



QIO Program

Business Plan Guide for Diabetes Self-Management Education (DSME) Programs

November 2016

About the Guide

This guide will help you write your own business plan for a DSME program. Your business plan will serve as your framework and roadmap for a DSME business venture, complete with goals, mission statement, vision, projections, financing and more. In your plan, you'll set benchmarks and use the self-check tools to gauge your progress. Ultimately, you will put the patients' needs first and create a program that improves the health of people with diabetes.

This guide will help you evaluate the feasibility of a new business idea in an objective and critical way. We'll help you answer key questions related to your program's efficiency and sustainability like:

- Is there a market for DSME classes in my service area?
- Approximately how many providers will refer, and how many patients would this translate to?
- Approximately how many people with diabetes will self-refer?
- Can you obtain the required financial resources?
- Can the DSME program make a profit or at least break even?
- Does your team have the required clinical and management skills?
- Does the program have the required structure and process quality measures in place?
- Can you identify your competition and how to achieve a competitive edge in order to garnish greater market share?



This business plan guidance package has been provided by the Centers for Medicare & Medicaid Services' Quality Improvement Organization (QIO) Program and Mary Ann Hodorowicz, LLC, RD, MBA, CDE, Certified Endocrinology Coder. If you need further assistance, please contact your state's Quality Innovation Network-Quality Improvement Organization (QIN-QIO).

You can find contact information for your QIN-QIO at www.qioprogram.org/contact-zones?map=qin.

Acronyms

A1c: glycated hemoglobin (measure of blood glucose over 3 months)

AADE: American Association of Diabetes Educators

ACO: Accountable Care Organization

ADA: American Diabetes Association

AND: Academy of Nutrition and Dietetics

BC-ADM: Board-Certified Advanced Diabetes Management

BG: blood glucose

BMI: body mass index

BP: blood pressure

BUN: blood urea nitrogen

CAH: Critical Access Hospital

CDE: Certified Diabetes Educator

CEU: continuing education credit

CLIA: Clinical Laboratory Improvement Amendments

CNS: Clinical Nurse Specialist

DEAP: Diabetes Education Accreditation Program

DO: Doctor of Osteopathy

DSME: Diabetes Self-Management Education

ERP: Education Recognition Program

EMR: Electronic Medical Record

FPG: fasting plasma glucose

FQHC: Federally-Qualified Health Center

GFR: glomerular filtration rate

HDL-C: high-density lipoprotein cholesterol

LDL-C: low-density lipoprotein cholesterol

LLC: limited liability company

MNT: Medical Nutrition Therapy

NCQA: National Committee for Quality Assurance

NP: Nurse Practitioner

NPP: Non-physician Practitioner

NSDSME: National Standards of DSME (2012)

PA: Physician Assistant

PCMH: Patient-Centered Medical Home

PPs: policies and procedures

PWD: person with diabetes

PWDs: persons with diabetes

RD: Registered Dietitian

RHC: Rural Health Clinic

RN: Registered Nurse

RPh: Registered Pharmacist

SI: sponsoring individual of DSME program

SO: sponsoring organization of DSME program

T-Chol: total cholesterol

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T.I.P.S. (To Inspire Progress and Success)

- Individualize the business plan for your audience and/or prospective customer.
- Make the plan interesting, organized and easy to read.
- Use titles and sub-titles.
- Use more bullet points and less full sentences.
- Keep paragraphs short (4 - 5 sentences).
- Insert visuals and charts to help show the important facts.
- Incorporate adequate white space.
- Use heavier weight paper for printing.
- Present the business plan in a binder with a clear cover and cover page.
- Provide a list of commonly used terms if using industry jargon and/or abbreviations.
- Provide specific, detailed strategies rather than fluffy language.
- Ensure that all facts and figures are current and can be substantiated.
- Tailor your business plan to your specific situation: what is the purpose and who is the customer?
- Your plan is a step to get approval to implement DSME, not to obtain all the required resources.

A circular orange callout box containing the text: **TIP:**
**Update your
business plan
once a year**

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Executive Summary

It is the last section written, but your executive summary should be placed at the beginning of the completed plan. The summary should:

- Be concise and enthusiastic
- Create a positive first impression
- Prove the author's credibility and capabilities
- Convince the customer to partner with you
- Motivate potential investors to invest resources in exchange for future performance

Your short summary should prove that the program merits investment to help meet the customers' goals, unmet needs and desires in a better way than the competition does.

T.I.P.S. (To Inspire Progress and Success)

- In the executive summary, provide a brief overview of key information which is developed in greater detail further in the plan.
- Aim for clarity, brevity and simplicity:
 - Too much detail gets in the way of the main ideas.
 - Use the "Elevator Speech" test: Can you explain your basic business idea in the time it takes to go to from the lobby to the 5th floor?
- Basic questions this component answers:
 - What is the general type of business?
 - What is the business status? Start-up, expansion or take-over?
 - Is the program independently owned and managed or part of a SO?
 - What are your services?
 - Who are your customers (target markets)?
- More questions for start-up DSME programs are:
 - Why will you be successful in this business?
 - What is your experience with this type of business?
 - What will be special or unique about your program compared to the competition?
 - What will help you succeed?



TIP:
Focus on your
target market.

Overview of Organization, Program and Team

Include the following information about your organization:

- Address
- Telephone and fax numbers
- Email and website addresses
- If applicable:
 - Type of private practice you own, are a principal or partner in or an employee of
 - Number of years your practice has been in business
- If business plan is written for an organization where you are not employed, include your employer (i.e. Hospital outpatient department, independent clinic, FQHC, RHC, intermediate care center, walk-in clinic, pharmacy)

Include the following information about your DSME program:

- Definition of DSME
- Healthcare insurers who reimburse for DSME, or if a new program, insurers who would reimburse if this program started billing
- Number of years the DSME program has been in existence
- If your program is ADA recognized or AADE accredited
 - Requires proof of adherence to 10 National Standards of DSME with written policies and procedures and submission of other application criteria
- Off-site locations for the program
- Average revenue levels in a specific time period
- Organic growth (chart)
- Target markets (providers, providers' PWDs and PWDs in the community)
- Number of patients seen in a specific time period (e.g., 1 year):
 - In the initial year
 - In subsequent years
- Number of referring providers and types

Include the following information about yourself:

- Name, title, credentials, honors, awards and brief work history
- Health plans that you have in-network provider status with

Include the following information about the DSME team:

- Number of instructors and types (by discipline)
- Number who have CDE or BC-ADM credential and meaning of
- Number of support staff



TIP:
Be thorough.

DSME Program Business Strategy

Your DSME program business strategy is a written game plan that defines the basic concept of the business. In this component of the plan you should describe broadly what DSME services are offered. You also need to describe the DSME team involved and their credentials. You should put your mission and vision statements in this section and define the value of the program to potential sponsors. Lay out your desired quality measures and goals for the program in this part of your plan.

Draft a DSME Business Concept

What is your DSME program selling in ‘human fulfillment’ terms in less than four words? This is important because it quickly captures your customer’s attention.

Example: What does a photographer sell? Memories!

Design your DSME Program

- Advisory Committee members
- Class design:
 - Number of visits in the first year, type (individual or group), time of day, length of class
 - Curriculum
 - Topics covered
 - Teaching style



Define the DSME Program Team

- Program coordinator’s name, credentials, experience, etc.
- Program team and their credentials: registered nurse (RN), registered dietitian (RD), registered pharmacist (RPh)
 - Certified Diabetes Educator (CDE) and/or Board Certified-Advanced Diabetes Management (BC-ADM)
 - Required to have minimum of ____ years of experience in DSME
 - Required to maintain credentials (notably CDE credential)

Write a DSME Program Mission Statement

Your program’s mission statement describes your main purpose for the program, who it’s for and how you’ll achieve the over-arching goal.

Example: The mission of [DSME Program Name] is to improve the health and well-being of our patients with diabetes through improved self-care behaviors in a cost-effective and sustainable manner.

