

**OPERATING BUDGET**  
**Fiscal Year Ending January**  
**2024**



Trusted care in our community

## United Neighborhood Health Services Inc.

### Budget Assumptions FYE January 2024

#### **Budget Notes:**

- **Income from Operations:** program income is presented in the form of net income (income after contractual adjustments and bad debt expenses) and it is based on trending collections from all of our payers. Medicaid line includes wrap around payments from the state for about \$1,6m. Total Net income is constructed around 11 fully staffed sites which we estimate will generate 88,465 encounters during the 12-month period. We are also including in this category \$29k in Quality Incentive bonuses from different payers.
  
- **Federal Grants:** our core grant is by far the largest contributor to this category with a total of \$9,818,973. This grant is made up of three programs: “Community Health Center”, “Homeless”, and “Public House”. We project we will withdraw \$2m from the American Rescue Plan grant this year which will leave us with \$1m to spend next year. Most recently, HRSA awarded us \$267,826 to expand Covid19 vaccination (ECV Grant).
  
- **State and Local Grants/Contracts:**
  - TennCare Patient Centered Medical Home (PCMH) program: this pilot enters into its seventh year. Our budget reflects funds assignments from CIGNA, on top of MCO’s assignments, based on a similar PMPM formula.
  - Safety Net: we continue to see incremental amounts paid by the state for the care of the uninsured adult. We are budgeting an amount similar to what we collected last year even though the contract allows for a substantially higher amount.
  - State Mental Health Substance Abuse: this a state contract that provides for the treatment of adults with a primary or secondary alcohol or other drug abuse or dependency. As the Safety Net grant, this grant pays based on billable encounters. We are budgeting an amount similar to last year’s collections even though the contract is capped at a higher amount.
  - Ryan White Part B: budgeted per contract.
  - Metro Nashville Homeless Services: budgeted per contract.
  - Baptist Healing Trust: this is a recurrent grant to support operation activities. We are budgeting the same amount as last year.
  - DeltaDental: this is an operating grant. We are budgeting the awarded amount.
  - Community Foundation grant: another operating grant. We are budgeting same amount we have received in prior years.
  - United Way grants: this is a HIV prevention grant sponsored by UW. We are budgeting the amount awarded.
  - ESG Park Center: this contract partially funds our street medicine program. Budgeting the remaining funds only.
  - ELC Park Center: this grant is aimed to mitigate Covid19 impact in people experiencing homelessness. We partner with Park Center to meet the grant’s objectives. We bring the clinical and case management staff while Park Center provides the outreach staff.

- TN Cancer Prevention grant: Cervical Cancer and Colorectal Cancer prevention grant.
- Nurse Family Partnership (NFP) grant: this a four-year program that awarded us a total of \$3,750,000. The program aims to arrange for home visits from registered nurses to low-income first-time mothers. We are budgeting the amount awarded year three.
- Ensuring Equity in Covid-19 Vaccinations: this is state grant administrated by TPCA. It funds mostly outreach activities.
- TN Breast and Cervical Cancer: grant through the state. Budgeting the amount awarded.
- FNP Residency contract: agreement with Vanderbilt to pay for one Nurse Practitioner FTE. Budgeting the remaining of this agreement.
- American Cancer Society: grant to pay for a portion of a PCMH staff.
- Bluecare Restricted Funds: funds to pay for Bluecare members' social services provided by Neighborhood Health.
- Fundraising: we believe we can retake our annual fundraising event this year so we are budgeting an amount similar to pre-pandemic fundraising amounts.
- Medical Records/Interests: budget amount based on the 12 most recent months of activity.
- 340b proceeds: due to the existing and upcoming manufacturers' restriction we expect less than ideal returns in 340b savings.

