



April 28, 2009

In reviewing our income for the last two quarters we found an interesting fact. For the first quarter we ran a normal insurance based practice. In April, we switched to cash model. The results were remarkable

Profit:

First Quarter: January, February, March: \$2651.15
(Traditional marketing) see definition page:

Second Quarter: April 1st – 24th **\$13,520.38**
(Internal group marketing, averaging 6 at a time)

In less than one month our profit for the 2nd quarter is up \$10,869.23 total over 1st quarter. These are actual numbers based on our Sandpoint Clinic. We began the targeted internal group marketing on April 2, 2009. (See attached)

We will begin our 2nd targeted program on May 7th. For this program we will use a poster (see attached) posted in the FAST Clinic Sandpoint and in a local restaurant. The target for this poster will be Chronic Back. On May 21st we will target Chronic Headache, on June 11th we will target Shoulders, on June 25th we will target Chronic Back, etc.



Profitability Example
Insurance Vs. Cash

| | INSURANCE CLIENTS | Per Visit | CASH CLIENTS | Per Visit |
|-----------------------|------------------------------------------------------------------------|------------------|-----------------------------------------------------------------------|------------------|
| Direct Labor: | P.T. or Dr. present must be present | \$30.00 | PTA, Trainer, C.A. | \$15.00 |
| Overhead: | \$30 x 125 = (direct labor x 125%) | \$37.50 | \$15 x 125 = (direct labor x 125%) | \$18.75 |
| Marketing | * Traditional | | **Internal | |
| | \$400. ÷ 1 ÷ 12 = (est. cost ÷ # clients÷# visits) | \$33.00 | \$400. ÷ 6 ÷ 24 = (est. cost ÷ # clients÷# visits) | \$3.00 |
| Cost Per Visit | \$30 + \$37.50 + \$33.00 = (direct labor + overhead + marketing) | \$100.50 | \$15 + \$18.75 + \$3.00 = (direct labor + overhead + marketing) | \$36.75 |
| Reimbursement | average payment | \$130.00 | average payment | \$130.00 |
| Profit | \$130 - \$100.50 = (average payment - cost per visit) | \$29.50 | \$130 - \$36.75 = (average payment - cost per visit) | \$93.25 |

* Traditional Marketing – Dr's, newspaper, radio, etc (patients tend to come in one at a time)

** Internal Marketing – mini seminars, dinners, marketing directly to patient referrals (we are averaging 6 per function) because our program works so well, this number continues to go up as our patient number increases