Write a DSME Vision Statement

Your program’s vision will best be accomplished by the creation of a detailed DSME program business plan and using it as a road map on a continual basis. Modifications and updates will be needed from time to time.

Example: Our vision is to provide culturally and linguistically appropriate DSME to seniors with diabetes in Sugar County to improve key clinical and quality of life indicators, thereby reducing long-term healthcare costs.



Show the Benefits and Value of your DSME Program

Sponsoring Organization

The proposed DSME program helps the sponsoring organization (SO) achieve key business-related strategic goals, top value concerns and/or objectives. Include how you will:

- Meet unmet needs and wants of area providers, PWDs and the community
- Effectively manage the program, according to the SO's policies, procedures, mission and vision
- Increase the quality of healthcare services as defined by improvements in patients' outcome measures
- Contain the cost of delivering healthcare services within the SO
- Meet the financial expectation of the SO relative to the DSME program
 - May include an increase in collateral revenue indirectly related to the DSME program for the SO, such as lab tests
- Adhere to the Affordable Care Act's primary standards to reform healthcare
- Adhere to the Affordable Care Act's goals to reform our healthcare
 - For concise summary of the ACA's standards and goals, see table in component 11: References, Exhibits and Tables
- Help meet the National Committee for Quality Assurance (NCQA) standards for a PCMH or an ACO via the DSME program

Patients with Diabetes

The DSME program improves the entire spectrum of patient outcomes which thereby decreases morbidity and increases patients' quality of life and life expectancy.

Providers

The DSME program fulfills your local providers' need for outpatient DSME services that are:

- Evidence-based
- Cost-effective
- Reimbursable by Medicare and most private health plans
- Recognized for quality by the AADE and/or the ADA with adherence to nationally recognized quality standards for DSME
- Patient-centered and culturally competent
- Furnished by experienced diabetes educators who maintain their knowledge of diabetes management and education via CEUs



How will your DSME Program be Better than the Competition?

- Complete a regular competition analysis
- Identify desired marketing outcomes
 - Example: Referrals steadily increase from providers and patient self-referrals.
- Write a marketing plan
- Measure effectiveness of each marketing strategy
 - Example: Sending out 500 postcards resulted in 50 new students in the DSME program.
- Identify DSME program best practices, policies and procedures (PPs)
- Adopt best practices from other programs

Define the Desired Quality Measures and Goals of the DSME Program

- Patients' clinical outcome measures and goals
 - Examples: A1c, fasting plasma glucose, blood pressure, total cholesterol, LDL-C, HDL-C, triglycerides, glomerular filtration rate (GFR), blood urea nitrogen (BUN), body weight, body mass index (BMI)
- Patients' behavior goals, as defined by the AADE7™ Self-Care Behaviors: healthy eating, being active, monitoring, taking medication, problem-solving, healthy coping and reducing risks, such as smoking cessation or self-foot care, to improve key health markers.
- Patients' other key outcome measures and goals
 - Quality of life
 - Experience of care/satisfaction with program
 - Cost-savings:
 - Reduced Rx medications
 - Reduced treatments
 - Reduced ER visits and inpatient care
- DSME team's adherence to the ADA Medical Standards of Care for Diabetes
- DSME program achieves initial AADE Diabetes Education Accreditation Program (DEAP) or ADA Education Recognition Program (ERP) and maintains it in each renewal cycle
 - Requires adherence to the current (2012) National Standards for Diabetes Self-Management Education
- Other DSME program quality measures and goals related to:
 - Providers
 - Operations plan
 - Financial plan
 - Continuous quality improvement plan
 - These and all quality measures are outlined in detail in separate resource titled: Checklist of Components for Establishing and Sustaining an AADE Accredited or ADA Recognized Diabetes Self-Management Education (DSME) Program

TIP:
Measure successes
for your patients
and your
organization.

T.I.P.S. (To Inspire Progress and Success)

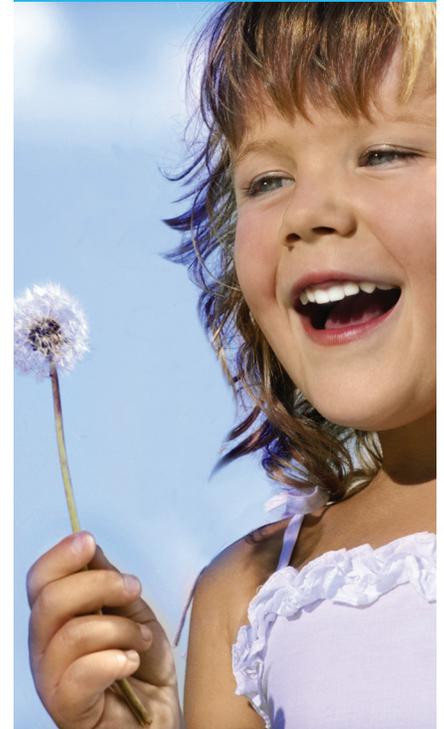
Make sure you answer these questions in the business strategy part of your plan:

- What exactly are you selling? What is your business concept? (wellness, improved health, better quality of life, stress reduction, longer life, etc.)
- What are the program's mission and vision?
- What exactly is your service?
- How is our DSME program designed?
- Who furnishes your program? Who manages it?
- What is the purpose of your program?
- How will your program grow?
- How does your DSME program benefit the SO?
- How can you be better than the competition?
- How do you measure your success?
- What is the success of your program currently?

Implementing an effective and sustainable DSME program strategy involves:

- Creating “fits” between the way things are done now in the DSME program and changes required for effective strategy execution in the future
- Executing the strategy efficiently and effectively
- Achieving desired quality measures and goals in a set time frame
- The most important “fit” is the DSME program business strategy and:
 - The SO's capabilities
 - A reward structure
 - Internal support systems
 - The SO's culture

TIP:
Hope is not
a strategy.



Factors that require on-going modifications to the DSME business plan:

- Economic conditions (internal to SO and external)
- Policies and procedures of the SO
- Competition forces
- Provider and patient mix
- Resources allocated to the DSME program
- New standards of diabetes care and DSME
- New DSME team members who have different ideas
- Environmental scanning
 - A way to monitor and interpret social, political, economic, ecological and technological events, trends and conditions that could eventually impact the DSME industry and the SO (as new opportunities and threats)

Providers should be encouraged or assisted with implementing the newest DSME/S algorithm for when to refer a patient to a DSME program.

- Article and graphs of algorithm are online at <https://www.diabeteseducator.org/practice/practice-documents/practice-statements>
- Reference: Powers MA, Bardsley J, Cypress M, Duker P, Funnell MM, Fischl AH, Maryniuk MD, Simine-rio L, Vivian E, Diabetes Self-Management Education and Support in Type 2 Diabetes: A Joint Position Statement of the American Diabetes Association, the American Association of Diabetes Educators, and the Academy of Nutrition and Dietetics, Diabetes Care 2015; 38:1372-1382.

Notes:

Market, Competition and SWOT Analysis

Market Analysis

The primary target market for your DSME program is people with diabetes (PWDs).

Include these details in your plan:

- Average percent or number of people in your county and state who have diabetes (type 1, type 2, etc.) but have not been diagnosed
- Average percent or number of people in your county and state who have diabetes and have been diagnosed
- Average percent or number of people in your county and state who have not received DSME (per literature or state department of health)
- Demographic information (ethnicity, education, age, etc.)
- Places where they gather often and/or off-site locations for the program (community center, church, school, etc.)

The secondary target market is providers who may refer PWDs to a DSME program like medical doctors (MDs), endocrinologists, doctors of osteopathic medicine (DOs), nurse practitioners (NPs), physician's assistants (PAs) and clinical nurse specialists (CNSs).