- **Expenses:**

- Salaries and Fringe Benefits: the budget shows existing salaries for 256 FTE's including 44.5 providers FTE (26.45 Medical). Benefits are calculated at 19.80% of gross salaries. Salary & Benefits amount to roughly 72% of our overall operating budget.
- Healthcare Consultants: includes Medicare cost report's fees plus contract with Welcome Home Ministries to provide temporary housing for our homeless patients and consultants to work along with the NFP team. This expenses also include the contract costs of supervising our Nurse Practitioners as required by the state.
- Consultants & Contract Serv.: includes payroll services, housekeeping, interpretation, and security guards.
- Professional Fees: includes legal, and purchased medical services fees including Meharry. This line also includes expenses related to the NFP program as well as recruitment, pharmacy services, electronic patient registration, and radiology services expenses. Advertising and software licenses used to be part of this line but due to their size they are now being budgeted in separate lines.
- Supplies: we estimate our supply costs at \$9.12 per encounter based on the last 12month-worh of experience and an inflation factor of 5%.
- Advertising and Outreach: most of these activities were funded by the ARP grant. As we get closer to the end of it we will need to limit the amount spent in this line.
- Laboratory: budget amount is based on the number of visits we are projecting.
- Pharmaceuticals: budgeting a similar amount as last year plus an inflation factor
- Occupancy: budgeting similar amount as last year

- Insurance: the budget reflects current premiums.
- Equip Rent & Maint.: based on current agreements and contracts. It also includes vehicles' repair and furniture.
- Telephone: based on better negotiated rates for telephone and Internet contracts with Comcast, Altus, Verizon, and Peace communications.
- Software and Data Processing: this line contains mostly Nextgen related expenses.
- Travel: includes local travel (mileage) and out-of-state travel including conference costs, meals and lodging.
- Dues and Subscriptions: includes current dues for NACHC, TPCA, Healthcare for the Homeless Council, Tennessee Department of Mental Health, Relias learning, and I2I. This line also includes expenditures related to the NFP program.
- Printing and Publications: budget reflects similar amount as prior year plus an inflation factor.
- CME, Staff Training: includes providers' CME's and all staff and board meetings' expenses and extensive training for the NFP team. It also includes staff recognition awards.
- Miscellaneous: this line includes bank charges, especially those related to credit card transactions.

- **Total Surplus (Deficit)**

We are budgeting a total surplus of \$1,500 with no cost of living adjustment (COLA).

- **CEO Note**

1. Expend funds for activities entirely covered or offset by unexpected grant awards received after January 31, 2023 or by carryover grant funding from FYE January 2023;
2. Execute any contracts necessary for such grant-funded purposes;
3. Hire up to one additional physician or nurse practitioner on an opportunistic basis even if that position was not originally included in the expenditure projections in the FY 2024 budget.

These approvals by the Board are in keeping with historical practices. However, the Board approvals here are required now in order for the CEO to take such actions while also complying with his employment agreement.

			<b>1/17/2023</b>
	<b><u>United Neighborhood Health Services, Inc.</u></b>		
	<b><u>Budget Justification</u></b>		
	<b><u>FY 2024</u></b>		
	<b>Income From Operations</b>	<b>2024</b>	<b>2023</b>
		<b>(Budget)</b>	<b>(Budget)</b>
1	Medicaid	\$ 3,129,300	\$ 3,800,700
2	Medicare	\$ 1,442,000	\$ 573,100
3	Self Pay Cash Receipts	\$ 536,000	\$ 449,200
4	Private Insurance	\$ 972,200	\$ 801,600
5	Quality Incentives	\$ 29,100	\$ 19,445
6			
7	<b>Total Receipts -Patient Services</b>	<b>\$ 6,108,600</b>	<b>\$ 5,644,045</b>
8			
9	<b>Federal Grants</b>		
10			
11	Section 330	\$ 6,948,169	\$ 6,948,169
12	Section 330 Homeless	\$ 2,695,933	\$ 2,695,933
13	Public House	\$ 174,871	\$ 174,871
14	American Rescue Plan Act (ARP)	\$ 2,000,000	\$ 3,989,150
15	Expanding Covid-19 Vaccination (ECV)	\$ 267,826	\$ -
16			
17	<b>Total Federal Grants</b>	<b>\$ 12,086,799</b>	<b>\$ 13,808,123</b>
18			
19	<b>State and Local Grants/Contracts</b>		
20			
21	PCMH Pilot	\$ 591,900	\$ 520,400
22	Safety Net	\$ 1,748,400	\$ 1,145,000
23	State Mental Health Substance Abuse COC	\$ 160,300	\$ 160,300
24	Ryan White Part B	\$ 429,100	\$ 476,800
25	Metro Nashville Homeless Services	\$ 355,200	\$ 355,200
26	Baptist Healing Trust	\$ 57,000	\$ 63,000
27	DeltaDental	\$ 35,000	\$ 35,000
28	Community Foundation Grant	\$ 5,000	\$ 5,000
29	United Way Grants	\$ 33,300	\$ 33,300
30	ESG Park Center	\$ 19,445	\$ 16,360
31	ELC Mitigate Covid 19 in Homeless	\$ 447,100	\$ -
32	TN Cancer Prevention Grants	\$ 16,000	\$ 10,000
33	Nurse Family Partnership Grant	\$ 1,168,300	\$ 681,600
34	Ensuring Equity in Covid-19 Vaccinations	\$ 58,000	\$ 165,000
35	Tennessee Breast and Cervical Cancer Program	\$ 11,300	\$ -
36	Vanderbilt FNP Residency	\$ 39,400	\$ -
37	American Cancer Society	\$ 20,000	\$ -
38	Bluecare Restricted Funding	\$ 27,500	\$ -
39			
40	<b>Total State and Local Grants</b>	<b>\$ 5,222,245</b>	<b>\$ 3,666,960</b>
41			

