



**XYZ WOUND
&
HYPERBARIC
CARE, LLC**

**BUSINESS
PLAN**

**MONTH
YEAR**

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1. EXECUTIVE SUMMARY

THE COMPANY

- XYZ Hyperbaric & Wound Care
- Owned by XYZ: XYZ Clinical Providers, PLLC
- Headquartered at 1234 ABC Parkway #201/#203, ABC, NC 27617
- Leasing 2 medical office spaces: Suite # 201 (1,762 sf) & Suite #203 (1,518 sf)
- Broad range of wound care, hyperbaric care
- Owned by John Doe

THE SERVICES

- General symptom diagnosis
- Screening & preventative care
- Active wound care management
- Hyperbaric treatment
- Fracture treatment
- Laceration repair
- Subspecialty referrals
- X-ray services

U.S. WOUND CARE CENTERS MARKET

- 2021 U.S. Wound Care Centers Market Size = \$13.5B

- 2028 U.S. Wound Care Centers Market Size = \$18.1B
- Hyperbaric Oxygen Therapy (HBOT) segment dominated the market in 2020

MARKETING

- Signage
- Internet marketing
- Print advertising
- Affiliate marketing
- Public relations

FINANCING

- **Amount** = \$650,000
- **Type:** Debt
 - SBA 504 loan = \$463,860
 - 4.85% interest
 - 25 years
 - SBA 7(A) loan = \$186,140
 - 6% interest rate
 - 10 years
- **Use:**
 - Hyperbaric equipment
 - Other medical equipment
 - Furniture & fixtures
 - Computer hardware & software
 - Working capital
 - Marketing
 - G & A

2. COMPANY OVERVIEW

2.1. MISSION STATEMENT

XYZ Hyperbaric & Wound Care' mission is to become a leading provider of wound care and hyperbaric treatment services for residents of ABC, ABC and surrounding cities.

2.2. COMPANY DESCRIPTION

XYZ Hyperbaric & Wound Care (herein also referred to as "the Company") will be owned by XYZ: Advanced Clinical Providers, PLLC, which is owned and led by John Doe, an experienced business owner and physician assistant. John Doe will be the Medical Director.

XYZ Hyperbaric & Wound Care will provide a comprehensive array of wound care and hyperbaric treatment.

XYZ Hyperbaric & Wound Care will be a wound care center in ABC, ABC that aims to improve the lives of patients in the community.

The Company will sign a 10-year lease of a 4,366 square foot of medical space located at 1234 Abc Parkway and Suite 201 (1,762 sf) & 203 (1,518 sf) at The Shoppes at ABC Place, ABC, ABC 27617.

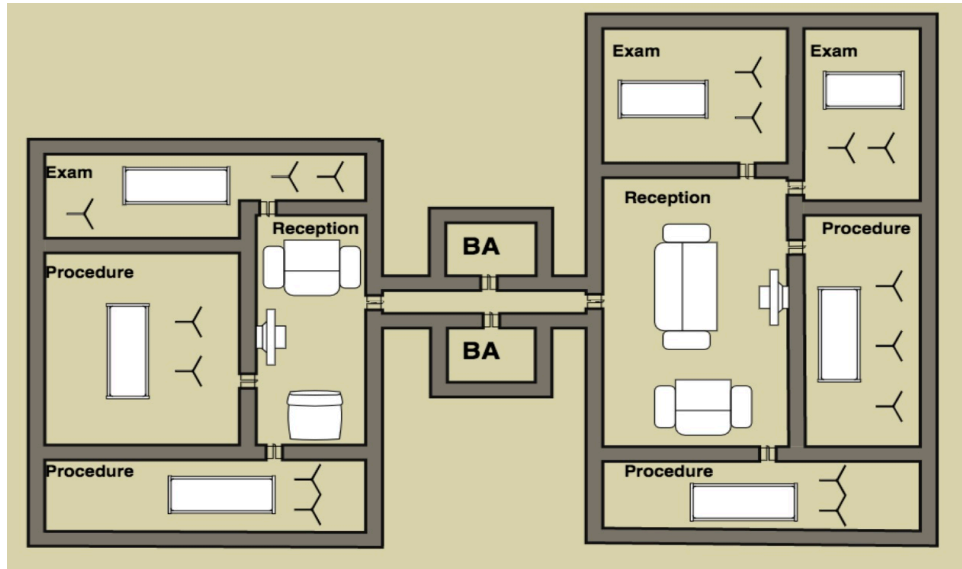
XYZ Hyperbaric & Wound Care will target 2 – 65-year-old individuals and families and particularly high school athletes, college athletes, and active individuals that can benefit from hyperbaric treatment commonly that reside in ABC, ABC.

XYZ Hyperbaric & Wound Care will promote growth within the local and regional community via Internet marketing, sales, signage, print advertising, promotions, radio advertising, and public relations.

2.3. FACILITY DESIGN & LAYOUT

The state-of-the-art facility will be located at 1234 ABC Parkway, ABC, ABC and will contain 2 units: 1 unit will specialize in hyperbaric treatment and the other unit will cater to all other types of wound care patients.

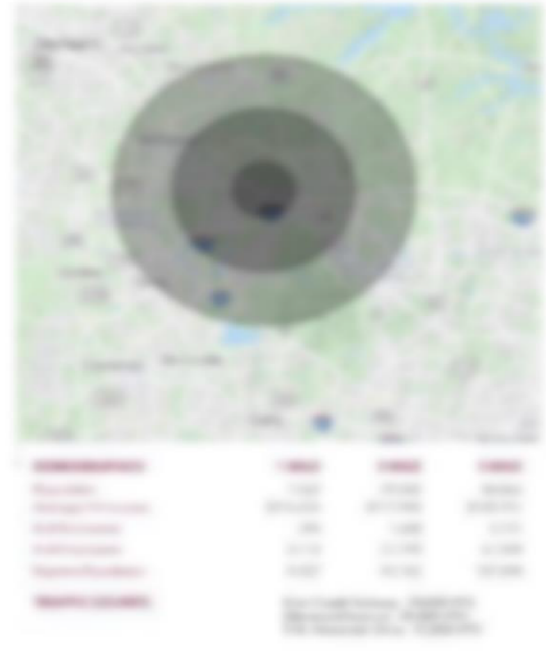
In the hyperbaric treatment unit, there will be a reception area, 1 examination room, and 2 procedure rooms (with hyperbaric chambers). In the wound care treatment unit, there will be a reception area, 2 examination rooms, 2 procedure rooms, and 1 conference room. Within a connective hallway between the 2 units, there will be 2 bathrooms that can be used by patients from either unit. Each reception area will contain leather couches, leather chairs, a smart HDTV, espresso/ coffee machine, and a filtered water dispenser.



2.4. SITE DESCRIPTION

The Company's medical practice will be situated on a highway in ABC, ABC with a lot of drive by traffic as it will be located on ABC Parkway, which is a major highway in ABC. ABC is the capital of the state of ABC and the seat of ABC County in the United States. The city covers a land area of 147.6 square miles (382 km²).

The U.S. Census Bureau estimated the city's population as 474,069 as of July 1, 2019. It is one of the fastest-growing cities in the country. The city of ABC is named after Walter ABC, who established the lost ABC Colony in present-day ABC County. The XYZ ABC encompasses the U.S. Census Bureau's ABC -



ABC Combined Statistical Area (CSA), which had an estimated population of x,xxx,xxx in 2019. The ABC metropolitan statistical area had an estimated population of x,xxx,xxx in 2019.

Most of ABC is located within ABC County, with a very small portion extending into ABC County. The towns of ABC, ABC, ABC, ABC, ABC, ABC, ABC, ABC, ABC, ABC, ABC, and ABC are some of ABC's primary nearby suburbs and satellite towns.¹



2.5. CAPITAL REQUIREMENTS

The Company will secure \$650,000 of debt financing from a 25- year loan at 4.85% interest. The Company will spend \$200,000 on building improvements, \$20,000 on furniture & fixtures, \$218,860 on hyperbaric equipment, \$10,000 on other medical equipment, and \$15,000 on computer hardware & software; the remaining \$186,140 will be available for working capital to support marketing and operations.

