Economics and finance in nurse management.  Paper details: W4A3 HEALTHCARE BUDGET REQUEST – ESTIMATING EXPENSES It can be tempting to think of “dreams” and “finance” as opposite ends of a spectrum. You may dream of things you want, such as new cars, vacations, or retirement. But a quick analysis of your current finances may awaken you to find that your dream is not yet financially feasible. Dreams and finance are, in fact, not at all in opposition. If your dream is a new automobile, you soon come to realize that you’ll need a plan to make your purchase. Part of this planning is based on an understanding of your current financial position. Saving money will help you, and whatever cost is not covered by savings can possibly be made up for by securing financing. You’ll likely need a personal budget that accounts for any new expenses you incur, including your new car payment. Like you, healthcare organizations have dreams, manifested as corporate objectives. Proposals for new healthcare products or services must support these objectives, typically demonstrated via a business case. To become reality, these ideas almost always require resources. By understanding current financial position, accurately estimating revenue streams and expenses, and creating budgets, strategies can be developed that bring objectives to life. For this Assignment you will calculate estimated expenses associated with a proposed new healthcare product or service. You will also estimate revenues and calculate a return on the proposed investment. RESOURCES Be sure to review the Learning Resources before completing this activity. Click the weekly resources link to access the resources. WEEKLY RESOURCES TO PREPARE Reflect on the healthcare product or service solution you have proposed for your healthcare organization. Consider expenses (including start-up expenses and any capital expenditures) that will be required to implement your product or service. Reflect on the estimated revenues (if any) that your proposed solution will generate. If your project does not generate a direct revenue source, consider cost avoidance, or cost savings as an alternate potential revenue source. Reflect on the need for financing to meet the estimated expenses associated with your idea. For each of the above, consult with your internal financial counselor as needed. THE ASSIGNMENT: ESTIMATING EXPENSES Conduct an analysis of estimated expenses and revenues associated with your product or service idea by completing the following: Part 1: Expense/Revenue/ROI Analysis: Open your Excel Assignment Workbook and navigate to the “W4A3 Estimated Expenses” worksheet. Using the Healthcare Budget Request Guide for guidance, create a worksheet that records the following: Each of the estimated expenses associated with your proposed idea, including startup expenses. Be sure to label each appropriately, with enough descriiption to make it clear what the item is and what the estimated cost involves. Each of the estimated revenues associated with your proposed idea. Be sure to label each appropriately, with enough descriiption to make it clear what the item is and any necessary details regarding sources of revenues (including reimbursements). Calculate the total estimated expenses and revenues for the next 5-year period. Calculate the Return on Investment (ROI) for your proposed idea. NOTE: You will copy your worksheet and analysis onto the Healthcare Budget Request Template (Word document) for submission. Part 2: W4A3 Projected Expenses and Revenues (Five Year) Summary of Analysis and Interpretation of Results: Create a brief (1- to 2-page) descriiption of your analysis that clearly describes the estimated financial impact of your proposed idea. Interpret the results by explaining what your ROI calculation means to the organization. Place your analysis on the Healthcare Budget Request Template under the section titled W4A3 Projected Expenses and Revenues (Five Year)