Include these details in your plan:

- Approximate number of these providers in your market area (county, state, region)
- If known, their desire to refer patients with diabetes to a DSME program

Competition Analysis

Research other DSME programs. Take note of:

- Location(s) for classes
- Types of customers (target markets)
- Years in existence
- Services offered in addition to DSME
- Team composition
- DSME program design
- Insurance billing
- Sustainability and reputation in the community

A circular orange callout box containing the text: **TIP:**
Ask around in your community for input on your competitive analysis.

See References, Exhibits and Tables #2

DSME Program Analysis

A S.W.O.T. analysis is a tactic to easily gauge your program's current situation. Identify your DSME program's internal strengths and weaknesses. Then identify external opportunities and threats for your program.

Consider your competition, economic environment and trends in DSME and related services.

See References, Exhibits and Tables #3

T.I.P.S. (To Inspire Progress and Success)

Why do a market analysis?

Because it is the best way to identify:

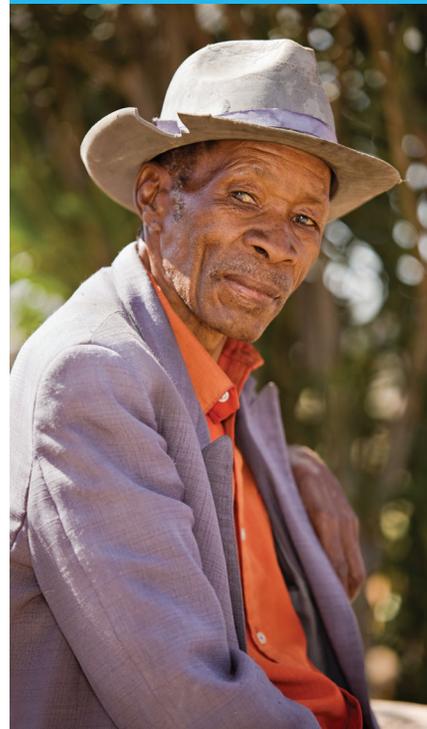
- Who your target markets are exactly
- Key characteristics of your markets and their needs or wants relative to DSME
- Required information in order to create marketing and advertising strategies that address the characteristics, needs and wants of these markets
- Where your DSME program is positioned among the other programs in the local area
- An estimate of your market share in the area
 - Example: “Our goal is to have more than 80 percent of private practice endocrinologists within 30 miles of a DSME program refer to our program.”
- How to position your DSME program in area
 - Example: “Our DSME program is the only one in the Joliet, IL area that furnishes classes where patients congregate and feel comfortable: churches, recreation centers, libraries, etc.”

Why do a competition analysis?

Because it is the best way to identify if other DSME programs are fully meeting providers’ and PWDs’ education needs and wants in a manner that suits their preferences.

- If the answer is no, then this becomes your competitive advantage!
- If the answer is yes, then how will your program be better than theirs?

TIP:
Thorough research
in the planning
stages will pay off
later.



Defining the Target Markets

Who needs DSME?

Your primary target market is people with both type 1 and type 2 diabetes (PWD). Take the following consumer qualifications into consideration when defining your target market:

- PWDs who receive services within healthcare facilities like PCMHs, ACOs, FQHCs, RHCs, CAHs, independent clinics, walk-in clinics and pharmacies.
- PWDs who receive services from providers like MDs, DOs, qualified non-physician practitioners (NPPs).
- PWDs who reside in your community but have no designated healthcare provider
- Residents in local nursing homes, assisted living facilities, adult day care facilities or state-sponsored facilities.
- Subscribers of health insurance plans
 - SO/SI of your program may be able to contract with plans to be their preferred provider of DSME for plan members
- Competitors' patients

Who else needs to know about your DSME program?

Your secondary target market is physicians and qualified non-physician practitioners. Take the following provider types into consideration when defining your target market, as they will refer many PWD:

- Physicians in private practices
- Providers in hospital-owned on-site and off-site practices
- Providers in PCMHs and ACOs
- Qualified non-physician practitioners such as nurse practitioners (NPs), physician assistants (PAs) and certified nurse specialists (CNSs)

T.I.P.S. (To Inspire Progress and Success)

Definition of target market

A target market is a specific group of consumers at which a company aims its products and services. They are the customers that are most likely to buy your product or service.

Resist the temptation to be too general in your definition in the hopes of getting more market share. Rather than firing 10 bullets in random directions, it's better to aim just one bullet dead center of the mark. It is more effective and less expensive than targeting broad groups in an effort to force them to want or need your product or service.

An orange circular callout box containing the text:

TIP:
Be specific and detailed when defining your target market.

Marketing Plan

Use the 7 Ps marketing mix approach to develop your marketing plan for the DSME Program.

Product

Your product is the service of diabetes self-management education. When describing your product, use the language of your target market and your sponsoring organization (SO).

Example: A DSME program for a PCMH will mention that the program provides team-based continuity of care, culturally and linguistically appropriate materials and evidence-based practices.

Packaging

The goal of packaging the DSME service is to convey your big four selling points - service, brand, value and quality.

Service

Your DSME program provides a medical service. Knowledge is transferred from teacher to student.

Brand

Your brand encompasses everything the public sees or knows about your program - name, colors, logo, tagline, the tone of voice and language used. Most importantly, your brand depends on the perception of value and quality you offer.

Value

Your program's perceived value is the importance, worth or usefulness of your product in the eyes of your target markets.

Quality

Your program's perceived quality is the standard of DSME as measured against other similar products.

See References, Exhibits and Tables #4

Promotion

Promotion for your program is how you tell your target market about your service. Opportunities to advertise include newspaper ads, brochures, fliers, emails, phone book ads, social media ads, direct mail pieces, cooking demonstrations, your website, other websites, media interviews, press releases, newsletters, booths at health fairs, public speaking engagements, hot topic consumer seminars, etc. You can also offer a free DSME introductory class to get consumers into the classes.

Place

The location of your program needs to exhibit value and quality by being accessible and familiar to your target market. Choose locations where PWDs live, work and gather to encourage attendance and decrease attendance barriers. Ideally, your program classes will be held at an easy-to-find location that is handicap accessible with free parking.

Examples: churches, recreation departments, community centers, fitness centers, libraries, community colleges, physical therapy centers, independent walk-in clinics, nursing homes and hospitals without an outpatient DSME program.



TIP:
**Be so good they
can't ignore you.**

Policies and Procedures

Your program's policies and procedures must be patient-centered, as opposed to curriculum- and clinician-centered. Make sure to advertise your policies that make the program more agreeable and inviting to your consumers.

Examples:

- Hours of operation include evenings and Saturdays
- Each group DSME class offered in both daytime and early evening
- Referral for self-referred PWD within one week and patients scheduled within one week of provider's referral
- Educator starts visit within 15 minutes of appointment time
- PWDs reminded of appointment within 24 hours before class and phone calls returned within 24 hours
- Topics for each class shared during the first class and PWDs encouraged to bring guests
- Billing and collections are accurate and timely
- Patients' outcomes are tracked
- Continuous Quality Improvement Plan revised when policies and procedures are not working

Price

Your program's price is the quantity of payment or compensation given by one party to another in return for your DSME services. Your organization must determine the price for a 30 minute unit of G0108 (an individual DSME service) and a 30 minute unit of G0109 (group DSME.)

Factors to evaluate to determine the price of the DSME (per one 30-minute unit of G0108 and G0109)

- Insurance reimbursement rates: Medicare, Medicaid and private insurance
- What the market will bear (per market research for similar services)
- Competitors' DSME fees
- PWDs' and providers' perceived value of the DSME
- Revenue and profit desired from DSME and similar services
- How many work hours are available
- Expenses indirectly related to providing the service (fixed and variable)

People

The educators, coordinators and support staff that make up your program's team need to display excellent interpersonal skills, DSME content proficiency, teamwork skills and leadership in order to produce a high-quality product. It is important to show your target market(s) the quality of your DSME team members and that they have the requisite skills and abilities to deliver DSME.