¹ "ABC, ABC."; Wikipedia; 2021

2.6. GROWTH STRATEGY

Ramp-up (3-6 months):

- Secure \$650,000 of debt financing
- Lease the 2 units of medical space
- Purchase medical equipment
- Purchase office furniture and fixtures
- Purchase computer hardware & software
- Develop a website
- Hire operational management and staff

Start-up Phase (Month 1 - 12):

- Train operational management and staff
- Launch a marketing campaign throughout ABC and surrounding areas
- Establish an efficient operations system
- Improve and maximize service quality
- Garner positive reviews from patients

Growth Phase (Month 13 - 24):

- Hire and train additional operational management and staff
- Implement new forms of marketing
- Improve operational efficiency
- Continue to garner positive reviews from patients

3. THE SERVICES

3.1. OVERVIEW

XYZ Hyperbaric & Wound Care will specialize in the delivery of premium hyperbaric care and wound care. The Company will provide medical services to individuals of the age of 2-75, which will include:



- Hyperbaric treatment
- Active wound care management
 - Wounds not involving subcutaneous tissue
 - Wounds involving subcutaneous tissue
 - Wounds involving muscle &/or fascia
 - Wounds involving bone
- Fracture treatment
- Laceration repair
- Ambulatory surgical & emergency care
- Subspecialty referrals

3.2. PATIENT INTAKE PROCESS

The patient intake process will be efficiently coordinated to reduce the time patients face between diagnosis and treatment. The Company will establish procedures and practices that will allow patients to experience a seamless handover from their referring physicians.

3.3. ACTIVE WOUND CARE MANAGEMENT

Active wound care procedures are performed to remove devitalized and/or necrotic tissue and promote healing. The provider is required to have direct (one-on-one) patient contact. These codes include the use of topical applications, suction, wet-to-dry dressings, application of medications with



whirlpool wound assessment, and instructions for ongoing care. CPT codes 97597 and 97598 are used for wet-to-dry dressings, application of medications with enzymes to dissolve dead tissue, whirlpool baths, minor removal of loose fragments with scissors, scraping away tissue with sharp instruments, debridement with pulse lavage, high-pressure irrigation, incision, and drainage.

These codes involve the dermis and epidermis only.

Wound debridement codes (not associated with fractures) are reported with CPT codes 11042-11047. Wound debridements are reported by the depth of tissue that is removed and the surface area of the wound. These services may be reported for injuries, infections wounds, and chronic ulcers. When performing debridement of a single wound, report depth using the deepest level of tissue removed. In multiple wounds, sum the surface area of the wounds that are at the same depth, but do not combine sums from different not combine sums from different depths. These procedures require the use of forceps, scissors, scalpel, or tissue nippers. The codes are used when the wound is intended to heal by secondary intention.

The diagnosis is usually an open wound such as a chronic venous stasis ulcer, pressure sore, or traumatic open wound that will not be closed in the near future. The Company will ensure the ICD-10-CM code assigned is specific and that documentation supports supports the diagnosis code selected.

Surgical preparation and wound excision codes are used for wound preparation in anticipation of immediate or near-future surgical reconstruction (e.g., flaps, grafts, urns, traumatic wounds, or necrotizing infection). These codes are also used for debridement of wounds that will be or a re surgically closed. Codes are chosen based on anatomic area as well as surface area of the wound or total body surface area for infants or children.

CPT codes 97605 and 97606 are used when negative-pressure wound therapy is all that is performed (e.g., placement of a wound vacuum on an open wound). These procedures may also be reported when the wound is debrided or excised and there is no closure (the wound vacuum is acting as a closure device). The Company will not report these codes when the wound vacuum is used as a dressing (e.g., the wound is closed and a wound vacuum is placed). These CPT codes now require durable medical equipment (DME (e.g., reusable equipment) and are usually electronically powered.²

The process of wound healing involves three overlapping phases:

- Inflammation – involves scab formation and infiltration of damaged tissue by white blood cells. These are responsible for removing dead tissue and ingesting bacteria.
- Proliferation – involves the development of granulation tissue, contraction of the wound and growth of epithelial cells under the dried scab

² “Wound Care Coding”; Society of Critical Care Medicine; 2018

- Maturation – wound becomes less vascular and is strengthened by the rearrangement of collagen fibers.

1. Wound thickness	
Superficial	Involves only the epidermis and the upper dermis
Partial thickness	Involves skin loss up to the lower dermis
Full thickness	Involves skin and subcutaneous tissue
Deep and complicated	Involves penetration into natural cavities, an organ or tissue
2. Wound complexity	
Simple	Affecting only one organ or tissue
Combined	Affecting multiple organs and/or tissue
3. Wound age	
Acute	Up to 8 hours from the time of injury
Chronic	After 8 hours from the time of injury
4. Wound origin	
Superficial	Breaking the skin's surface from scratching, rubbing, picking, or a graze from falling
Clean	Usually as a result of surgical intervention
Sharp	Made with a heavy blow of a cutting tool, such as a hatchet, sword
Avulsed	Fragments of tissue torn away with a sharp-edged object
Impaled	Made with a pointed tool or weapon
Crushed	Injury to tissue under the skin's surface, most common type of wound seen in traffic accidents
Chronic/ulcer	Wounds originating from primary diseases, such as diabetic ulcers, pressure ulcers, venous ulcers
Penetrating	Bullet wound, bite wound, poisoned wound

The rate at which a wound heals is dependent on several factors. These factors need to be considered before deciding on the method(s) used to treat a wound.

Factors to consider include:

- Position and size of the wound
- Tissue type (eg, sloughy, necrotic, granulating)
- Amount of exudate
- Presence or absence of infection
- Presence or absence of pain

Wounds heal fastest if they are attended to as quickly as possible after an injury. The aim should be to dress or close the wound using appropriate methods to keep it free from infection and to create an environment that promotes healing.

3.4. HYPERBARIC TREATMENT³

Hyperbaric medicine is medical treatment in which an ambient pressure greater than sea level atmospheric pressure is a necessary component. The treatment comprises hyperbaric oxygen therapy (HBOT), the medical use of oxygen at an ambient pressure higher than atmospheric pressure, and therapeutic recompression for decompression



illness, intended to reduce the injurious effects of systemic gas bubbles by physically reducing their size and providing improved conditions for elimination of bubbles and excess dissolved gas.

The equipment required for hyperbaric oxygen treatment consists of a pressure chamber, which may be of rigid or flexible construction, and a means of delivering 100% oxygen. Operation is performed to a predetermined schedule by trained personnel who monitor the patient and may adjust the schedule as required. HBOT found early use in the treatment of decompression sickness and has also shown great effectiveness in treating conditions such as gas gangrene and carbon monoxide poisoning. More recent research has examined the possibility that it may also have value for other conditions such as cerebral palsy and multiple sclerosis, but no significant evidence has been found.

Therapeutic recompression is usually also provided in a hyperbaric chamber. It is the definitive treatment for decompression sickness and may also be used to treat arterial gas embolism caused by pulmonary barotrauma of ascent. In emergencies divers may sometimes be treated by in-water recompression (when a chamber is not available) if suitable diving equipment (to reasonably secure the airway) is available.

A number of hyperbaric treatment schedules have been published over the years for both therapeutic recompression and hyperbaric oxygen therapy for other conditions.

³ “Hyperbaric Medicine”; Wikipedia; 2021

3.5. X-RAY SERVICES

Traditional X-ray imaging remains the world's most common imaging procedure. Digital X-ray sensors are used instead of traditional photographic film. Advantages include time efficiency through bypassing chemical processing and the ability to digitally transfer and enhance images.



