



HEALTHCO WIND-DOWN

AT A GLANCE

Engagement Type:

- Cash Stabilization
- Financial & Operations Assessment
- Business Transition Planning including 13wk cash flow

Period Covered:

Aug 2022 – Dec 2022

Prepared by:

Wartime CEO (Crisis Management & TWCF Ops)

Confidentiality:

Client identifying details anonymized as HEALTHCO.



EXECUTIVE SNAPSHOT

- **Client:** Healthcare Medical Center (HealthCo), multi-provider integrative clinic
- **Engagement:** 90-day turnaround assessment → transition to controlled wind-down
- **Role:** Wartime CEO – rapid diagnostics, 13-Week Cash Flow (13WCF), creditor/vendor plan, and operational exit choreography
- **Outcome:** Owner-validated diagnosis that the operating model was structurally unviable; orderly wind-down plan executed to protect cash, patients, and reputation while minimizing further losses





BACKGROUND & CONTEXT

HealthCo engaged us to stabilize cash and evaluate viability. Scope included revenue forecasting, operating metrics, leadership hiring support, and an actionable plan (the "HealthCo Plan"). This remit and term were formalized on August 24, 2022.

Early diagnostic work revealed that—even with solid gross collections per encounter—the fixed/other direct cost stack (provider salary, rent, insurance) consistently outstripped contribution, producing negative contribution margins at realistic collection rates.

Unit-economics reality check (illustrative): At ~34.5% collections on charges, contribution after other direct costs was negative on a per-period basis (e.g., -\$13k/month; -\$156k/year), despite strong headline billings.

Concurrently, management was injecting ~\$30k/month just to keep doors open, while legacy payer issues (Anthem/Medicare refunds) posed additional downside if contested without legal support. The owner asked us to explore all paths including wind-down or bankruptcy, with an eye toward protecting banking relationships and repurposing the space under a sister entity.





INTERVENTION

Proved (or disproved) the turnaround thesis fast

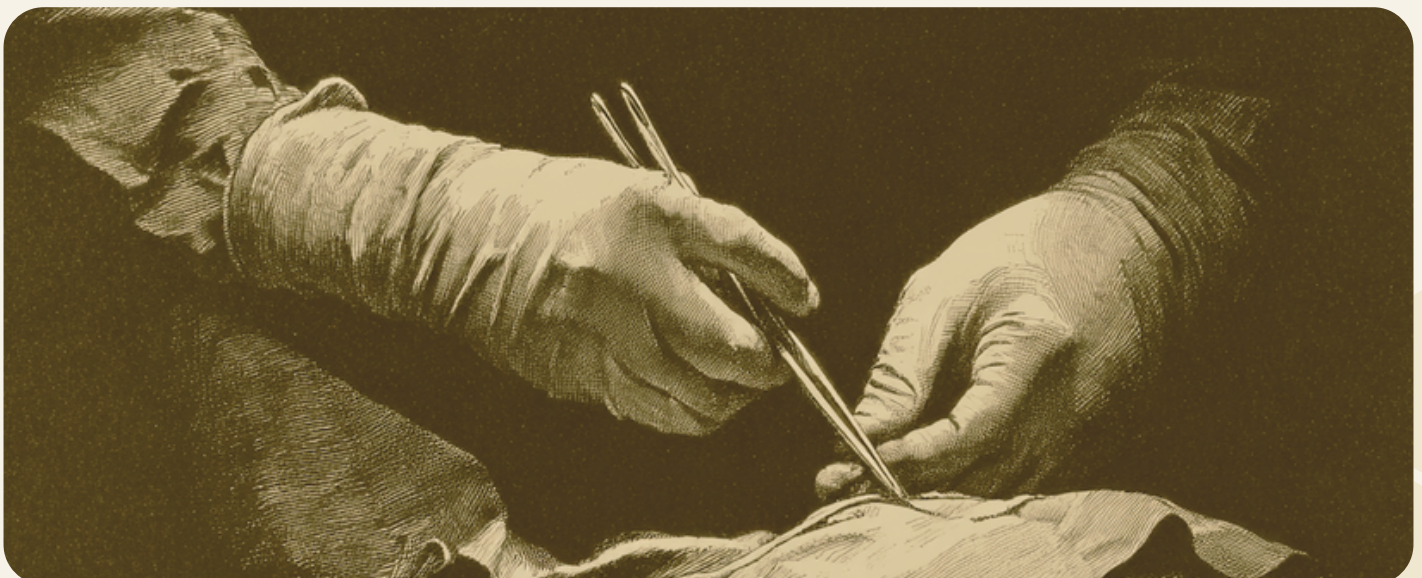
- Built a bottom-up unit-economics model tied to realistic collection dynamics. This showed structurally negative contribution at target volumes with the existing payer mix and fixed-cost base.
- Codified findings for the owner and board, per engagement scope, to inform a go/no-go decision on continued operations.

