



## **MISSION-DRIVEN MEDICINE: BUILDING A SUSTAINABLE NONPROFIT DPC**

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# Learning Objectives

1. Outline the essential steps to launching a nonprofit DPC practice and obtaining 501(c)(3) tax-exempt status to expand access to affordable, patient-centered care.
2. Design a sustainable financial model using donations, grants, and membership fees to ensure long-term viability while keeping care accessible and high-quality for patients.
3. Implement proven strategies to reach key target populations, increasing community impact and improving healthcare access for those in need.
4. Maintain a mission-driven DPC practice that prioritizes patient care and physician fulfillment, ultimately restoring joy to medicine and strengthening the doctor-patient relationship.



## Presenter Information

- Mark Blocher – Co-Founder, President/CEO – Christian Healthcare Centers and Christian Healthcare Specialists
- Christian Healthcare Centers operates three nonprofit DPC offices in West Michigan and one nonprofit outpatient surgery center.
- Founder of several nonprofits, including inner-city medical clinics and pregnancy resource centers in multiple states.



# Grand Rapids, Newaygo, & Holland



## THE Key Question – What is Your “Why?”

- What do you want?
  - Personal & Professional fulfillment?
  - Pursue a greater purpose – e.g., serve a community?
  - Serve a particular patient population?
  - Make a lot of money?



## Must Have . . .

- A collaborative, multi-disciplinary developmental team
- A mission-focused medical practitioner
- A well-defined, written business development plan
- A well-rehearsed “elevator” speech that describes your model
- A willingness to acquire new skills, e.g., business, marketing, communication
- An unquenchable desire to succeed
- High risk tolerance



## Nonprofit Advantages

- Focus is on access and affordability vs. revenue capture
- Federal and state tax exemptions
- Access to grants and contributions only available to nonprofits
- Enhanced community trust – signals commitment to community welfare over profit
- Access to medical school loan forgiveness programs



## Nonprofit Advantages

- Religious nonprofits enjoy advantages in hiring and other exemptions afforded religious organizations
- Regulatory flexibility - nonprofits may face fewer regulatory hurdles for certain healthcare initiatives or partnerships, depending on the State.
- Provide affordable access for underserved populations - nonprofit status allows the DPC to prioritize mission-driven care, offer sliding-scale fees or free services to low-income patients



## Nonprofit Disadvantages

- **Annual reporting** to state and IRS can be time-consuming
- **Fundraising pressure** – initial reliance on contributions
- **Limited Financial Flexibility** – nonprofits invest profit back into their tax-exempt purposes, not distributed to “owners”
- **Perceived value** – nonprofit may suggest its work is “charity care”



# Pre-Launch Formative Steps

- Identify incorporators
- Draft & file Articles of Incorporation
- Apply for Federal Tax ID (S-4)
- Governance - draft bylaws, form Board of Directors
- File for IRS tax exemption (IRS form 1023)
- Register with State AG to fundraise
- Draft a business plan – mission, values, services, operations plan, key personnel, start up & first year operations budget
- Identify a lead spokesperson
- Establish a developmental timeline – when will you open?
- Patient pre-enrollment strategy



## Define Your Preferred Reality, Then Work Backwards to Current Reality

- Start Up Budget – money needed to open the doors
  - \$ needed for facility, equipment, furnishings, IT, supplies, personnel, insurance, EMR
  - It will likely cost more than you expect
- 1 Year Operational Budget – money needed to keep the lights on
- Financial Forecast to reach break even
- Financial Forecast to secure a three-month financial cushion



# Nonprofit Funding Sources

- Tax deductible contributions – individuals, businesses, fundraising events
- Private and Community Foundations, United Way Donor Choice, community and economic development organizations, federal/state/local government grants
- Private investors can fund equipment/furnishings leasing, construction of brick & mortar facilities
- Donor Advised Funds
- Online Crowdfunding, Giving Tuesday



## Fundraising Strategies

- Personal Contacts – identify 20-30 people who know & like you
  - You are not begging for charity; you are looking for partners.
- Gatherings of 4-6 couples in a home
- Set aside time each week to meet with prospective donors
- Form a mission-oriented private equity investor group from whom to lease equipment and/or office facilities
- Be prepared to make personal sacrifices of time and treasure





# Marketing

- **Prelaunch Strategies (Awareness)**
  - Priming the Pump: Consistent social media posts on all platforms leading up to opening
  - Design a simple but attractive website that highlights provider bio(s), services, & pricing
  - Join/utilize services of local Chambers of Commerce, Economic Clubs, Business Associations
  - Attend Chamber events, e.g., networking, ribbon cutting ceremonies, etc.
  - Cultivate relationships with local government economic and community development personnel
  - Host informational “showcases” for prospective members
  - Maximize Google business profile
  - Apply for a nonprofit marketing grant from Google – Google ads
- Target specific populations – e.g., homeschool support groups, medical expense sharing members, sole proprietors, gig economy workers, other nonprofits
- Establish a disciplined lead/inquiry follow up process
- Volunteer to be a speaker at Rotary Clubs, Jaycees, Lions Clubs, and other civic groups



# Marketing

## **Internal Marketing to Reduce Patient “Churn”**

- Improve efficiency in areas like scheduling sick visits, prior-authorizations, and billing to reduce frustration.
- Over-communicate office policies, appointment scheduling, and billing procedures.
- Provide amenities like free Wi-Fi, phone charging stations, and comfortable waiting areas.
- Equip all staff with the knowledge/skills to handle patient concerns and foster positive interactions.



# Marketing

## Least Effective Marketing Strategies

- Expensive traditional media advertising, i.e., radio, tv, newspapers
- Sponsoring terminal events, e.g., 5k runs, school athletic boosters
- Direct mail campaigns to targeted communities – low ROI
- Targeting employers



## Build a Mission-Focused Team

**Your success depends on the quality of your staff!**

- Follow the three “Cs” of team building - character, chemistry, competence
- Create a positive, delightful workplace devoted to hospitality
- Protect the integrity of your organization's culture
- Hire slow – fire fast!



*Live Content Slide*

*When playing as a slideshow, this slide will display live content*

## Social Q&A for Mission-Driven Medicine: Building a Sustainable Nonprofit DPC Model



# QUESTIONS?

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