| | 1 st QUARTER | | | | 2 nd QUARTER | | | |
|---------------------------|-----------------|------------------|-----------------|------------------|------------------|------------|------------------|------------------|
| | JAN | FEB | MAR | QTD TOTAL | APR | MAY JUN | QTR TOTAL | YTD TOTAL |
| | | | | | 4/24/2009 | | | 4/24/2009 |
| INCOME | | | | | | | | |
| Client Income | 1,060.00 | 2,720.00 | 1,070.00 | 4,850.00 | 1,730.00 | | 1,730.00 | 6,580.00 |
| Massage Therapy | 35.00 | 45.00 | 110.00 | 190.00 | | | 0.00 | 190.00 |
| Rehab-Private Pay-Eval | | | | 0.00 | | | 0.00 | 0.00 |
| Rehab-Private Pay | 3,642.00 | 3,000.00 | 4,772.00 | 11,414.00 | 17,497.00 | | 17,497.00 | 28,911.00 |
| Rehab Insurance Reimb | 4,747.65 | 4,319.98 | 1,583.22 | 10,650.85 | 850.08 | | 850.08 | 11,500.93 |
| Uncategorized Income | | | | 0.00 | | | 0.00 | 0.00 |
| Resales Income | | | | 0.00 | | | 0.00 | 0.00 |
| | | | | | | | | 0.00 |
| TOTAL INCOME | 9,484.65 | 10,084.98 | 7,535.22 | 27,104.85 | 20,077.08 | | 20,077.08 | 47,181.93 |
| Cost of Goods Sold | | | | 0.00 | | | | |
| | | | | | | | | |
| GROSS INCOME | 9,484.65 | 10,084.98 | 7,535.22 | 27,104.85 | 20,077.08 | | 20,077.08 | 47,181.93 |
| EXPENSES | | | | | | | | |
| Adv/Business Pro | 125.00 | 175.75 | 750.00 | 1,050.75 | | | 0.00 | 1,050.75 |
| Bank Service Charges | | | 7.00 | 7.00 | | | 0.00 | 7.00 |
| Bonus | | | | 0.00 | | | 0.00 | 0.00 |
| Contract Labor | | | | 0.00 | | | 0.00 | 0.00 |
| Donations | | | | 0.00 | | | 0.00 | 0.00 |
| Education | | | | 0.00 | | | 0.00 | 0.00 |
| Entertainment-Food | | | | 0.00 | | | 0.00 | 0.00 |
| Finance Charge/Late Fees | 1.88 | | | 1.88 | | | 0.00 | 1.88 |
| Ins- Malpractice | | | 734.75 | 734.75 | | | 0.00 | 734.75 |
| Ins-Workmans Comp | | 173.00 | | 173.00 | | | 0.00 | 173.00 |
| Interest - LOC | 81.88 | | | 81.88 | | | 0.00 | 81.88 |
| Leased Services | 2,250.00 | 2,250.00 | 2,250.00 | 6,750.00 | 2,250.00 | | 2,250.00 | 9,000.00 |
| Maintenance & Repairs | | | | 0.00 | | | 0.00 | 0.00 |
| Misc | | | 219.20 | 219.20 | | | 0.00 | 219.20 |
| Payroll Taxes | 453.42 | 361.18 | 401.18 | 1,215.78 | 378.59 | | 378.59 | 1,594.37 |
| Physical Therapy Supplies | 48.20 | | | 48.20 | | | 0.00 | 48.20 |
| Postage/Shipping | | | | 0.00 | | | 0.00 | 0.00 |
| Professional Fees-Legal | 365.79 | 341.78 | 226.57 | 934.14 | | | 0.00 | 934.14 |
| Selkirk Technology | | | | 0.00 | | | 0.00 | 0.00 |
| Supplies | 63.05 | 113.81 | | 176.86 | 70.04 | | 70.04 | 246.90 |
| Telephone | 79.35 | 78.34 | 77.57 | 235.26 | 77.57 | | 77.57 | 312.83 |
| Travel & Entertainment | | | | 0.00 | | | 0.00 | 0.00 |
| Wages | 4,862.90 | 3,873.60 | 4,088.50 | 12,825.00 | 3,780.50 | | 3,780.50 | 16,605.50 |
| | | | | | | | 0.00 | |
| TOTAL EXPENSES | 8,331.47 | 7,367.46 | 8,754.77 | 24,453.70 | 6,556.70 | | 6,556.70 | 31,010.40 |
| Net Income/Loss | 1,153.18 | 2,717.52 | 1,219.55 | 2,651.15 | 13,520.38 | | 13,520.38 | 16,171.53 |



April 2, 2009 Dinner:

On April 2, 2009 the FASTER clinic of Sandpoint held a marketing/promotion dinner. Although the dinner was targeted towards people with low back pain, other aspects of the clinic such as the performance program, headache and migraine program, shoulder program, clinic history and factual information were advertised in a revolving power point presentation that played while dinner was being served and when patients were being seated prior to the start of the presentation.

**4/2/09
- Dinner**

| Dinner Cost | Number of People who came | Number of Consults signed up | Number of Consults who showed | Number of No Shows | Number who paid for evaluation | Number of patients after 1 month | Number of Patients referred since | Collected | Profit/Loss |
|-------------|---------------------------|------------------------------|-------------------------------|--------------------|--------------------------------|----------------------------------|-----------------------------------|-------------|--------------------|
| \$1,104.50 | 26 | 9 | 9 | 0 | 8 | 7 | 5 | | |
| | | | | | | | Cash | \$22,400.00 | |
| | | | | | | | Ins Billed (Est) | \$20,000.00 | |
| | | | | | | | Ins Billed (Exp) | \$14,000.00 | |
| | | | | | | | TOTAL | \$36,400.00 | \$35,295.50 |

Notes:

- a) The number of potential clients from the dinner was 9 and the number of people referred to the dinner by already existing FASTER patients was 9.
- b) Total collected *includes* an estimate of insurance reimbursement.
- c) The breakdown for the 4/2/09 dinner event is as follows:

| | |
|----------------------------------|-------------------|
| Dinner Service (Tango Café)..... | \$604.50 |
| PSB Rental fee..... | \$500.00 |
| TOTAL | \$1,104.50 |

- d) All attendees were from word of mouth referral.
- e) The total number of people who came includes FASTER staff members, testimonial patients and their guests.
- f) In the end, a total of \$1,104.50 was spent on the event with a collection of \$22,400.00 cash and **net profit of \$21,295.50**. This is a **1928% return on our investment**. *This amount is only representative of monies already collected.*