3.6. FRACTURE TREATMENT⁴

Causes of bone fractures can include:

- Traumatic incidents such as sporting injuries, vehicle accidents and falls
- Conditions such as osteoporosis and some types of cancer that cause bones to fracture more easily, meaning even minor trauma and falls can become serious



Fractures are different from other injuries to the skeleton such as dislocations, although in some cases it can be hard to tell them apart. The symptoms of a fracture depend on the particular bone and the severity of the injury, but may include:

- Pain
- Swelling
- Bruising
- Deformity
- Inability to use the limb

Different types of fracture include:

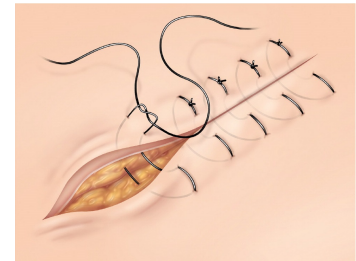
- **Closed (simple) fracture** – the broken bone has not pierced the skin
- **Open (compound) fracture** – the broken bone juts out through the skin, or a wound leads to the fracture site. Infection and external bleeding are more likely
- **Greenstick fracture** – a small, slender crack in the bone. This can occur in children, because their bones are more flexible than an adult's bones
- **Hairline fracture** – the most common form is a stress fracture, often occurring in the foot or lower leg as a result of repeated stress from activities such as jogging or running

⁴ "Bone Fractures"; Better Health Channel; 2021

- **Complicated fracture** – structures surrounding the fracture are injured. There may be damage to the veins, arteries or nerves, and there may also be injury to the lining of the bone (the periosteum)
- **Comminuted fracture** – the bone is shattered into small pieces. This type of complicated fracture tends to heal more slowly
- **Avulsion fracture** – muscles are anchored to bone with tendons, a type of connective tissue. Powerful muscle contractions can wrench the tendon free and pullout pieces of bone. This type of fracture is more common in the knee and shoulder joints
- **Compression fracture** – occurs when two bones are forced against each other. The bones of the spine, called vertebrae, can have this type of fracture. Older people, particularly those with osteoporosis, are at higher risk.

3.7. LACERATION REPAIR

The Company will first clean the cut with iodine and cover the area with a surgical drape. Then, if necessary, we sew stitches under the skin. Your body will absorb these; we won't need to remove them. We will then stitch the wound shut, clean it with saline, apply antiseptic and cover with gauze or a bandage.



3.8. SUBSPECIALTY REFERRALS

The Company will provide subspecialty referrals for progressively worsening diseases, such as referring a patient with worsening kidney function to a Nephrologist (kidney specialist) for consideration of dialysis or referring a patient with worsening foot condition to a podiatrist.



3.9. PRICING

The Company will accept patients that have Medicare, HMO, or PPO insurance. The Company has estimated its pricing for private insurance based on the assumption that prices will for insurance-based services will be 43% higher than the amount that Medicare reimburses for each service performed.⁵

⁵ "How Much More Than Medicare Do Private Insurers Pay"; KFF.org; April 15, 2020

The Company will charge the following rates per CPT codes.

	Procedure	Medicare	Private	(143% OF M
3	New patient E/M low 30-44 min	\$109.01	\$155.88	
4	New patient E/M mod 45-59 min	\$163.35	\$233.59	
2	Old patient E/M mod 10-19 min	\$54.35	\$77.72	
3	Old patient E/M mod 20-29 min	\$88.70	\$126.84	
4	Old E/M mod 30-39 min	\$126.04	\$180.24	
7	Debridement; first 20 sq cm or less	\$96.94	\$138.62	
8	Debridement; each add'l 20 sq cm or less	\$44.46	\$63.58	
2	Removal of a devitalized tissue	\$41.46	\$59.29	
5	Negative pressure wound therapy ; surface area < 50 sq cm	\$41.46	\$59.29	
6	Negative pressure wound therapy ; surface area > 50 sq cm	\$49.03	\$70.11	
7	Hyperbaric Oxygen under pressure, 30 min. interval	\$154.38	\$220.76	
1	Electrical stimulation for Stage 3 & 4 ulcers	\$12.72	\$18.19	
3	Physician attendance of hyperbaric oxygen therapy	\$106.31	\$152.02	
5	Short Leg Cast	\$72.87	\$104.20	
0	Application of Paste Boot	\$61.71	\$88.25	
5	Apply Rigid Leg Cast	\$125.75	\$179.82	
2	Debridment of subQ tissue, 1st 20 sq cm.	\$125.74	\$179.81	
5	Debridment of subQ tissue, additional 20 sq cm.	\$40.10	\$57.34	
3	Debridment of muscle, 1st 20 sq cm.	\$228.61	\$326.91	
6	Debridment of muscle, additional 20 sq cm.	\$72.09	\$103.09	
4	Debridment of bone, 1st 20 sq cm.	\$304.47	\$435.39	
7	Debridment of bone, additional 20 sq cm.	\$119.15	\$170.38	
2	Upr/l xtremity art 2 levels (ABI)	\$81.39	\$116.39	
3	Upr/lxtr art stdy 3+ levels	\$126.18	\$180.44	
4	Lwr xtr vasc stdy bilat	\$156.42	\$223.68	
	X-ray services	\$48.00	\$68.64	

The Company will charge these rates for non-insured hyperbaric oxygen therapy:

- 1 session = \$300
- 10 sessions = \$2750
- 50 sessions = \$10,000

4. THE MARKET

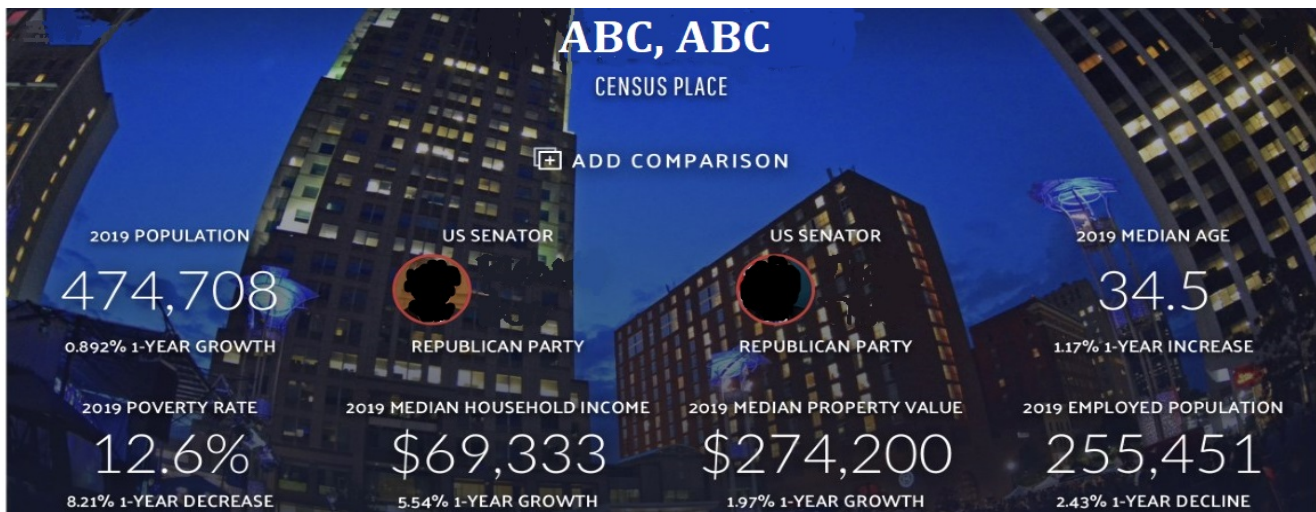
4.1. TARGET CONSUMER PROFILE

The Company's target consumer profile will consist of:

- 2 to 65-year-old individuals
- Individuals that have had a wound
- Individuals that could benefit from hyperbaric treatment

Individuals that obtain non-covered hyperbaric treatment will mostly be lower-middle to higher-higher income individuals, as this group can more easily afford the cost of the Company's services that are not covered by insurance.

