

New Operating Model FAQs

Updated 07/22/2014

1. When is the new model effective?

The new operating model is effective for fundraising years beginning on January 1, 2015. The approved financial plan model is effective for the 2015-2017 Fundraising years. After that time, the model will be reviewed and evaluated for future years.

2. How is the new model calculated?

There are two basic components of the new hospital membership fee: A fixed base fee assessed on census populations and a variable fee assessed on fundraising.

3. When will I receive my invoice for the fees?

The invoice for the fixed base fee will be sent in late June of each year, beginning in June 2014. The variable fee invoices will be calculated and sent around the disbursement schedule which occurs quarterly and will be based off of funds collected by the national office and funds reported by hospitals in the PMR. The first quarterly variable fee invoice will be sent approximately May 15, 2015.

4. What fundraising amounts will be included in the variable calculation?

Fee eligible funds are defined as Total Fundraising per the Performance Metrics Report System excluding Local Fundraising and Direct Marketing. Local Fundraising is defined as donations that are raised using the CMN Hospitals name, logo, brand or other evidence of association, but do not involve a CMN Hospitals National Corporate Partner or National Program/Event.

5. What costs are being replaced by the new hospital membership fee?

The new membership fee is replacing the current hospital membership fee, Optional Public Education Awareness Campaign Fee (Option B Fee), all national corporate campaign fundraising kits, kit reorders, RE/MAX honor cards and memorial cards, Donor Drive and credit card fees, Miracle Jeans Day materials, and other national event materials. In addition, the new fee will include Celebration and Annual Hospital Meeting Registration Fees and Lodging for one person per market.

6. Is meeting registration included in the fee?

Yes. Included in the new hospital membership fee is Meeting Registration and Lodging for one person per market for Celebration and Annual Hospital Meeting. (Please note: Dance Marathon Leadership Conference will NOT be included, as it is an optional activity.)

7. Will the disbursement schedule remain the same?

Yes. The current disbursement schedule will not change with the new operating model. Corporate partner disbursements will still take place 45 days after the end of each calendar quarter.

8. Will the invoices for the variable fee include the breakdown of kit costs by partner as received in the past?

No. This cost breakdown will not be included in the invoice, but we will provide similar information in some form on Mission Control.

9. Can we opt to have our quarterly variable fees withheld from our disbursements?

Yes. We will allow an annual election to withhold the variable portion of the Hospital Membership Fee from quarterly disbursements. The election option will be posted in Essentials in late 2014 with additional information on how to make this election.

10. Why is the fee calculation based on Radiothon Announced Totals?

Historical information on Radiothon collected by CMN Hospitals has largely been centered around Radiothon Announced Totals. Due to the lack of data around collected totals, the new model was based on the information available. Over the next three years (2015-2017), as outlined in the approved Financial Plan, we will continue to gather additional information on Radiothon Collected Totals. A review of the model for years beginning in 2018 will include an in-depth analysis to see if the model should be based on collected versus announced totals.

11. Will CMN Hospitals still be producing Telethon Segments for 2015?

Yes. CMN Hospitals will still produce segments for your Telethon that you can use during your event.

12. If I use Donor Drive for Fundraising in my market do I still pay a separate credit card fee?

No. All events using CMN Hospitals Donor Drive Platform will be included in your National Program and Event totals, which makes them subject to the 5.5% variable fee. There will be no additional credit card fees charged to your market for these events. Donor Drive is a national processing tool that CMN Hospitals provides to member hospitals.

Public Education Campaign Overview & FAQs

Updated August 4, 2014

In the second half of 2013 a committee* thoroughly reviewed the benefits and weaknesses of the current media campaign system and developed a solution designed to improve the Public Education Campaign (PEC) program. This solution focuses on three main goals:

- 1) Build the charitable cause of children's hospitals
- 2) Generate new fundraising
- 3) Recognize and support key corporate and media fundraising partners on a National level

*The committee was comprised of program directors from Public Education Campaign Hospitals, Telethon Hospitals, Canadian Hospitals, Children's Miracle Network Hospitals (CMN Hospitals) National Staff and members of the Hospital Relations Committee. See last page for list of members.

The new plan was approved by the Hospital Relations Committee and CMN Hospitals and is currently being executed. Materials on the plan changes were presented to program directors in the January 6 issue of Essentials, reviewed in a January 7 webinar and discussed at the 2014 Spring Meetings.