TIP:
**Your people
are your greatest
asset.**

T.I.P.S. (To Inspire Progress and Success)

Definition of Marketing

Marketing is the action or business of promoting and selling products or services, including market research and advertising.

What are the 7 Ps of the Marketing Mix for Services?

The 7 Ps Marketing Mix is a tool used by businesses and marketers to help determine a product or brands' offering. The seven categories are product, packaging, promotion, place, processes and procedures, price and people. Defining each of these categories and building your marketing plan will help develop your brand and help motivate your target markets (PWDs and providers) to choose your DSME program over the competition.

Set your goal to be more than 10 percent better than your competition in more than one of seven categories.

Be sure to include these when describing your people:

Interpersonal skills

Your team has the ability to work collaboratively, respectfully and cooperatively with each other, providers and PWDs. They use evidence-based, patient-centered counseling and less ineffective compliance counseling.

Proficiency in DSME

Your educators are knowledgeable in the current standards of care for diabetes and related co-morbidities. Indicators of proficiency include:

- CDE or BC-ADM credential
- Other credentials and licensure
- Peer-to-peer testing and observation once per year
- CEU requirements are met
- Positive PWDs' evaluations of educators
- Supervisor's annual evaluation of educators
- Adherence to evidence-based standards to guide decisions
- Positive patient outcomes

Teamwork Skills and Leadership

Each educator is assigned roles and responsibilities matching her or his skills, training and education, credentials and licensure and experience.

For FQHCs and RHCs

When developing your marketing plan in these practice settings, it's important to note that Medicare only reimburses for individual DSME, not a group session.



FQHCs
and
RHCs

Operations Plan

AADE Accreditation and ADA Recognition of DSME program

Recognition or accreditation is one of Medicare's requirements for DSME reimbursement from Part B. The process can be time-consuming, but turn-key materials are available from external resources that will significantly decrease the time and labor to achieve this gold standard of quality.

- ADA: www.diabetes.org/erp
- AADE: www.diabeteseducator.org/DEAP

DSME Program Staff Requirements

- Types of disciplines (RN, RD, RPh, etc.)
- Number of full-time employees (FTEs) for each discipline
- Credentials of staff
- Didactic and experiential preparation in DSME
- Roles and responsibilities
 - Refer to National Standards of DSME (NSDSME) for specific guidance

Organizational Chart

Include your advisory committee members and their credentials for the DSME program. Refer to NSDSME for specific guidance.

Provider Referral Process

- Create your own customized paper referral form
- Allow electronic medical record (EMR) referrals
- Establish procedures for evaluating providers' DSME referrals for compliance with Medicare's and other health plans' reimbursement rules

Required Forms

- Patient chart forms
- Provider forms
- Internal communication forms
 - Refer to NSDSME for specific guidance

Policies and Procedures

You are required to include those policies and procedures that adhere to the National Standards of DSME (NSDSME).



Information Technology Systems

- EMR
- Patient, program and provider data tracking system
- Telehealth platform
- Wireless patient monitoring of blood glucose and other health indicators

Legal, Privacy, Safety and Applicable Health Regulations Addressed/Resolved

- Medicare regulations regarding fraud and abuse, and gifts to beneficiaries
- HIPAA compliance (including software for telehealth DSME)
- State safety codes and regulations for non-medical facilities
- Tax laws pertaining to revenue from DSME program in off-site facilities

Other Items to Include

- Staff workflow and scheduling
- Patient flow and scheduling
- Space requirements for DSME program
- Office and equipment requirements
- External contracts

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TIP:
The DSME team
should give input
on the operations
plan.

T.I.P.S. (To Inspire Progress and Success)

About the Operations Plan

It is important to understand the difference between an operations plan and a strategic plan. The strategic plan is about setting a direction for the DSME program and identifying a range of strategies to pursue in order for the program to achieve its goals and fulfill the stakeholders' expectations. A strategic plan does not stipulate the day-to-day tasks and activities involved in running the program.

The operations plan, however, is about writing policies and procedures, and identifying what exactly needs to be done for the program's success on a day-to-day basis. It is guided by the mission and vision statements.

Your operations plan is both the first and last step in preparing an operating budget

- As the first step, the operations plan provides a plan for resource allocation.
- As the last step, the plan may be modified to reflect policy decisions or financial changes made during the budget development process.

The operations plan is best prepared by the people who will be involved in its implementation - the DSME team, its managers and directors.



FQHCs
and
RHCs

For FQHCs and RHCs

When developing your operations plan in these two practice settings, it's important to note the following facts with regard to Medicare:

- Medicare only reimburses for individual DSME, not a group session.

FQHC Only

- Individual DSME is a core FQHC service and is payable under the FQHC's Prospective Payment System (PPS). This is a bundled payment system per beneficiary per day/per diem.
- For FQHCs that have not transitioned to the PPS, the FQHC payment is based on the All Inclusive Rate (AIR) system.
 - Under the PPS, a DSME visit is not payable on the same day as a medical visit, but it is payable on the same day as a behavioral health visit.
 - Under the AIR, DSME is payable on the same day as a medical visit.
 - See Financial Plan for more details.

RHC Only

- Per Medicare reimbursement rules, the DSME is not separately billable to Medicare Part B for additional payment; however, the cost of furnishing the DSME can be included on the RHC's annual cost report and payment is calculated according to the Medicare AIR or PPS.
 - The cost is calculated either at the AIR or the PPS.
- If the DSME program has a solo instructor, the instructor must be a registered dietitian (RD) and certified diabetes educator (CDE).



Financial Plan and Projections

Strategies to Increase DSME Program Revenue

Insurance reimbursement

- RD educators can become credentialed with healthcare insurers
- Educators need to utilize the EMR or a paper encounter form to communicate billable visits to your billing department
- Your billing department and educators must learn and adhere to each insurers' reimbursement rules for DSME

Start-up and maintenance capital

- Grants and private donations
- Fundraising events like a diabetes health fair
 - Capital from fees charged for vendors for booths

Patient out-of-pocket payments

- Insurance deductibles and co-payments
- Fee-for-service payments
- Fee payment plans for self-pay patients



Positive cash flow strategies

- Educators proactively monitor DSME insurance claims by:
 - Requesting DSME Reimbursement Tracking Report from your IT and billing departments approximately every three months
 - Collaborating with billing department personnel to:
 - Identify a reason for denied and rejected DSME claims
 - Re-bill claims if the reason (cause of denial/rejection) is internal
- Educators proactively seek to increase:
 - Provider referrals and patient self-referrals
 - PWDs' attendance in DSME program

Financial Outcome Measures

- Maximize reimbursement revenue
 - Claims to health insurers who cover DSME are reimbursed at the maximum rate within two months
 - 100 percent of DSME fees charged to self-pay patients are collected within two months
 - 100 percent of patient co-payments are collected within two months
- SO's financial expectation of DSME program is realized
 - Make a profit
 - Break-even
 - Sustain an acceptable amount of loss as the SO has other goals for the DSME program

Financial Plan and Projections (continued)

Educator Productivity Ratios

- There are four types of key “productivity ratios” of educators that are monitored and compared against the desired targets.
- The desired targets are ideal goals created by brain-storming with the DSME team, reviewing with superiors and benchmarking with other programs.

Examples of targets set by a DSME team:

- Ratio of an educator’s DSME billable hours scheduled vs. billable hours completed
 - Target = 100 percent of scheduled hours to completed hours
- Ratio of educator’s DSME billable hours completed vs. work hours scheduled to capacity
 - Target = 50 percent
- Ratio of percent of scheduled time for DSME vs. percent of time scheduled for other key tasks like financial, operational, marketing and CQI
 - Target = 85 percent for billable and non-billable DSME and 15 percent for other key tasks
- Ratio of non-billable time, such as teaching prep and charting, scheduled before and after each hour of billable time for an individual visit
 - Target = 30 minutes of non-billable time scheduled for each hour of billable time

See References, Exhibits and Tables #5 and #6

Payor Mix Reimbursement Revenue

See References, Exhibits and Tables #7

Pro Forma Income Statement (and Year 1 Budget)

Show your revenue and expense projections under different strategic assumptions.