4.2. ABC, ABC DEMOGRAPHIC STATISTICS⁶



4.3. U.S. WOUND CARE CENTERS MARKET ANALYSIS⁸

The U.S. wound care centers market size was USD 15.3 billion in 2021 and is expected to reach USD 18.1 billion by 2028. The market is expected to expand at a CAGR of 4.3% from 2021 to 2028.

⁶ DataUSA.io; Raleigh, NC Census Place

⁷ "U.S. Wound Care Centers Market Size, Share, & Trends Analysis Report 2020-2028 ...";

"Researchandmarkets.com; April 8, 2021

The increasing awareness regarding the use of Hyperbaric Oxygen Therapy (HBOT) , for chronic injuries and the growing geriatric population prone to various conditions, is anticipated to drive the market.

According to a report by the U.S. Census Bureau, in June 2020, the geriatric population population grew by around 34.2% over the last decade.

The growing incidences of conditions such as foot ulcers, pressure sores, sun radiation sores, caused by diabetes, and disease caused by abnormal blood circulation are expected to fuel the market in the future. The rising prevalence of diabetes is also expected to fuel the market over the next few years.

According to the American Diabetes Association, approximately 34.2 million of the population had diabetes in 2018, out of which 14.3 million adults above the age of 65 years of 65 years suffered from the disease. Patients with diabetes develop slow-healing wounds, that allow injuries to rot easily thus causing various complications such as infection near the tissue or bone.

- The Hyperbaric Oxygen Therapy (HBOT) segment dominated the market in 2020 due to its high success rate and growing demand for treating chronic injuries such as diabetic foot ulcers and arterial ulcers.
- As per an article in the American Journal of Managed Care (AMJC), approximately 230 amputations due to diabetes are reported in the U.S., every year.
- The HBOT procedures are expected to witness one of the fastest growth rates during the forecast period due to the increasing awareness about their benefits in injury healing. For instance, in March 2019, Jefferson Wound Care Center included HBOT in its service portfolio to provide better treatment to patients with non-healing injuries.
- The availability of reimbursement and regulatory updates promotes the adoption of wound care treatment. For instance, the CMS included reimbursement for HBOT for treating diabetic injuries in the lower extremities of patients.


⁸ "U.S. Wound Care Centers Market Size, Share, & Trends Analysis Report 2020-2028 ...";

"Researchandmarkets.com; April 8, 2021


- To facilitate wound care during the COVID-19 pandemic, many injury care providers launched several programs in order to treat the patients remotely. For instance, Healogics, Inc., launched its Telehealth Program, to more than 600 injury care centers and 4,000 associated injury care providers.
- The market for wound care centers in the U.S. is highly competitive in nature.

4.4. PROFILE OF DIRECT COMPETITORS

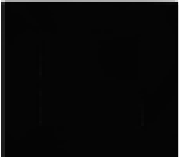
4.4.1. ABC CENTER FOR INTEGRATIVE MEDICINE

- **Address:** 1234 ABC Lane #111, ABC, ABC 12345
 - **Founded:** 1994
 - **Services:** Integrative medicine and alternative medicine
 - **Facility Size:** Small
 - **Distance:** 9.3 miles
- 

4.4.2. ABC WOUND HEALING CENTER AT ABC HOSPITAL

- **Address:** 1234 ABC Road, ABC, ABC 12345
 - **Founded:** 1894
 - **Services:** Wound care and hyperbaric treatment
 - **Facility Size:** Large
 - **Distance:** 9 miles
- 

4.4.3. XYZ OUTPATIENT REHAB DAY TREATMENT PROGRAM

- **Address:** 1234 ABC Ave, ABC, ABC 12345
 - **Founded:** 1961
 - **Services:** Comprehensive rehabilitation service and hyperbaric treatment
 - **Facility Size:** Large
 - **Distance:** 16 miles
- 

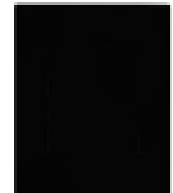
4.4.4. XYZ INTEGRATIVE MEDICAL CENTER

- **Address:** 1234 ABC Trail #210, ABC, ABC 12345
- **Founded:** 2004
- **Services:** Physical therapy and chronic pain treatment
- **Facility Size:** Medium
- **Distance:** 9.2 miles



4.4.5. HYPERBARICS ABC, MD

- **Address:** 1234 ABC Park, ABC, ABC 12345
- **Founded:** N/A
- **Services:** Hyperbaric medicine
- **Facility Size:** Small
- **Distance:** 9.4 miles



4.4.6. ABC HOSPITAL WOUND HEALING CENTER

- **Address:** 1234 ABC Rd, ABC, ABC 12345
- **Founded:** 1914
- **Services:** Treatment for non-healing wounds
- **Facility Size:** Large
- **Distance:** 12 miles



4.5. COMPETITIVE ANALYSIS

XYZ Wound Healing Center at ABC Hospital, and XYZ Med Outpatient Rehab Day Treatment Program both specialize in wound care or hyperbaric oxygen treatment.

The ABC Center for Integrative Medicine focuses on alternative medicine and Living Well Balanced Integrative Medical Center focuses on physical therapy; neither of these players specialize in wound care or hyperbaric oxygen treatment.

Hyperbarics ABC, MD offers hyperbaric care but not wound care. ABC Wound Healing Center offers wound care but not hyperbaric care.

5. MARKETING PLAN

5.1. MARKETING OVERVIEW & STRATEGY

XYZ Hyperbaric & Wound Center, LLC will implement a dynamic marketing campaign to drive business growth and maximize branding within the hyperbaric treatment industry. The goal of the marketing campaign is to promote visibility of the Company's services, and leadership in the hyperbaric treatment industry. The Company will establish further brand visibility within Southern California and surrounding areas. The Company will implement a comprehensive marketing campaign that includes:

- Internet marketing
- Public relations
- Print advertising
- Outdoor advertising
- Radio advertising
- Promotions

5.2. BRANDING STRATEGY

The Company's branding strategy will promote its image as one that is committed to corporate social responsibility, environmental friendliness, and the highest standards of operations.

5.3. SIGNAGE

The Company will feature prominent signage that is visible to walk-by and drive-by traffic.

5.3. INTERNET MARKETING

Internet advertising will be an important element of the Company's marketing campaign and it will include display advertising, PPC advertising, search engine optimization, and search engine marketing to promote the Company's services to potential and existing customers as well as consumers desiring information on the Company and its options.

The Company's website will be visually appealing, highly functional, secure, and disclose detailed information regarding the Company and its full list of services. The search engine optimization efforts will include link building, blog commenting, social network marketing, and article marketing. The Company will maintain a presence on *Google*, *Bing*, *Yelp*, and other online directories, search engines, and apps.

The Company will ensure that the Company's website and articles will be found in searches related to hyperbaric therapy, and oxygen therapy. The Company will utilize social media as well, which includes *LinkedIn*, *Facebook*, and *Instagram*.

5.4. PRINT ADVERTISING

The Company will utilize print advertising as an important means to specifically target prospective customers. This will include local and regional newspapers and magazines that appeal to the hyperbaric and oxygen treatment market. Examples of newspapers and magazines in Texas that the Company can advertise in are:

- XYZ
- XYZ
- XYZ
- XYZ
- XYZ
- XYZ

5.5. RADIO ADVERTISING

The Company will advertise on ABC radio stations. Radio stations will include:

- XYZ
- XYZ
- XYZ
- XYZ
- XYZ

5.6. OUTDOOR ADVERTISING

The Company will utilize outdoor advertising on billboards an important means to attract drive-by traffic in the surrounding area.

5.6. PUBLIC RELATIONS

The Company will pursue a strong public relations campaign to gain public awareness and credibility that will lead to good relationships with customers and distributors.

The Company will work to become valued members of the local community and will support local environmental efforts to help spread health awareness.

5.7. PROMOTIONS

The Company will offer various promotional incentives to customers for repeat business and large package deals, as well as promotional discounts during the Grand Opening and during periods that have slower sales than normal.

