

## Instructions for PCN Budget Model for Renewing PCNs (revised July 2009)

### **READ THIS FIRST**

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#### **How to use this template**

- ◆ Start by reading ALL the instructions for this model.
- ◆ Save this template as a new file, and include your PCN name in the file name. Over time, the file will be revised numerous times, so decide on a naming convention (e.g. include a date and possibly a stage such as PCN Board Review) that will help maintain version control.
- ◆ It is best to first go to the Assumptions and Standard Rates worksheet to fill out the green cells which will then automatically update several other cells in the budget model.
- ◆ Enter enrollee numbers on the "BP Insert Table 4.1A" worksheet to determine estimated per capita funding. Amounts in Tables 4.1A and 4.1B should be shown in thousands of dollars with one decimal (i.e., as 1.0 for \$1000). If you are developing your own entries, do not include a "k" or the dollar sign. See technical instructions below.
- ◆ Make one copy of the "Initiative Detail" sheet for each of your PCN's priority initiatives (see Business Plan instructions in Section 3 for determining priority initiatives), and name them for the initiatives. (See technical instructions below to copy and rename sheets.)
- ◆ On the initiative detail sheets, develop a detail budget for each priority initiative. There are three examples included in this model to help you in developing your initiative detail budgets. If your initiative is similar to one of the examples, you may copy the example sheet and modify it for your initiative. PCNs may choose to develop the allocations using the illustrated methods (i.e. hours/meeting x meetings/period x physicians/meeting, etc) or their own methods, provided the method of determining the allocation is disclosed and the allocation is not a blend of costs that are categorized differently. For example, be sure to create separate subtotals/allocations for 'clinical', 'administration', and 'other' payments to physicians as defined at the bottom of Table 4.1B. Other blends to avoid are those that cross the boundaries described for the central allocation categories defined in the guidelines issued with the Annual Report template.
- ◆ Enter budget amounts on the "PCN Gov\_Admin" sheet. This is where you budget for costs that apply to the PCN as a whole rather than to a specific initiative.
- ◆ Create links on the "BP Insert Table 4.1A" sheet to the expense totals on each of the Initiative Detail sheets, as well as the "PCN Gov\_Admin" sheet.
- ◆ Create links on the "BP Insert Table 4.1B" sheet to the expense amounts on each of the Initiative Detail sheets, as well as the "PCN Gov\_Admin" sheet.  
Create formulas in the Memo section to summarize the different types of payments to physicians. To help you, there is a sample formula showing those amounts summarized from the sample initiatives.
- ◆ Cross-check the amounts thoroughly to be certain that they are consistent. Here are some examples of things you should check:
  - Check that the initiative totals on the two BP Insert sheets match the totals on the initiative detail sheets. Also verify that the Admin total on the two BP Insert sheets matches the total on the PCN Gov\_Admin sheet.
  - Check that the initiative totals on the two BP Insert sheets match the totals on the initiative detail sheets. Also verify that the Admin total on the two BP Insert sheets matches the total on the PCN Gov\_Admin sheet.
  - Verify that all formulas shaded in pale yellow are accurate.

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#### **Notes:**

- ◆ Insurance estimates are to cover the costs for directors, liability, and property insurance.