Example:

DSME revenue (insurance reimbursement and out-of-pocket payments)
in:

- Year 1: Projection
- Year 2: Plus 10%
- Year 3: Less 10%

See References, Exhibits and Tables #8



T.I.P.S. (To Inspire Progress and Success)

Your financial plan translates your DSME goals into specific financial targets.

A financial plan is not just a prediction, it is a commitment to making desired financial measures happen. It is a tool to establish milestones to gauge financial progress and sustainability of the product or service. It is also a vital feedback and control tool for your organization.

Your financial plan should show the SO scheduled time frames that allow you to meet financial expectations of the DSME program. (i.e. make a profit, break even or sustain an acceptable loss.)



For FQHCs and RHCs

When developing your financial plan in these two practice settings, it's important to note the following facts with regard to Medicare and FQHCs and RHCs (in addition to the T.I.P.S. outlined above in the marketing plan and operations plan):

- The revenue code 0521 is used when the DSME is furnished within the FQHC or RHC.
- The revenue code 0522 is used when the DSME is furnished in the beneficiary's home.



For FQHCs Only

- Individual DSME, code G0108, is considered a core FQHC service and is payable under the FQHC's Prospective Payment System (PPS). This is a "bundled" type of payment per beneficiary per day.
- Medicare requires the FQHC to bill a specific FQHC-approved qualifying visit G code on the claim, and also an approved procedure code that corresponds to the FQHC-approved qualifying visit G code:
 - FQHC-approved qualifying visit G code G0466 = FQHC visit, new patient
 - G0108 is the procedure code for individual DSME, and corresponds to this qualifying visit code. It is entered on the claim.
 - FQHC-approved qualifying visit G code G0467 = FQHC visit, established patient
 - G0108 corresponds to this qualifying visit code and is entered on the claim.
- The Medicare payment is 80 percent of the lesser value of:
 - 1) The FQHC's PPS rateOR
 - 2) The FQHC's actual bundled charge for all approved services furnished to the beneficiary per diem

Example 1:

PPS Rate = \$160

Revenue Code	Visit Type	HCPCS	Charge
0521	G0467, medical visit established patient	G0108, 60 minutes	\$106.00

Lesser rate is \$106. CMS pays 80% of \$106, or \$84.80.

Example 2:

PPS Rate = \$160

Revenue Code	Visit Type	HCPCS	Charge
0521	G0467, medical visit established patient	G0108: DSME Individual, 60 minutes	\$106.00
0900	G0470, behavioral health visit, established patient	90791	\$132.48
Total FQHC Charges for Beneficiary:			\$238.48

Payment from CMS to this FQHC would be 80% of the lesser of its PPS rate or the total of the FQHC's actual charges: Lesser charge is \$160. CMS pays 80% of \$160, or \$128.

- The beneficiary's 20 percent co-insurance does apply for DSME.
 - [Medicare Claims Processing Manual, Ch. 9, https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c09.pdf](https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c09.pdf)
- Under PPS system, if an individual DSME visit occurs on the same day as a behavioral health visit, the DSME visit can be billed separately; the two visits can both be billed.
 - This is also true for an individual MNT visit.
- If a DSME visit is furnished on the same day as another medical visit, the two visits cannot both be billed.
 - This is because DSME is considered a medical visit and two or more medical visits on the same day for the same beneficiary are not separately billable.

PPS Rate Definition

- There is one national, unadjusted 'base' PPS rate for the FQHC-approved qualifying visit codes for all FQHCs. The rate is \$160.60 from Jan. 1, 2016, through Dec. 31, 2016.
 - This rate is updated annually by CMS to reflect inflation.

- This rate is adjusted for each FQHC based on the facility location (referred to as the ‘geographical adjustment factor’ or GAF.)
 - This can be found in FQHC PPS Geographic Adjustment Factors at <https://www.cms.gov/Center/Provider-Type/Federally-Qualified-Health-Centers-FQHC-Center.html>
- The FQHC GAF is not applied to the FQHC’s actual charges. It is only applied to the base PPS rate.
- The FQHC’s adjusted PPS rate can be calculated by multiplying the base PPS rate times the FQHC GAF for the location where the service was furnished.
- There are other adjustments to the base rate:
 - New patient adjustment: The PPS payment rate is increased by a factor of 1.3416 when a FQHC furnishes care to a patient who is new to the FQHC.
 - Initial Preventive Physical Exam and Annual Wellness Visit adjustment.
 - Only one adjustment beyond the GAF per day can be applied
 - Reference: Medicare Claims Processing Manual, Ch. 9 at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c09.pdf>
- Each FQHC determines its own exact charge for each service, which must be reasonable and uniform for all their patients.
 - Reference: Medicare Benefit Policy Manual Chapter 13 - Rural Health Clinic (RHC) and Federally Qualified Health Center (FQHC) Services Table of Contents (Rev. 220, 01-15-16)

Frequently Asked Question: Is it financially worthwhile to furnish individual DSME in an FQHC?

It depends on several factors, necessitating the creation of a pro forma that takes into account at least these factors:

- Significant expenses of salary/benefits paid to diabetes educator, teaching materials, marketing, claims processing, secretarial support, and computer hardware, software subscription fees for tracking database, nutrition practice guidelines, etc.
- The number of individual visits that comprise a full DSME Program (4, 5, 6, 7, 8 or more).
- The time frame of each individual visit.
- Total time that the educator dedicates to DSME per period of time (patient time, pre- and post-visit time, completing other DSME program responsibilities, etc).
- The average number of DSME visits completed by a beneficiary (based on the total number in a program).
- How much of the reimbursement (either AIR or PPS) will be credited to the DSMT program?



To determine quick estimates only, you may want to apply these easy “rules of thumb”:

1. For total expenses, multiply the educator’s hourly salary by 3.

Example: \$40/hour x 3 = \$120 total expenses for each 1 hour of individual DSME

2. For the number of visits that the beneficiary will attend in a DSME program, assume 50% (some people will attend one to two sessions and others will complete all sessions. Your team may assume differently.)

3. Use the geographically adjusted PPS payment rate for the FQHC, or the clinic’s charge for G0108, whichever is less. Use the FQHC’s AIR if still on the AIR system.

4. Do the math:

Total number of one hour visits per program:	10
Average number visits attended by beneficiary:	5
PPS payment rate of \$160 per diem per beneficiary (80% of \$160 paid by CMS, OR 80% of the All-Inclusive Rate is paid and is credited to program for the 60 minute individual initial visit for beneficiary:	+ \$128
Beneficiary’s 20% co-insurance payment:	+ \$32
TOTAL PAYMENTS:	= \$160
LESS estimated total expenses for visit:	\$120
EQUALS estimated profit (loss):	= \$30
PROFIT for five visits attended out of ten (\$30 x 5):	= \$150

For RHCs Only

In an RHC, the individual DSME visit is not separately billable and payable to Medicare for additional payment. The cost of furnishing the DSME is reported on the RHC’s annual cost report for payment calculated by Medicare.



Clinical Plan

In this part of your plan, the most straight-forward approach is to list the evidence-based decision support tools to be used to plan, furnish and manage the DSME services and the program altogether.