6. OPERATIONAL PLAN

6.1. HOURS OF OPERATION

The Company will be open Monday to Friday from 8AM – 5PM.

6.2. LEGAL STRUCTURE

The Company was established as a S-corporation in Texas.

6.3. INVENTORY MANAGEMENT

The Company's administrative staff and executive team manages and controls all inventory to maintain a sufficient and reasonable stock of supplies to conduct day-to-day business. The Company's electronic logistic system keeps track of inventory.

6.4. COMPUTER HARDWARE & SOFTWARE

The Company will purchase all of the essential computer hardware and software systems to support operations including inventory management systems, POS systems, payroll administration programs, sales management tools, managerial accounting, financial analysis, and reporting.

6.4. EQUIPMENT & SUPPLIES

The Company will purchase and use the following equipment:

- 4-Person Power Space Multiplace Pro Chamber
- 2-Person Power Space Multiplace Pro Chamber

The Company will purchase and use the following supplies:

- Scrubs
- Masks
- Gloves
- Trash cans
- Trash bags

6.6. LEGAL & INSURANCE

The Company will retain the services of a corporate attorney to handle all legal matters related to the operation of the business. This includes providing legal counsel on matters such as regulatory compliance, contract administration, employment, and corporate business issues.

The Company will manage operational risks by securing insurance to minimize business exposure associated with this type of business and ensure operations to be within the guidelines of federal, state, and local regulations.

6.7. ACCOUNTING

The Company will hire a CPA to handle its financial reporting and fiscal audit responsibilities. The administrative staff will produce monthly budgets, reports for accounts payable, accounts receivable, payroll, and operational expenditures, and will generate reports on the financial performance and condition of the Company.

6.8. LICENSING & PERMITS

The Company will obtain all licensing and permits in order to conduct day-to-day business in the state of Texas and city of Dallas.

7. THE MANAGEMENT

7.1. EXECUTIVE MANAGEMENT

7.1.1. JOHN DOE, PA-C., CHIEF OPERATING OFFICER & CHAIRMAN

Removed info



7.1.2. DR. JOHN DOE, MEDICAL DIRECTOR

Removed info



8. FINANCING

8.1. CAPITAL REQUIREMENTS

The Company will secure \$650,000 of debt financing, which will include \$200,000 for leasehold improvements, \$218,860 for hyperbaric equipment, \$20,000 for furniture & fixtures, \$10,000 for other equipment, and \$15,000 for computer hardware & software; \$186,140 will be for working capital for marketing and G & A expenses. The Company will garner \$463,860 from an SBA 504 loan (4.85% interest rate, 25-year duration) and \$186,140 from an SBA 7(A) loan (10% interest rate, 10-year duration).

Table 1 XYZ Hyperbaric & Wound Care, LLC Capital Requirements	
Capital Expenditures:	
Leasehold improvements	\$200,000
Hyperbaric equipment	\$218,860
Other equipment	\$10,000
Furniture & fixtures	\$20,000
Computer hardware & software	\$15,000
Total capital expenditures	\$463,860
Working capital:	
Marketing expenses	\$35,000
G & A expenses	\$151,140
Total working capital	\$186,140
Total capital requirements	\$650,000

8.2. RISK ANALYSIS

The Company is a start-up entity and will be managed by a professional executive team. The lead physician has a large patient base in the area that she will continue working with. Risks associated with this venture are related to future uncertainties in the marketplace and fall within the medium risk segment of the investment spectrum. Such uncertainties are associated with competition and changing industry patterns, and technological innovation. Management believes that the demand for wound care and hyperbaric care within its target geographic market will remain strong in the foreseeable future. While there can be no guarantees that the Company will be able to effectively manage the business risks associated with the economic cycle, management is confident that it will be able to effectively sustain revenues through its marketing and operations.

8.3. EXIT STRATEGY

The Company will pursue an exit strategy that includes either a sale, management buyout, or acquisition to a larger industry player seeking to grow or complement their business or a medical professional looking to acquire a business.

9. FINANCIALS

9.1. SALES PROJECTIONS

9.1.1. SALES ASSUMPTIONS

Sales:	Year 1	Year 2	Year 3	Year 4	Year 5	
# Patients visits	5%	3%	2%	1%	0%	monthly growth rate
Capacity %					1738	
# Medicare/aid patient visits	50%	50%	50%	50%	50%	of patient visits
# Private insurance/cash patient visits	50%	50%	50%	50%	50%	of patient visits
# Private insurance/cash procedures:						
New patient E/M low 30-44 min	5%	5%	5%	5%	5%	of procedures
New patient E/M mod 45-59 min	5%	5%	5%	5%	5%	of procedures
Old patient E/M 10-19 min	10%	10%	10%	10%	10%	of procedures
Old patient E/M 20-29 min	10%	10%	10%	10%	10%	of procedures
Old patient E/M 30-39 min	10%	10%	10%	10%	10%	of procedures
Debridement; first 20 sq cm or less	4%	4%	4%	4%	4%	of procedures
Debridement; each add'l 20 sq cm or less	7%	7%	7%	7%	7%	of procedures
Removal of a devitalized tissue	3%	3%	3%	3%	3%	of procedures
Negative pressure wound therapy ; surface area < 50 sq cm	7%	7%	7%	7%	7%	of procedures
Negative pressure wound therapy ; surface area > 50 sq cm	3%	3%	3%	3%	3%	of procedures
Hyperbaric oxygen therapy 30 min. interval	21%	21%	21%	21%	21%	of procedures
Electrical stimulation for stage 3 & 4 ulcers	3%	3%	3%	3%	3%	of procedures
Physician supervision of hyperbaric oxygen therapy	3%	3%	3%	3%	3%	of procedures
Short leg cast application	3%	3%	3%	3%	3%	of procedures
Unna boot application	3%	3%	3%	3%	3%	of procedures
Rigid leg cast application	3%	3%	3%	3%	3%	of procedures
Debridment of subQ tissue, 1st 20 sq cm.	3%	3%	3%	3%	3%	of procedures
Debridment of subQ tissue, additional 20 sq cm.	3%	3%	3%	3%	3%	of procedures
Debridment of muscle, 1st 20 sq cm.	3%	3%	3%	3%	3%	of procedures
Debridment of muscle, additional 20 sq cm.	3%	3%	3%	3%	3%	of procedures
Debridment of bone, 1st 20 sq cm.	3%	3%	3%	3%	3%	of procedures
Debridment of bone, additional 20 sq cm.	3%	3%	3%	3%	3%	of procedures
Upr/l xtr emity art 2 levels (ABI)	3%	3%	3%	3%	3%	of procedures
Upr/lxtr art stdy 3+ levels	3%	3%	3%	3%	3%	of procedures
Lwr xtr vasc stdy bilat	3%	3%	3%	3%	3%	of procedures
X-ray services	5%	5%	5%	5%	5%	of procedures
	124%	124%	124%	124%	124%	
# Medicare/aid procedures:						
New patient E/M low 30-44 min	5%	5%	5%	5%	5%	of procedures
New patient E/M mod 45-59 min	5%	5%	5%	5%	5%	of procedures
Old patient E/M 10-19 min	10%	10%	10%	10%	10%	of procedures
Old patient E/M 20-29 min	10%	10%	10%	10%	10%	of procedures
Old patient E/M 30-39 min	10%	10%	10%	10%	10%	of procedures
Debridement; first 20 sq cm or less	4%	4%	4%	4%	4%	of procedures
Debridement; each add'l 20 sq cm or less	7%	7%	7%	7%	7%	of procedures
Removal of a devitalized tissue	3%	3%	3%	3%	3%	of procedures
Negative pressure wound therapy ; surface area < 50 sq cm	7%	7%	7%	7%	7%	of procedures
Negative pressure wound therapy ; surface area > 50 sq cm	3%	3%	3%	3%	3%	of procedures
Hyperbaric oxygen therapy 30 min. interval	21%	21%	21%	21%	21%	of procedures
Electrical stimulation for stage 3 & 4 ulcers	3%	3%	3%	3%	3%	of procedures
Physician supervision of hyperbaric oxygen therapy	3%	3%	3%	3%	3%	of procedures
Short leg cast application	3%	3%	3%	3%	3%	of procedures
Unna boot application	3%	3%	3%	3%	3%	of procedures
Rigid leg cast application	3%	3%	3%	3%	3%	of procedures
Debridment of subQ tissue, 1st 20 sq cm.	3%	3%	3%	3%	3%	of procedures
Debridment of subQ tissue, additional 20 sq cm.	3%	3%	3%	3%	3%	of procedures
Debridment of muscle, 1st 20 sq cm.	3%	3%	3%	3%	3%	of procedures
Debridment of muscle, additional 20 sq cm.	3%	3%	3%	3%	3%	of procedures
Debridment of bone, 1st 20 sq cm.	3%	3%	3%	3%	3%	of procedures
Debridment of bone, additional 20 sq cm.	3%	3%	3%	3%	3%	of procedures
Upr/l xtr emity art 2 levels (ABI)	3%	3%	3%	3%	3%	of procedures
Upr/lxtr art stdy 3+ levels	3%	3%	3%	3%	3%	of procedures
Lwr xtr vasc stdy bilat	3%	3%	3%	3%	3%	of procedures
X-ray services	5%	5%	5%	5%	5%	of procedures
	124%	124%	124%	124%	124%	
# Non-insuranced hyperbaric treatments	4%	3%	2%	1%	0%	monthly growth rate