42	<b>Donations/Others</b>		
43			
44	Rent (In-Kind)	\$ 187,800	\$ 187,800
45	Drugs (In-Kind)	\$ 774,800	\$ 781,000
46	Fundraising	\$ 50,000	\$ -
47	Interets	\$ 30,000	\$ -
48	Medical Records	\$ 17,000	\$ 20,500
49	340b proceeds	\$ 42,000	\$ 111,000
50			
51	<b>Total Donations/Others</b>	\$ 1,101,600	\$ 1,100,300
52			
53	<b>Total Net Revenue</b>	\$ 24,519,244	\$ 24,219,428
54			
55			
56	<b>Expenses</b>		
57			
58	<b>Salaries and benefits</b>		
59	Salaries	\$ 14,766,145	\$ 14,747,800
60	FICA	\$ 1,129,600	\$ 1,128,200
61	SUI	\$ 177,200	\$ 177,000
62	Medical, Dental, Life Ins., Assist. Program	\$ 1,616,900	\$ 1,626,700
63	February 2023 Cost of Living Adjustment (?%)		\$ 252,400
64			
65	<b>Total Salaries and Benefits</b>	\$ 17,689,845	\$ 17,932,100
66			
67	<b>Other Expenses</b>		
68			
69	Healthcare Consultants	\$ 25,900	\$ 99,300
70	Consultants & Contract Serv.	\$ 1,196,200	\$ 813,950
71	Professional Fees	\$ 487,800	\$ 1,241,900
72	Medical Supplies	\$ 301,600	\$ 190,850
73	Other Supplies	\$ 504,800	\$ 463,400
74	Advertising and OR	\$ 120,000	
75	Laboratory	\$ 144,000	\$ 168,250
76	Pharmaceuticals	\$ 1,351,300	\$ 1,277,600
77	Occupancy	\$ 749,200	\$ 746,350
78	Insurance	\$ 110,000	\$ 90,100
79	Equip Rent & Maint	\$ 127,000	\$ 233,500
80	Telephone	\$ 301,680	\$ 365,000
81	Software and Data Processing	\$ 809,600	
82	Travel	\$ 18,700	\$ 16,400
83	Dues and Subscriptions	\$ 199,000	\$ 167,000
84	Printing, Pub, Post, Frt	\$ 108,400	\$ 94,800
85	CME, Staff Training	\$ 223,000	\$ 154,700
86	Bank Charges, Misc.	\$ 49,700	\$ 41,600
87			
88	<b>Total Other Expenses</b>	\$ 6,827,880	\$ 6,164,700
89			
90	<b>Total Expenses</b>	\$ 24,517,724	\$ 24,096,800
91			
92	<b>Total Surplus (Deficit)</b>	\$ 1,500	\$ 122,628
93			
94	2% COLA	\$ 321,458.89	
95	3% COLA	\$ 482,188.34	