Evidence-Based Decision Support Tools

- AND's nutrition practice guidelines for diabetes, hyperlipidemia, hypertension, chronic kidney disease, weight management and other relevant diseases (published in AND's online Nutrition Care Manual)
- ADA Standards of Medical Care in Diabetes
- American Heart Association/American College of Cardiology Task Force on Practice Guidelines and the Obesity Society's 2013 Guideline for Overweight and Obesity (or most current version)
- AADE Accreditation or ADA Recognition of DSME Program (include copy of certificate to SO)
- Evidence-based DSME curriculum used

Patient Teaching Strategies Used to Improve Attendance and Outcomes

- Patient empowerment
- Motivational interviewing
- Patient educational handouts
- Teaching aids

Educator and Patients' Paper Forms Used

- DSME referral form
- DSME record
- DSME progress note (to forward to referring provider)
- Patients' behavior goals and tracking of
- Patients' desired outcomes and tracking of
- Patients' individualized DSME plan
- Patients' diabetes support plan

Other Items to Include

- EMR system templates (replace paper forms)
- CLIA-waived point-of-care tests and waivers to perform



TIP:
A satisfied customer is the best strategy of all.

T.I.P.S. (To Inspire Progress and Success)

About CLIA-Waived Point-of-Care Tests and Obtaining Waivers

CLIA is the abbreviation for the Clinical Laboratory Improvement Amendments of 1988. The act consists of federal regulatory standards that apply to all clinical laboratory testing performed on humans in the U.S., except clinical trials and basic research.

CLIA waived tests are simple tests with a low risk for an incorrect result, including:

- Tests listed in the CLIA regulations
- Tests cleared by the FDA for home use
- Tests that have been FDA approved for a waiver using CLIA criteria
- For listings of all CLIA tests waived by the FDA for use as point-of-care tests in medical entities (from January 2000 to present), visit: <http://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfClia/testswaived.cfm>
- To access the online booklet titled “How to Obtain a CLIA Certificate of Waiver”, visit: <http://www.dph.illinois.gov/sites/default/files/publications/clia-how-obtain-certificate-waiver-041316.pdf>

Notes:



Continuous Quality Improvement Plan

The Importance of a CQI Plan

A continuous quality improvement plan (CQI) provides a systematic and coordinated approach to improving the quality of your DSME program. It ensures that quality measures are continually monitored and compared to desired targets, best practice targets and previous results. It also ensures that a corrective action is taken when quality measures do not meet targets, therefore improving the quality of your DSME program.

The 3 parts of a CQI Plan

1. Patient and educator-selected behavior goals are monitored in each DSME program and key quality measures are monitored periodically during each year.
 - Quality measures to be monitored are selected by the DSME team with a focus on identifying:
 - A problem or issue of concern
 - An opportunity for improvement

See Reference, Exhibits and Tables #9 and #10

2. The problem or opportunity for improvement is translated into a CQI project. More than one CQI project will be completed every 12 months.
 - The 4 step evidence-based CQI process is used to manage the project: Plan – Do – Study – Act
3. A summary of each completed CQI project is reported to the advisory committee of your DSME program and to the administration of the SO.



Key Quality Measures for the DSME Program

Structure, process and outcome measures (patient, program and provider) are created by the DSME team for each component of the business plan: operations plan, marketing plan, clinical plan, NSDSME plan, financial plan and the CQI plan.

- Structure and process measures are monitored by the DSME team and compared to the plan's targets and best practices to:
 - Improve efficiency, quality, timeliness of the DSME service
 - Decrease costs
 - Increase revenue
 - Increase provider and patient self-referrals
 - Increase patient attendance in program

Continuous Quality Improvement Plan (continued)

- Patient outcome measures may include one or more of following:
 - Knowledge and confidence outcomes
 - Behavioral change outcomes
 - Clinical outcomes
 - Quality of life outcomes
 - Cost-savings outcomes
 - Patient satisfaction outcomes
- Continuation of AADE Accreditation or ADA Recognition beyond the initial accreditation or recognition is advised. This requires one clinical and one other outcome to be tracked.



See References, Exhibits and Tables #11, #12 and #13

T.I.P.S. (To Inspire Progress and Success)

Resources for Evidence-Based Quality Measures

- American Diabetes Association's Standards of Medical Care in Diabetes: www.diabetes.org
- National Standards of DSME: <http://care.diabetesjournals.org/content/35/11/2393>
- Position Statement on DSME of the ADA, AND and AADE, 2015: <https://www.diabeteseducator.org/news-publications/aade-news/aade-ada-and-and-issue-joint-position-statement>
 - The above contains the algorithm for referral of people with diabetes to DSME. See enlarged algorithm tables at <https://www.diabeteseducator.org/practice/practice-documents/practice-statements>
- American Association of Clinical Endocrinologists: www.aace.com

Notes:

References, Exhibits and Tables

#1

ACA Standards to Reform Healthcare Aligned with DSME Program Standards

ACA STANDARDS to Reform Healthcare	DSME Program STANDARDS
Patient-Centered Access	PROGRAM provides 24/7 access to team-based care for both routine and urgent needs of patients, families and caregivers
Team-Based Care	PROGRAM provides continuity of care using culturally and linguistically appropriate, team-based approaches
Population Health Management	PROGRAM provides evidence-based decision support and proactive care reminders based on complete patient information, health assessment and clinical data
Care Management and Support	PROGRAM systematically identifies individual patients and plans, manages and coordinates care, based on need
Care Coordination and Care Transitions	PROGRAM systematically tracks tests and coordinates care across specialty care, facility-based care and community organizations
Performance Measurement and Quality Improvement	PROGRAM uses performance data to identify opportunities for improvement and acts to improve clinical quality, efficiency and patient experience

ACA Goals to Reform Healthcare Aligned with DSME Program Development Goals

ACA GOALS to Reform Healthcare	DSME Program DEVELOPMENT GOALS
1. Emphasis on team-based care.	<ul style="list-style-type: none"> Provide continuity of care using culturally and linguistically appropriate, team-based approaches
2. Focus care management on high-need populations.	<ul style="list-style-type: none"> Focus on populations with chronic diseases for which self-management education and interventions proven to improve outcomes and thus reduce disease complications and exacerbation
3. Higher bar and alignment of QI activities with Triple AIM.	<ul style="list-style-type: none"> Continually seek to improve patient outcomes, the patient experience, clinical quality and decrease cost Conduct CQI activities annually; are subject to audit Attain/maintain DSME program AADE accreditation Submit data from previous two cycles of measurement
4. Align with EMR/EHR Meaningful Use Stage 2 (MU2)	<ul style="list-style-type: none"> Fully integrate all aspects of program in practice's EMR/EHR
5. Further integration of behavioral healthcare.	<ul style="list-style-type: none"> Use evidence-based behavior modification strategies and tools Refer patients for mental health or substance abuse care

#2

DSME Program Competition Grid

	My Program	Competitor A	Competitor B
Services Offered			
Fees			
Location			
Expertise			
Hours of Operation			
Referral Required			
Length of DSME Program			
Days of DSME Program			
Other			

#3

S.W.O.T. Analysis of DSME Program

	Main Competition	Your DSME Program
Strengths		
Weaknesses		
Opportunities		
Threats		

#4

Match each consumer brand on the right with one of these descriptions that best fits it:

- Reliable
- Safe, durable
- Different in a good way
- Fun
- Healthy
- Excellent quality

Company	Description
Apple	
Honda	
Jello	
Quaker Oatmeal	
Godiva	
FedEx	

Example:

Company	Description
Apple	<i>Different in a good way</i>
Honda	<i>Safe, durable</i>
Jello	<i>Fun</i>
Quaker Oatmeal	<i>Healthy</i>
Godiva	<i>Excellent quality</i>
FedEx	<i>Reliable</i>

#5

The following ratios are based on a 40-hour work week for the diabetes educator.

