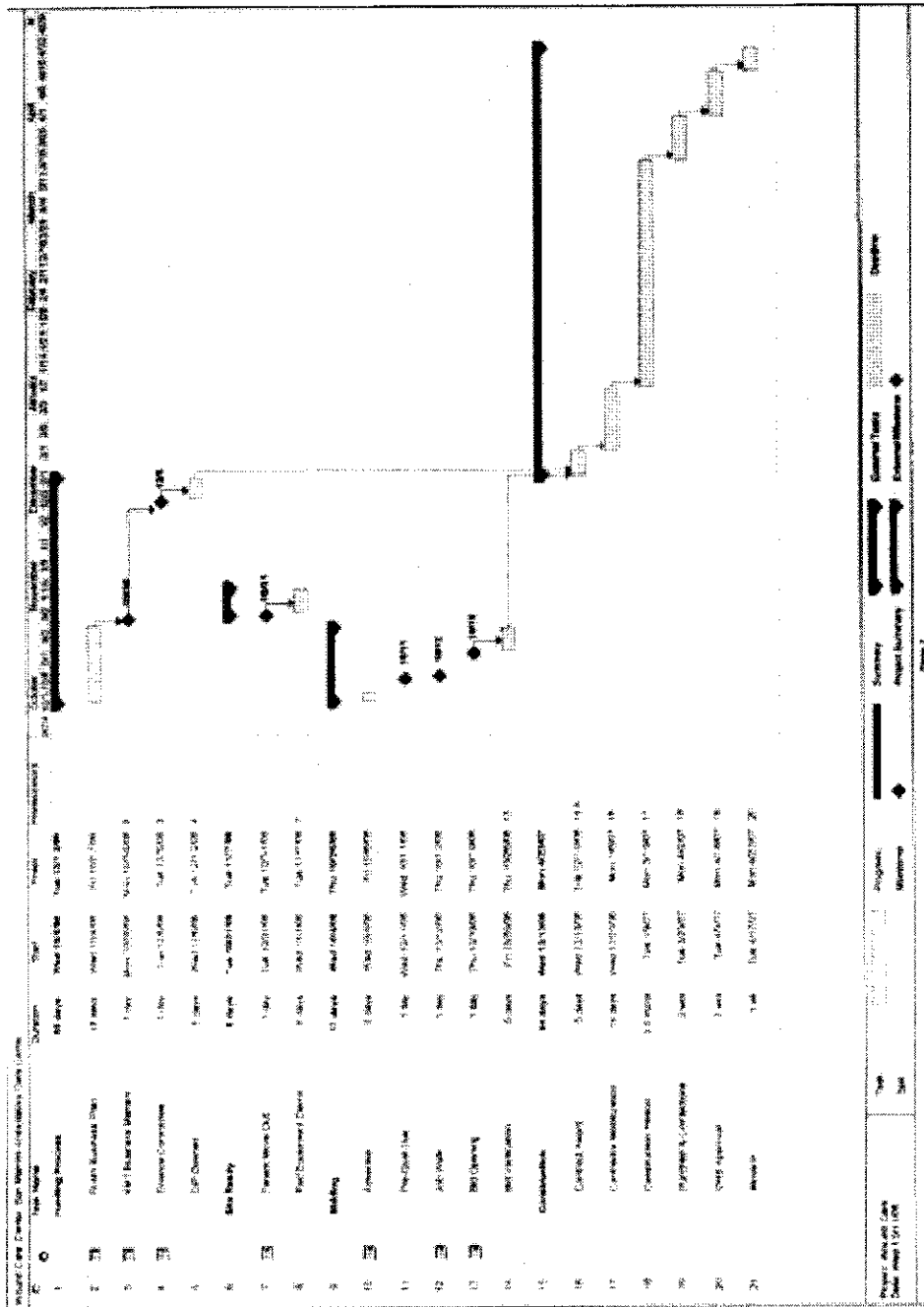
- Establish a gateway for patient entry into the PPH system in the San Marcos area.
- Provide a needed service to the residents of North County in San Diego.
- Grow the outpatient volume and revenue for the health system.
- Increase ancillary spin off revenue for PPH.
- Increase the knowledge base of PPH clinicians to a secondary site of service for their North County patients.
- Further enhance the continuum of wound care throughout the health system.
- Open up the physician panel to Escondido base physicians to participate in the clinic.
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- Create opportunities to advance the practice of patient and wound care through formal research studies.
- Create an exciting environment where all staff can learn and grow in their respective practices.
- Continue to spread the reputation of a center of excellence for wound care locally and nationally.
- Maintain patient, physician and employee satisfaction as evidenced through outstanding scores.

Appendix

Equipment List

# Appendix

## Launch/Implementation Timeline



## Appendix

**Payor Mix**

**Summary of Wound Care Data  
Outpatients with debridement, non-invasive vascular studies, E & M, or HBOT CPT-4 codes  
01/01/05 through 12/31/05**

	# of Pts	Pts as % of Total	Total Charges	Total Payments	Payment As % of Charges
634777	1,192	62.0%	2,854,417	870,385	30.5%
634775	221	11.5%	396,541	180,441	45.5%
682961	177	9.2%	612,158	429,495	70.2%
682958	104	5.4%	245,875	10,067	4.1%
682957	92	4.8%	382,365	180,302	47.2%
634776	33	1.7%	41,512	28,960	69.8%
634781	26	1.4%	33,533	17,257	51.5%
682956	20	1.0%	33,937	1,690	5.0%
682960	18	0.9%	39,380	30,245	76.8%
682959	16	0.8%	47,525	14,676	30.9%
682962	13	0.7%	58,688	29,126	49.6%

Appendix

634773	Commercial Insurance	6	0.3%	23,225	20,538	88.4%
634780	Self/Private Pay	5	0.3%	7,431	3,124	42.0%
	<b>Total</b>	<b>1,923</b>	<b>100.0%</b>	<b>4,776,584</b>	<b>1,816,304</b>	<b>38.0%</b>