Revenues:						
Medicare/aid insurance reimbursements:						
New patient E/M low 30-44 min	\$109	\$112	\$114	\$117	\$120	per procedure
New patient E/M mod 45-59 min	\$44	\$46	\$47	\$48	\$49	per procedure
Old patient E/M 10-19 min	\$41	\$42	\$43	\$44	\$45	per procedure
Old patient E/M 20-29 min	\$41	\$42	\$43	\$44	\$45	per procedure
Old patient E/M 30-39 min	\$49	\$50	\$51	\$53	\$54	per procedure
Debridement; first 20 sq cm or less	\$154	\$158	\$162	\$166	\$169	per procedure
Debridement; each add'l 20 sq cm or less	\$13	\$13	\$13	\$14	\$14	per procedure
Removal of a devitalized tissue	\$106	\$109	\$111	\$114	\$117	per procedure
Negative pressure wound therapy ; surface area < 50 sq cm	\$73	\$75	\$76	\$78	\$80	per procedure
Negative pressure wound therapy ; surface area > 50 sq cm	\$62	\$63	\$65	\$66	\$68	per procedure
Hyperbaric oxygen therapy 30 min. interval	\$126	\$129	\$132	\$135	\$138	per procedure
Electrical stimulation for stage 3 & 4 ulcers	\$126	\$129	\$132	\$135	\$138	per procedure
Physician supervision of hyperbaric oxygen therapy	\$40	\$41	\$42	\$43	\$44	per procedure
Short leg cast application	\$229	\$234	\$239	\$245	\$251	per procedure
Unna boot application	\$72	\$74	\$76	\$77	\$79	per procedure
Rigid leg cast application	\$304	\$312	\$319	\$326	\$334	per procedure
Debridment of subQ tissue, 1st 20 sq cm.	\$119	\$122	\$125	\$128	\$131	per procedure
Debridment of subQ tissue, additional 20 sq cm.	\$109	\$112	\$114	\$117	\$120	per procedure
Debridment of muscle, 1st 20 sq cm.	\$163	\$167	\$171	\$175	\$179	per procedure
Debridment of muscle, additional 20 sq cm.	\$54	\$56	\$57	\$58	\$60	per procedure
Debridment of bone, 1st 20 sq cm.	\$89	\$91	\$93	\$95	\$97	per procedure
Debridment of bone, additional 20 sq cm.	\$126	\$129	\$132	\$135	\$138	per procedure
Upr/l xtrmity art 2 levels (ABI)	\$81	\$83	\$85	\$87	\$89	per procedure
Upr/lxtr art stdy 3+ levels	\$126	\$129	\$132	\$135	\$138	per procedure
Lwr xtr vasc stdy bilat	\$156	\$160	\$164	\$168	\$172	per procedure
X-ray services	\$48	\$49	\$50	\$51	\$53	per procedure
Total Medicare/aid insurance reimbursements						
Private insurance/cash patient revenues:						
New patient E/M low 30-44 min	\$138.62	\$141.88	\$145.22	\$148.63	\$152.12	per procedure
New patient E/M mod 45-59 min	\$63.58	\$65.07	\$66.60	\$68.17	\$69.77	per procedure
Old patient E/M 10-19 min	\$59.29	\$60.68	\$62.11	\$63.57	\$65.06	per procedure
Old patient E/M 20-29 min	\$59.29	\$60.68	\$62.11	\$63.57	\$65.06	per procedure
Old patient E/M 30-39 min	\$70.11	\$71.76	\$73.45	\$75.17	\$76.94	per procedure
Debridement; first 20 sq cm or less	\$220.76	\$225.95	\$231.26	\$236.70	\$242.26	per procedure
Debridement; each add'l 20 sq cm or less	\$18.19	\$18.62	\$19.05	\$19.50	\$19.96	per procedure
Removal of a devitalized tissue	\$152.02	\$155.60	\$159.25	\$162.99	\$166.83	per procedure
Negative pressure wound therapy ; surface area < 50 sq cm	\$104.20	\$106.65	\$109.16	\$111.72	\$114.35	per procedure
Negative pressure wound therapy ; surface area > 50 sq cm	\$88.25	\$90.32	\$92.44	\$94.61	\$96.84	per procedure
Hyperbaric oxygen therapy 30 min. interval	\$179.82	\$184.05	\$188.37	\$192.80	\$197.33	per procedure
Electrical stimulation for stage 3 & 4 ulcers	\$179.81	\$184.03	\$188.36	\$192.78	\$197.32	per procedure
Physician supervision of hyperbaric oxygen therapy	\$57.34	\$58.69	\$60.07	\$61.48	\$62.93	per procedure
Short leg cast application	\$326.91	\$334.59	\$342.46	\$350.51	\$358.74	per procedure
Unna boot application	\$103.09	\$105.51	\$107.99	\$110.53	\$113.13	per procedure
Rigid leg cast application	\$435.39	\$445.62	\$456.10	\$466.81	\$477.78	per procedure
Debridment of subQ tissue, 1st 20 sq cm.	\$170.38	\$174.39	\$178.49	\$182.68	\$186.97	per procedure
Debridment of subQ tissue, additional 20 sq cm.	\$155.88	\$159.55	\$163.30	\$167.13	\$171.06	per procedure
Debridment of muscle, 1st 20 sq cm.	\$233.59	\$239.08	\$244.70	\$250.45	\$256.33	per procedure
Debridment of muscle, additional 20 sq cm.	\$77.72	\$79.55	\$81.42	\$83.33	\$85.29	per procedure
Debridment of bone, 1st 20 sq cm.	\$126.84	\$129.82	\$132.87	\$136.00	\$139.19	per procedure
Debridment of bone, additional 20 sq cm.	\$180.24	\$184.47	\$188.81	\$193.24	\$197.79	per procedure
Upr/l xtrmity art 2 levels (ABI)	\$116.39	\$119.12	\$121.92	\$124.79	\$127.72	per procedure
Upr/lxtr art stdy 3+ levels	\$180.44	\$184.68	\$189.02	\$193.46	\$198.01	per procedure
Lwr xtr vasc stdy bilat	\$223.68	\$228.94	\$234.32	\$239.82	\$245.46	per procedure
X-ray services	\$68.64	\$70.25	\$71.90	\$73.59	\$75.32	per procedure
Total private insurance/cash patient revenues						
Non-insurance hyperbaric treatment revenues	\$275.00	\$281.46	\$288.08	\$294.85	\$301.78	per service
Total revenues						
Cost of Sales:						
Cost of supplies	5%	5%	5%	5%	5%	of total payments
Cost of sales - billing & collections	7.5%	7.5%	7.5%	7.5%	7.5%	of total payments