1. Ratio of educator’s DSME billable* hours scheduled vs. billable hours completed

Target = 100% of scheduled hours to completed hours

DSME Billable Face Time Hours Scheduled	divided by	DSME Billable Face Time Hours Completed	equals	Benchmark External Data
17.5 hours	÷	17.5 hours	= 100%	

*Does not include non-face-time with patient as not billable to insurers

2. Ratio of educator’s DSME billable* hours completed vs. work hours scheduled to capacity*

Target = 50%

DSME Billable Hours Completed	divided by	Work Hours Scheduled to Capacity	equals Ratio of	Benchmark External Data
17.5 hours	÷	32.5 hours	= 54%	

*Based on 1.0 FTE working 5 day/40 hour week minus lunch and break times = 32.5 work hours per week that can be scheduled

3. Ratio of percent of scheduled time for DSME vs. percent of time scheduled for other key tasks*

Target = 85% for DSME to 15% for other key tasks

Percent of Scheduled Time for DSME	to	Percent of Time Scheduled for Other Key Tasks*	Benchmark External Data
85%		15%	

*Financial, operational, marketing and CQI tasks

#5 continued

4. Ratio of non-billable pre- and post- time scheduled for each 1 hour of billable individual visit

Target = 30 minutes **non-billable** time scheduled for 1 hour of **billable** time

Non-Billable Pre- and Post-Time Scheduled	for	1 Hour of Billable Individual Visit	equals Ratio of	Benchmark External Data
Pre-visit = 15 mins Post-visit = 15 mins				
30 min. Non-Billable	for	1 hour Billable	= 30 min. /1 hr	

#6

1.0 FTE Educator Schedule in 8 Hour Day + Weekly Totals

	Billable DSME Patient Face Time	Non-Billable Pre Visit Time	Non-Billable Post-Visit Time	= Total DSME Time	+ Non-DSME Key Tasks	
Initial Individual Visit x1/day	1 hr	+15 min	+15 min	= 1 hr		
F/up Individual Visit x1/day	0.5 hr	+15 min	+15 min	= 1 hr		
Group Visit x1/day	2 hrs	+30 min	+30 min	= 3 hrs		
Non-DSME Key Tasks					1 hr	
Day Totals	3.5 hrs	+1 hr	+1 hr	=5.5 hrs	+1 hr	= 6.5 hrs
Week Totals	17.5 hrs	+5 hrs	+5 hrs	=27.5 hrs	+5 hrs	= 32.5 hrs
% of Paid Hours/Week	= 54% Billable DSME Time	= 31% Non-Billable DSME Time		= 85% Total DSME Time	= 15% Non-DSME Key Tasks	

#7

Payor Mix Reimbursement Revenue for 1 Hour of Individual DSME and 1 Hour of Group DSME (Fee for Service)

		BCBS	Other Insurance	Medicaid	Medicare	Other	Self-Pay		
		Percent of Claims Paid							
		100%	100%	100%	100%	100%	100%		
		Reimbursement						Average per 1 Hour, 1 Patient	Average per 1 Hour Group, 3 Patients
G0108	DSME Individual per 1 hr	\$80.38	\$95.50	\$21.25	\$106.70	\$60.50	\$72.25	\$70.00	
G0109	DSME Group, per 1 hr, 1 Patient	\$70.42	\$80.76	\$22.38	\$28.64	\$48.76	\$76.10	\$54.51	\$163.53
G0109	DSME Group, per 30 min Unit	\$35.21	\$40.38	\$11.19	\$14.32	\$24.38	\$38.05		Average per 30 min Group, per Patient \$27.26

Reimbursement rates are estimates. Reference: 2016 National unadjusted rates from CMS website, accessed September 2016

Groups of at least six often needed to surpass break-even point. Group reimbursement goes up for each additional patient beyond the three in the above example.

#7 continued

How to look up Medicare rates in your specific area for specific procedure codes (e.g., G0108, G0109):

1. Insert into your browser: <https://www.cms.gov/apps/physician-fee-schedule/license-agreement.aspx>
2. Click on “Accept”
3. Under “Select Medicare Administrative Contractor (MAC) Option:”, click on “Specific Locality”
4. Under “Enter values for: HCPCS Code”, enter desired procedure code; e.g., G0108 or G0109
5. Under “Modifier”, select “All Modifiers”
6. Under “MAC Locality,” select the desired locality

Website for overview of state insurance laws mandating coverage of DSME, MNT and related services by private insurers and Medicaid programs

1. Data on site published in 2011; updated with material added January 2016
2. Site is: <http://www.ncsl.org/research/health/diabetes-health-coverage-state-laws-and-programs.aspx>

Way to determine reimbursement rates for DSME and MNT from private and commercial payers

Credentialed in-network providers can access the reimbursement rates on the payer’s secure fee schedule portal on its website.

- Fees displayed are based on contracted amounts negotiated for specified treatments and interventions for each procedure code on a line-by-line, fee-for-service basis.
- Below is an example of the step-by-step instructions for providers (individual or organizational) to access the reimbursement rate for the intervention/procedure on the website’s secure portal:
 - Select the Corporate Tax ID Owner
 - Select the Physician’s or Provider’ Tax ID and Name
 - Click on the Member Information Look-up link
 - Enter the member’s DOB, zip code, name, gender, etc.
 - Select the Place of Service from the drop-down menu
 - Enter the Date to Check using the mm/dd/yyyy format or by clicking the Calendar icon.
 - Enter the Diagnosis Code or click on the magnifying glass icon.
 - Enter the CPT or HCPC code or click on the magnifying glass icon
 - Click the Search button
 - The Fee Schedule Search Results screen display

#8

Pro-Forma Income Statement	Year 1	Year 2	Year 3
DSME Program at: _____	<input type="checkbox"/> Actual <input type="checkbox"/> Projection	Plus 10%	Less 10%
DSME Revenue			
DSME Medicare Reimbursement: Ind G0108			
DSME Medicare Reimbursement: Group G0109			
DSME Medicaid Reimbursement: Individual			
DSME Medicaid Reimbursement: Group			
DSME Private Payer Reimbursement: Individual			
DSME Private Payer Reimbursement: Group			
Patient Self-Pay Revenue: Individual*			
Patient Self-Pay Revenue: Group*			
Other Revenue			
Gross DSME Revenue			
DSME Revenue			
Rent Fees in Off-Site Locations			
Salaries of Educators (_____ FTEs)			
Salaries of Staff (_____ FTEs)			
Staff Credentialing/CEU Fees			
Professional Membership Fees			
Incentives/Giveaways for Participants			
Marketing and Advertising			
EMR Related Expenses			
AADE Accreditation/ADA Recognition Fee			
DSME Curriculum			
CLIA Waived Testing			
Patient Teaching Supplies			
Office/Teaching Room Furniture			
Computers, Fax/Copy/Printer Machines			
Phones and Phone Service			
Online Subscriptions, Journal Subscriptions, Books			
Software			
Internet and Website Fees			
Repairs and Maintenance			
Licensure Fees			
Utilities Amortization			
Meetings, Seminars Fees			
Other			

#8 continued

Pro-Forma Income Statement	Year 1	Year 2	Year 3
	<input type="checkbox"/> Actual <input type="checkbox"/> Projection	Plus 10%	Less 10%
Less Total Operating Expenses			
Net Profit (or Loss)			

*Assumption: All claims paid at plan's max rate; billable educator's hours scheduled to capacity (see Ratios)

*Assumption: All balances due for self-pay payments collected at an 80% rate (20% of balances = bad debt)

Notes on DSME Operating Expenses

- The costs of items given to patients as incentives to complete the DSME program should also be included in the pro forma.
- Licensure fees may include those for the DSME curriculum, AND's online Nutrition Care Manual and professional licensure fees for program staff.
- The software may include ADA's tracking software, or AADE's online DSME program data tracking system called AADE7 System, or other deemed necessary by a coordinator, partner or SO.

Tips for successfully utilizing the pro forma income statement and ongoing analysis of DSME program actual revenue and expenses:

1. The program planners are to identify the SO's financial expectations of the DSME program:
 - Break even?
 - Make a profit?
 - OK to incur a loss of ____ percent per fiscal year?
2. An initial pro forma analysis of the DSME program is completed during this early planning phase.
 - It is completed in order to determine for the first fiscal year:
 - A projection (an estimate) of the total revenue from DSME and other services (with 10% more and 10% less)
 - A projection of the total expenses from the DSME program (with 10% more and 10% less).
 - A projection on a Net Loss or a Net Profit.
 - This early projection of how close or how far apart these financial projections are will help the DSME program planners to tweak elements of the business plan to better insure that the financial goal of the program is met in the first fiscal year.
3. This analysis is repeated at pre-planned periods during the first year of the program (e.g., every 3 or 6 months), with actual revenue and expense data.
 - The analysis is now commonly referred to as the "budget" for the DSME program.
4. The program staff then tweak elements of budget and of the DSME program's business plan in order to achieve the SO's financial goal of the program.

