

Budgeting:

A Guide from the Medication Optimization Technologies Toolkit

Description

A guide for constructing a program budget for a medication optimization intervention, particularly those using patient-centered technologies that support medication adherence and monitoring, and for outlining typical resources that may be required as well as budgeting considerations.

Audience

Those creating or reviewing/approving a program budget for medication adherence and monitoring interventions involving the use of patient-centered technologies, such as:

- Medication optimization-focused project team members
- Program management
- Financial management

1 Budgeting Program Resources

What resources will be required to create and maintain the use of appropriate technologies in medication adherence and monitoring programs?

2 Budgeting Considerations

What are some of the major factors that will impact the budget for an intervention involving the use of patient-centered technologies?

1 Budgeting Program Resources

Budgeting Approaches

Analog Budgeting: Size the medication adherence or monitoring budget based on similar programs that have involved the use of patient-centered technologies and that have been launched in your organization.

Bottom-up Budgeting: Identify and add all of the key budget drivers and investments related to the use of technology that must be made to ensure the program’s success. The number and type of patients that will utilize the program at your organization is often a critical driver of variable expenses. Investments to build and maintain the program include technology, training, and marketing investments. Review the eight ADOPT Toolkit workstreams to identify other needed program investments.

Budget Templates: Standard budget line items in the medication adherence and monitoring program budget templates include:

Non-Clinical Personnel – Salaries & Benefits
Clinical Expenses
Telecommunications Expenses
Supplies & Operations Expenses
Training Expenses
Educational Program Expenses
Marketing
Other Direct Program Expenses
Travel
Recipient Site Support Expense
Capital Expenses
a. Equipment
b. Building/Renovation
c. Other Fixed/Overhead Exp as Line Item
d. Overhead Exp as a % of Non-Cap Exp

Source: Business Plan Budget Spreadsheet from the American Telemedicine Association

Other Resources – For examples of specific medication optimization budgets from health care organizations, go to the ADOPT Toolkit website.

2 Budgeting Considerations

Three primary program design elements that will affect the budget for a technology-enhanced medication adherence and monitoring intervention include:

Lease vs. Purchase: Where equipment and peripherals are involved, the budget will be structured differently for devices that are leased vs. those that will be purchased.

Hardware and Software: Medication adherence and monitoring programs that have physical devices that must be installed and retrieved will have different budget structures vs. those that are more software based, such as interactive voice response medication management programs or text-based medication management programs that run on patient-owned computer or mobile devices.

In-house vs. Contracted Services: Some vendors offer turnkey equipment and services. The budget structure for a contracted services model will differ greatly from a program that is built and maintained in house.