9.1.2. SALES PROJECTIONS

Table 2 XYZ Wound & Hyperbaric Care, LLC Sales & Revenue Forecast					
	Year 1	Year 2	Year 3	Year 4	Year 5
# Patients visits	7,561	11,876	15,846	18,817	19,864
# Medicare/aid patient visits	3,780	5,938	7,923	9,409	9,932
# Private insurance/cash patient visits	3,780	5,938	7,923	9,409	9,932
Revenues:					
Medicare/aid insurance reimbursements:					
New patient E/M low 30-44 min	\$20,605	\$33,125	\$45,238	\$54,982	\$59,405
New patient E/M mod 45-59 min	\$8,404	\$13,510	\$18,450	\$22,425	\$24,228
Old patient E/M 10-19 min	\$15,673	\$25,197	\$34,411	\$41,823	\$45,187
Old patient E/M 20-29 min	\$15,673	\$25,197	\$34,411	\$41,823	\$45,187
Old patient E/M 30-39 min	\$18,535	\$29,797	\$40,694	\$49,459	\$53,437
Debridement; first 20 sq cm or less	\$20,426	\$32,838	\$44,846	\$54,506	\$58,890
Debridement; each add'l 20 sq cm or less	\$3,366	\$5,411	\$7,390	\$8,982	\$9,704
Removal of a devitalized tissue	\$10,047	\$16,152	\$22,059	\$26,810	\$28,967
Negative pressure wound therapy ; surface area < 50 sq cm	\$17,906	\$28,786	\$39,312	\$47,780	\$51,623
Negative pressure wound therapy ; surface area > 50 sq cm	\$5,832	\$9,376	\$12,804	\$15,563	\$16,814
Hyperbaric oxygen therapy 30 min. interval	\$99,829	\$160,488	\$219,176	\$266,386	\$287,813
Electrical stimulation for stage 3 & 4 ulcers	\$11,883	\$19,104	\$26,090	\$31,710	\$34,261
Physician supervision of hyperbaric oxygen therapy	\$3,790	\$6,093	\$8,320	\$10,113	\$10,926
Short leg cast application	\$25,927	\$41,680	\$56,922	\$69,183	\$74,748
Unna boot application	\$6,813	\$10,953	\$14,958	\$18,180	\$19,643
Rigid leg cast application	\$28,775	\$46,259	\$63,176	\$76,784	\$82,960
Debridment of subQ tissue, 1st 20 sq cm.	\$11,261	\$18,103	\$24,723	\$30,048	\$32,465
Debridment of subQ tissue, additional 20 sq cm.	\$10,302	\$16,562	\$22,619	\$27,491	\$29,702
Debridment of muscle, 1st 20 sq cm.	\$15,438	\$24,818	\$33,894	\$41,195	\$44,508
Debridment of muscle, additional 20 sq cm.	\$5,137	\$8,258	\$11,277	\$13,706	\$14,809
Debridment of bone, 1st 20 sq cm.	\$8,383	\$13,477	\$18,405	\$22,369	\$24,168
Debridment of bone, additional 20 sq cm.	\$11,912	\$19,150	\$26,153	\$31,786	\$34,343
Upr/l xtrmity art 2 levels (ABI)	\$7,692	\$12,366	\$16,888	\$20,526	\$22,177
Upr/lxtr art stdy 3+ levels	\$11,925	\$19,171	\$26,182	\$31,821	\$34,381
Lwr xtr vasc stdy bilat	\$14,783	\$23,766	\$32,456	\$39,447	\$42,620
X-ray services	\$4,536	\$7,293	\$9,960	\$12,105	\$13,079
Total Medicare/aid insurance reimbursements	\$414,851	\$666,929	\$910,813	\$1,107,003	\$1,196,046
#REF!					
Private insurance/cash patient revenues:					
New patient E/M low 30-44 min	\$1,310	\$2,106	\$2,876	\$3,496	\$3,777
New patient E/M mod 45-59 min	\$601	\$966	\$1,319	\$1,603	\$1,732
Old patient E/M 10-19 min	\$2,241	\$3,603	\$4,921	\$5,981	\$6,462
Old patient E/M 20-29 min	\$2,241	\$3,603	\$4,921	\$5,981	\$6,462
Old patient E/M 30-39 min	\$2,650	\$4,261	\$5,819	\$7,073	\$7,642
Debridement; first 20 sq cm or less	\$1,022	\$1,644	\$2,245	\$2,728	\$2,947
Debridement; each add'l 20 sq cm or less	\$337	\$542	\$740	\$899	\$971
Removal of a devitalized tissue	\$359	\$577	\$789	\$958	\$1,036
Negative pressure wound therapy ; surface area < 50 sq cm	\$1,664	\$2,676	\$3,654	\$4,441	\$4,798
Negative pressure wound therapy ; surface area > 50 sq cm	\$208	\$335	\$458	\$556	\$601
Hyperbaric oxygen therapy 30 min. interval	\$29,979	\$48,195	\$65,818	\$79,996	\$86,430
Electrical stimulation for stage 3 & 4 ulcers	\$425	\$683	\$933	\$1,134	\$1,225
Physician supervision of hyperbaric oxygen therapy	\$135	\$218	\$297	\$362	\$391
Short leg cast application	\$1,112	\$1,788	\$2,442	\$2,968	\$3,207
Unna boot application	\$244	\$392	\$535	\$650	\$702
Rigid leg cast application	\$1,029	\$1,654	\$2,259	\$2,745	\$2,966
Debridment of subQ tissue, 1st 20 sq cm.	\$403	\$647	\$884	\$1,074	\$1,161
Debridment of subQ tissue, additional 20 sq cm.	\$368	\$592	\$809	\$983	\$1,062
Debridment of muscle, 1st 20 sq cm.	\$552	\$887	\$1,212	\$1,473	\$1,591
Debridment of muscle, additional 20 sq cm.	\$184	\$295	\$403	\$490	\$529
Debridment of bone, 1st 20 sq cm.	\$300	\$482	\$658	\$800	\$864
Debridment of bone, additional 20 sq cm.	\$426	\$685	\$935	\$1,136	\$1,228
Upr/l xtrmity art 2 levels (ABI)	\$275	\$442	\$604	\$734	\$793
Upr/lxtr art stdy 3+ levels	\$426	\$685	\$936	\$1,138	\$1,229
Lwr xtr vasc stdy bilat	\$528	\$850	\$1,160	\$1,410	\$1,524
X-ray services	\$162	\$261	\$356	\$433	\$468
Total private insurance/cash patient revenues	\$49,183	\$79,068	\$107,981	\$131,240	\$141,797
Total revenues	\$464,034	\$745,997	\$1,018,794	\$1,238,243	\$1,337,843
Cost of Sales:					
Cost of supplies	\$23,202	\$37,300	\$50,940	\$61,912	\$66,892
Cost of sales - billing & collections	\$3,689	\$5,930	\$8,099	\$9,843	\$10,635
Total cost of sales	\$26,890	\$43,230	\$59,038	\$71,755	\$77,527
Gross margin	\$464,034	\$745,997	\$1,018,794	\$1,238,243	\$1,337,843

