

Social Business Plan Competition Submission

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Social Problem Addressed - The Social Business Opportunity

Rural communities throughout the United States often lack access to quality, affordable health care. In Oregon there are over 40 areas designated by the Office of Rural Health as having severe unmet healthcare needs. This designation is based on factors including whether primary, preventative, and infant health care needs are being met, and the travel time to get to the nearest hospital. By integrating two current health care service models and funding the new model with a community-based membership program, there is an opportunity to provide low cost healthcare to rural Oregon communities who are currently going without.

Solution Proposed - Business Model, Product/Services/Programs

By focusing on preventative care and basic primary care needs, our mobile healthcare clinic (MHC) called the Oregon Community Health Van, will serve communities on a bi-monthly basis, bringing affordable healthcare services (due to our lower overhead) to communities in need. Furthermore, by using a high quality-low cost approach, our MHC will be affordable to all, regardless of whether or not they currently have insurance.

Business Model

MHCs that are currently in use operate mostly in cities, use traditional insurance, and focus on acute care. Our next generation MHC will serve more remote communities currently with limited or no direct access, use a community membership program as its primary basis for funding, and will focus on preventative care. We will charge a monthly fee covering all services we offer during visits to members' areas, while also providing continual service to our patients through the use of telehealth services. This includes phone support and diagnosis through a webcam that would be accessible to our patients at a designated local partner facility such as a community school or library. This model of providing direct primary care through a membership program cuts down the service barriers that health insurance creates by using high co-payments. It also incentivizes patients to receive preventative care checkups since members can save on other forms of care if they participate in the preventative program.

Market Analysis and Strategy

We will be targeting rural areas of Oregon designated as having high levels of unmet healthcare needs, initially focusing on 7 communities with a combined population of over 20,000 in Oakridge, Klamath County, and Lake County. These areas are designated by the Oregon Office of Rural Health as being medically underserved.

Strategy

In order to enter these markets we plan to tap into the strong social capital that exists throughout community networks such as churches, farmer cooperatives, and other rural social groups. Our plan is to offer discounted membership rates for families, social groups, children, and the elderly. We will begin by gaining the support of respected opinion leaders within social networks who will be able to help mobilize individuals in the community to help each other out by becoming members - increased membership will drive down costs for all. We also will partner with regional hospitals, which will benefit from our services because a focus on preventative, infant, and elder care, particularly for the underinsured, will reduce overall costs for emergency rooms and hospitals at more distant locations. Additionally we will partner with regional Coordinated Care Organizations in order to reach more patients and expand awareness about our services. Finally, we will

lower costs by taking advantage of the State of Oregon's new program that repays student debt for those who participate in rural health care programs.

Launch Strategy and requirements

To enter our target markets and establish our cooperative plan, we will first proactively network with local townspeople and social groups. The first phase of our pre-launch will focus on health education and on generating membership pledges through existing social networks with the help of community leaders. Once public knowledge and initial health education has generated ample membership pledges, we will initiate collections of member fees, invest in a mobile medical van, and start travelling to the target areas and stopping in each of the seven initial towns along our planned route, spending roughly two days in each town. We will return every two weeks. In the first phase, we will need an education and mobilization team. In the launch phase, we will need a mobile clinic vehicle, a sleeper vehicle, a doctor to manage treatment, an RN, and a driver. Upon the first visit, we will provide primary and preventative care at an affordable price. By offering excellent, reliable services, our membership will continue to grow and, over time, will account for the majority of our revenues, yet we will still offer fee-for-service visits, welcoming any patient who wishes to get treated.

Financial Plan and Sustainability

Costs

The initial capital required to start our MHC is expected to be \$125,000. This includes the cost of a renovated motor home clinic previously used as a MHC, a sleeper trailer that would be towed behind, and initial medical supplies needed. In order to secure this startup financing we will obtain grants, and if necessary apply for 0% interest loans from social lenders.. We estimate that operating costs, based on comparison to current MHCs, to be \$260,000 annually, including staff salaries, food costs, medical supplies, gas, and maintenance. Furthermore, our pre-launch/membership drive allows us to start out with lower overhead, signing on member pledges before needing to secure the major startup cost of purchasing our vehicle.

Revenues

Revenues are based on an average membership fee of \$50/month with actual rates varying based on age and group/family discounts. At this price, in order to cover operating costs, we would need to sign up 434 members. We believe that based on the size of our target market, and our strategies for acquiring members, we will be able to sign on closer to 500 members, allowing us to pay back any loans we took out in startup financing, and giving us a cushion to cover any unexpected costs. This additional profit will also be directed towards expanding our social mission, serving a greater area and offering more affordable rates.

Growth

We are expecting 20% growth in member base per year for the first three years based on the size of the market as well as us being the only direct provider in the community. We will also seek to expand membership by providing incentives for member recruitment and referrals from partnered organizations including CCOs and regional hospitals.

Impact Summary

The Oregon Community Health Van will provide people living in rural areas with regular, accessible healthcare which was previously unavailable to them. Our model lowers the cost of healthcare allowing more people to be served. Our company will greatly improve the quality of life for those it serves as we provide preventative care and frequent visits communities who don't have local healthcare access. As our company grows, services offered will expand to cover dental and other areas while all profits are reinvested into creating more care opportunities for members.