Installed a 13-Week Cash Flow to control the exit

- Implemented a weekly receipts/disbursements cadence and visibility: total projected receipts of \$149,188 against disbursements of \$177,037 (T13W), highlighting an unavoidable cash shortfall if operations continued.
- Sequenced payables (payroll, rent, insurance, critical clinical inputs) to minimize risk while preserving essential patient services through the transition window.

Designed a wind-down that preserved relationships and options

- Prepared alternatives: (A) attorney-led payer dispute strategy vs. (B) controlled wind-down/bankruptcy; documented preference for wind-down given risk, time, and cost.
- Crafted a vendor/bank communication plan to protect the Banner Bank LOC and propose assumption/repayment via the successor entity (Quantum Functional Medicine), plus lease continuity in the same space.
- Transitioned the sole physician of record to a cleaner IC model (collections-based comp) for any post-HealthCo engagement, avoiding further accrual of fixed obligations.





WHY THIS WAS A WIN (EVEN THOUGH WE CHOSE TO CLOSE)

Truth over optimism

We validated that the “fix” wouldn’t fix it. The 13WCF and unit-economics analysis shifted the board from hope-driven cash infusions to a data-driven exit, averting deeper losses.

Controlled landing vs. crash

Cash visibility allowed payroll, rent, and insurance to be sequenced responsibly; essential clinical obligations were met; and reputational risk was contained with proactive stakeholder communications.

Future preserved:

Banking and landlord relationships were maintained by proposing assumption and continuity via an affiliated practice, keeping patient access intact and leaving the owner with a viable next chapter.

Owner alignment:

The owner explicitly concluded the model was failed after six months of attempted shifts; our work provided the clarity and tools to act decisively.

RESULTS AT A GLANCE

-  **Decision clarity in weeks, not quarters** – Unit-economics and collections reality made the no-go call obvious.
-  **\$150k+/13 weeks receipts visibility; \$177k disbursements mapped** – prevented blind-spot spending and prioritized obligations.
-  **Stakeholder continuity plan** – bank, landlord, vendors, and patients addressed in an orderly sequence.
-  **Fixed-cost bleed stopped** – exit actions (e.g., provider IC structure) cut ongoing accruals.



HOW WARTIME CEO SHOWS UP IN SITUATIONS LIKE THIS

Diagnose

Fast, defensible unit economics and weekly cash telemetry

Decide

Save vs. sell vs. shutter (with explicit owner criteria)

De-risk

13WCF controls, stakeholder comms, and legal/finance handoffs

Deliver

Wind-down choreography that protects people, brand, and options

(These steps align with the original engagement objectives around forecasting, combined planning, operating metrics, and a HealthCo plan.)

CLIENT QUOTE

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“After months of effort, the data made it clear: the model wouldn’t work. Wartime CEO gave us the clarity and the plan to exit responsibly and protect what mattered.”