9.2. OPERATING EXPENSES

9.2.1. GENERAL & ADMINISTRATIVE EXPENSES

Table 3 XYZ Wound & Hyperbaric Care, LLC General & Administrative Expenses					
	Year 1	Year 2	Year 3	Year 4	Year 5
Wages & salaries	\$295,700	\$488,060	\$499,683	\$511,584	\$523,767
Payroll expense	29,570	48,806	49,968	51,158	52,377
Benefits	11,828	19,522	19,987	20,463	20,951
Liability insurance	3,082	999	1,364	1,658	1,791
Internet	5,400	5,940	6,237	6,384	6,534
Telephone	4,200	4,620	4,851	4,965	5,082
Accreditation consulting	11,000	-	-	12,000	-
Office expense	3,000	3,750	4,313	4,420	4,531
Legal fees	9,000	11,250	12,938	13,261	13,592
Management consulting	20,000	25,000	28,750	42,000	42,987
Travel	4,200	5,250	6,038	6,179	6,325
Meals & entertainment	3,000	3,750	4,313	4,414	4,518
Utilities	12,000	15,000	17,250	17,655	18,070
Security	1,500	1,875	2,156	2,207	2,259
Waste disposal & shredding	3,000	3,750	4,313	4,414	4,518
Bambi HR	2,400	3,000	3,450	3,623	3,713
Total general & administrative expenses	\$418,880	\$640,572	\$665,610	\$706,385	\$711,013

9.2.2. MARKETING EXPENSES

Table 4 Hyperbaric & O2 Wellness Center, Inc. Marketing Expenses					
	Year 1	Year 2	Year 3	Year 4	Year 5
Marketing materials	\$18,000	\$6,750	\$6,885	\$6,885	\$6,885
Internet marketing	\$30,000	\$33,750	\$34,459	\$35,294	\$36,176
Outdoor advertising	\$18,000	\$20,250	\$20,696	\$21,213	\$21,743
Print advertising	\$24,000	\$27,000	\$27,711	\$28,404	\$29,114
Radio advertising	\$24,000	\$26,550	\$27,214	\$27,894	\$28,591
Public relations	\$13,500	\$14,850	\$15,221	\$15,602	\$15,992
Total marketing expenses	\$127,500	\$129,150	\$132,185	\$135,291	\$138,501

9.2.3. STAFF HEADCOUNT & SALARIES

Table 5 XYZ Wound & Hyperbaric Care, LLC Staff Headcount					
	Year 1	Year 2	Year 3	Year 4	Year 5
Medical Director	1	1	1	1	1
Medical Assistant	1	1	1	1	1
Nurse Practitioner	1	2	2	2	2
Office Manager	-	1	1	1	1
Receptionist	2	2	2	2	2
Billing Manager	1	1	1	1	1
Accountant	1	1	1	1	1
Total Headcount	7	9	9	9	9

Table 6 XYZ Wound & Hyperbaric Care, LLC Staff Salaries					
	Year 1	Year 2	Year 3	Year 4	Year 5
Medical Director	\$100,000	\$102,500	\$105,063	\$107,689	\$110,381
Medical Assistant	\$43,200	\$44,215	\$45,254	\$46,318	\$47,406
Nurse Practitioner	\$100,000	\$102,350	\$104,755	\$107,217	\$109,737
Office Manager	\$0	\$65,000	\$66,528	\$68,091	\$69,691
Receptionist	\$35,000	\$35,823	\$36,664	\$37,526	\$38,408
Billing Manager	\$80,000	\$81,880	\$83,804	\$85,774	\$87,789
Accountant	\$55,000	\$56,293	\$57,615	\$58,969	\$60,355

9.3. PRO-FORMA FINANCIAL STATEMENT SUMMARIES

9.3.1. INCOME STATEMENT

Schedule 1 XYZ Wound & Hyperbaric Care, LLC Pro-Forma Income Statement					
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues	\$526,015	\$841,005	\$1,148,545	\$1,395,942	\$1,337,216
Cost of Sales	\$26,890	\$43,230	\$59,038	\$71,755	\$77,527
Marketing expense	\$127,250	\$129,150	\$132,185	\$135,291	\$138,471
General & administrative	\$416,536	\$640,760	\$665,866	\$706,696	\$711,349
Income (loss) from operations	(\$44,661)	\$27,865	\$291,456	\$482,200	\$409,870
Depreciation & amortization	\$23,924	\$23,924	\$23,924	\$25,591	\$25,591
Interest expense	\$34,771	\$31,986	\$29,028	\$25,889	\$22,555
Interest income	\$3,262	\$7,586	\$16,389	\$30,810	\$58,697
Income before taxes	(\$100,095)	(\$20,459)	\$254,892	\$461,531	\$420,420
Income taxes	\$0	\$0	\$0	\$0	\$0
Net income	(\$100,095)	(\$20,459)	\$254,892	\$461,531	\$420,420

9.3.2. STATEMENT OF CASH FLOWS

Schedule 2 XYZ Wound & Hyperbaric Care, LLC Pro-Forma Statements of Cash Flows					
	Year 1	Year 2	Year 3	Year 4	Year 5
Cash flows from operations:					
Net Income:	(\$100,095)	(\$20,459)	\$254,892	\$461,531	\$420,420
Depreciation & amortization	\$23,924	\$23,924	\$23,924	\$25,591	\$25,591
Increase (decrease) in accrued liabilities	\$14,877	(\$7,149)	\$184	\$188	\$193
Increase (decrease) in accrued taxes	\$0	\$0	\$0	\$0	\$0
Increase (decrease) in accounts payable	\$3,061	(\$191)	\$430	\$606	\$93
(Increase) decrease in accounts receivable	(\$5,285)	\$3,256	(\$1,308)	(\$473)	(\$129)
Net cash flows from operations	(\$63,517)	(\$620)	\$278,123	\$487,443	\$446,168
Cash flows from investing:					
Capital expenditures	\$408,860	\$0	\$0	\$15,000	\$0
Prepaid expenses	\$0	\$0	\$0	\$0	\$0
Net cash flows from investing	\$408,860	\$0	\$0	\$15,000	\$0
Cash flows from financing:					
Proceeds from issuance of debt	\$600,000	\$0	\$0	\$0	\$0
Debt service payments	(\$45,163)	(\$47,949)	(\$50,906)	(\$54,046)	(\$57,380)
Net cash flows from financing	\$554,837	(\$47,949)	(\$50,906)	(\$54,046)	(\$57,380)
Net increase (decrease) in cash	\$82,459	(\$48,569)	\$227,217	\$418,396	\$388,789
Beginning cash balance	\$0	\$82,459	\$33,890	\$261,107	\$679,504
Ending cash balance	\$82,459	\$33,890	\$261,107	\$679,504	\$1,068,292

9.3.3. BALANCE SHEET

Schedule 3 XYZ Wound & Hyperbaric Care, LLC Pro-Forma Balance Sheet					
	Year 1	Year 2	Year 3	Year 4	Year 5
Assets:					
Current assets:					
Cash & marketable items	\$82,459	\$33,890	\$261,107	\$679,504	\$1,068,292
Prepaid expenses	\$0	\$0	\$0	\$0	\$0
Accounts receivable	\$5,285	\$2,029	\$3,337	\$3,810	\$3,939
Total current assets	\$87,744	\$35,920	\$264,444	\$683,314	\$1,072,231
Net non-current assets:	\$384,936	\$361,012	\$337,088	\$326,497	\$300,907
Total assets	\$472,680	\$396,932	\$601,532	\$1,009,811	\$1,373,138
Liabilities & shareholders' equity:					
Current liabilities:					
Accounts payable	\$3,061	\$2,870	\$3,300	\$3,906	\$3,999
Accrued liabilities	\$14,877	\$7,728	\$7,912	\$8,100	\$8,293
Accrued taxes	\$0	\$0	\$0	\$0	\$0
Total current liabilities	\$17,938	\$10,597	\$11,212	\$12,006	\$12,292
Total long-term liabilities	\$554,837	\$506,888	\$455,981	\$401,935	\$344,556
Total liabilities	\$572,775	\$517,485	\$467,193	\$413,942	\$356,848
Shareholders' equity:					
Common stock	\$0	\$0	\$0	\$0	\$0
Retained earnings	(\$100,095)	(\$120,554)	\$134,338	\$595,869	\$1,016,290
Total shareholders' equity	(\$100,095)	(\$120,554)	\$134,338	\$595,869	\$1,016,290
Total liabilities & equity	\$472,680	\$396,932	\$601,532	\$1,009,811	\$1,373,138