#9

Behavior Goal for Diabetes

Patient Name _____ Physician Name _____ Page _____

0= Never 1= Hardly Ever 2= Sometimes 3= Often 4= Almost Always 5= Always

	Initial Date:	Follow-Up Date:	Follow-Up Date:	Final Date:	For Staff Use: % Change
Healthy Eating					
Being Active					
Monitoring					
Taking Medication					
Other					

Instructor Signature _____

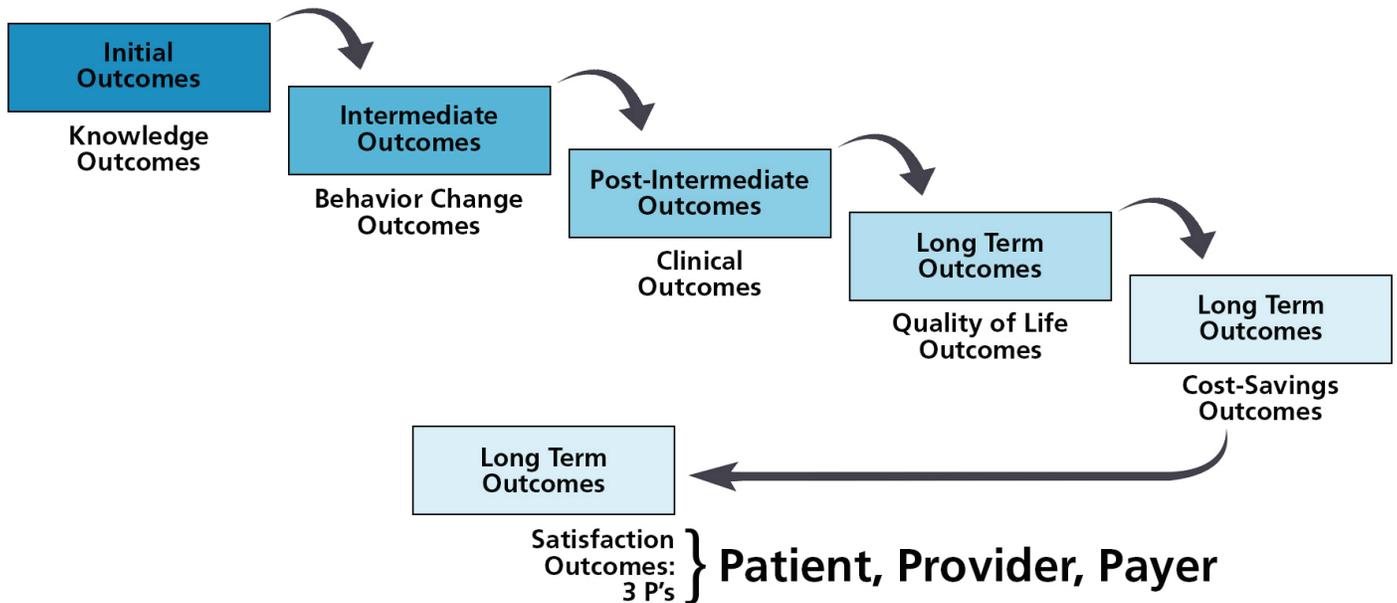
#10

Summarize and report behavior goals to referring providers

Patient Behavior Goals	Number Who Chose Goal	Number Reporting Improvement	% Who Reported Improvement	DSME Program Benchmark
Healthy Eating				
Being Active				
Monitoring				
Reducing Risks				
Taking Medication				
Problem Solving				
Healthy Coping				

#11

Evidence-Based DSME/MNT Outcomes



Reference: AADE, Outcomes Measurement: American Association of Diabetes Educators Position Statement, August 2011, Accessed 8-31-16 www.diabeteseducator.org/docs/default-source/lagacy-docs/resources/pdf/research/outcome_measurement_position_statement_2011.pdf

#12

Diabetes Outcomes Monitoring and Evaluation

Patient Name _____ Initial Year _____

Clinical Health Outcomes	Your Goals	Initial Value:	Follow Up:	Follow Up:	Follow Up:	% Change:
DATE						
Fasting blood glucose (70-130 mg)						
BG before lunch/dinner (70-130 mg)						
Bedtime blood glucose						
BG 2 hr after meals (180 mg or less)						
A1C (less than 7%)						
Blood pressure (130/80 or less)						
Weight and height						
Total cholesterol (200 mg or less)						
LDL cholesterol (100 mg or less)						
HDL cholesterol (50 mg female; 40 mg male or more)						
Triglycerides (150 mg or less)						
Waist circumference (35 in or less female; 40 in or less male)						
BMI (19.0 - 24.9)						
Rating Scale: 1 - 10 with 1 being lowest and 10 being highest						
Quality of Life	Your Goals	Rating	Rating	Rating	Rating	Rating
Energy level						
Pain, discomfort due to diabetes						
Anxiety, worry due to diabetes						
Depression						
Daily activities lost due to diabetes						
Work/school days lost due to diabetes						
Relationship problems due to diabetes						
Financial problems due to diabetes						

#12 continued

Diabetes Outcomes Monitoring and Evaluation

Patient Name _____ Initial Year _____

Page 2

Knowledge	Your Goals	Rating	Rating	Rating	Rating	Rating
Healthy eating						
Being active						
Monitoring my blood glucose						
Taking my medications as ordered						
Healthy coping of my diabetes						
Solving my diabetes problems						
Reducing diabetes risks						
Skills (confidence in being able to...)	Your Goals	Rating	Rating	Rating	Rating	Rating
Eat healthy						
Be active						
Monitor my blood glucose						
Take my medications as ordered						
Cope with diabetes problems						
Solve my diabetes problems						
Reduce diabetes risks						

#13

Summarize and report behavior goals to referring providers

DSME Patient Outcome Measures	Number Who Chose Measure	Number Reporting Improvement	% Improvement	Program Benchmark
Clinical				
A1c				
FBG				
BP				
BMI - Weight				
T-Cholesterol				
LDL-C				
HDL-C				
Triglycerides				
Quality of Life				
Energy level				
Pain, discomfort				
Vision				
Work days missed due to diabetes				
Relationship problems due to diabetes				
Financial problems due to diabetes				
Daily activities lost due to diabetes				
Depression				
Anxiety, worry due to diabetes				
Knowledge				
Healthy eating				
Being active				
Monitoring blood glucose				
Taking medications as ordered				
Healthy coping				
Solving problems				
Skills				
Eat healthy				
Be active				
Monitor blood glucose				
Take medications as ordered				
Cope with diabetes in a healthy way				
Solve diabetes problems				
Reduce diabetes risks				

*Rating Scale: 1 - 10 with 1 being lowest and 10 being highest

#14

Other References and Exhibits to Include

- Articles of incorporation or the state filing of the LLC or other legal business entity
- Resumes and job descriptions of:
 - Owner of private practice
 - DSME program coordinator
 - Diabetes educators
 - Non-clinical instructors (e.g., community health workers)
 - National Standards of DSME
 - Name of Curriculum Being Used (Do note if evidence-based.)
- Provider forms
- Patient chart forms
- Example of patient educational handouts
- Patient and provider testimonial letters
- Summary of results of recent CQI project examples: Pre-Post Behavior Survey Results, Pre/Post A1Cs, Blood Pressures, Cholesterol, and/or Weights or Quality of Life indicator examples from Table 13
- Previous year's income statement



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