Key updates to the Public Education Campaign include:

1. The PEC budget will be allocated as follows:
 - a. 40% budgeted for Local Market Media Partner (formerly Radiothon Director) buys;
 - b. 20% budgeted for Corporate Partner recognition at a national/regional level; and
 - c. 40% budgeted for Put Your Money Where the Miracles Are creative execution at a national/regional level.
2. The Local Market buy will be used to purchase marketing / promotion on Radio Partner stations and/or with TV/Print/Digital outlets.
 - a. Strengthen the relationship between the hospital, radio partner and CMN Hospitals.
 - b. To maximize the hospital's opportunities, the Media Partner (Radiothon Director) assigned to the market will work with the media outlet(s) to develop the campaign plan.
 - c. Media plans will be creative, custom, and underscore the hospital's charitable need while leveraging new fundraising for hospitals.
3. All CMN Hospitals media recognition of Corporate Partners will be raised to the national/regional level and will not be duplicated at the local level.
4. Local Market media buys can occur any time throughout the calendar year.
5. Media Partners (Radiothon Directors) develop the local market campaign plans, once those are in place the CMN Hospitals national Media Relations team, an in-house ad agency, places the actual buys with the media outlets. All invoices are processed through Media Relations at CMN Hospitals national office.

Who will technically make the Local Market media buy?

Your Media Partner (Radiothon Director) will determine a campaign plan. The media buy will be placed through the Media Relations team at the national office. Invoices for local media buys will continue to

be processed through CMN Hospitals. If the hospital receives an invoice from the local media buy it should be forwarded to jwilliams@cmnhospitals.org as soon as possible.

What if I have both Spanish and English Radio Partners in my market?

Both Spanish and English Media Partners (Radiothon Directors) will work together, with your input, in creating campaign plans in your bilingual market.

What if my market does not have a Radio Partner?

This new campaign is a perfect opportunity to work with your Media Partner (Radiothon Director) to approach prospective radio and/or other media outlets to create new relationships and new fundraising programs.

What if I don't know who the Media Partner (Radiothon Director) for my market is?

Check in Miracle Soup under Campaigns & Programs > Radiothon > Hospital Resource Library section or contact Barbara Brill, VP, Media Partner (bbrill@cmnhospitals.org), (828) 772-4285 or Joe Trevino (jtrevino@cmnhospitals.org) for Hispanic Radiothons.

When will my Local Market campaign air?

Local Market campaigns can run any time during a calendar year. Keep in mind marketing/promotion will underscore the hospital's charitable need and is not limited to May/June fundraising. This opens up development of new fundraising opportunities.

Do funds raised through these new promotions need to be reported in the PMR?

Yes, any funds raised through the Local Market Media Partner (Radiothon Director) campaigns should be reported as Radiothon revenue in the PMR. If you have any questions on reporting these funds contact Bryce Barnett.

We participated in Public Education Campaign in prior years. What do I tell those media partners asking about future buys?

CMN Hospitals Media Relations team notified radio, television, print and outdoor media outlets that received a buy in 2013 that updates were made to the PEC campaign and they may not be receiving a similar budget/buy going forward. If you are contacted directly you can share:

- CMN Hospital's campaign focus has changed;
- Funds will likely not be spent in the same way as the past;
- Print/Outdoor/TV can contact Jayne Williams, Media Director at CMN Hospitals, (801) 214-7400, with any questions; and
- Radio stations can contact your Media Partner (Radiothon Director) with any other questions.

Are their Public Education Campaign buy opportunities with my local TV and Print outlets?

In some local markets campaigns could include these media outlets either in place of a radio partner where one doesn't exist or as part of a multimedia approach. Work with your Media Partners (Radiothon Directors) to determine what options might be possible.

How does the 10% Radio Stewardship recommendation impact the PEC buy?

The PEC Radio Partner Buys can go toward the 10% stewardship recommendation. Keep in mind that in most cases the PEC Radio Partner Buy will not equal the 10%. The remaining part of the 10% should come from your hospital in order to support this key donor—your radio partner. Questions on this? Contact your Media Partner (Radiothon Director).

What if my PEC Campaign Radio Partner budget doesn't meet the 10% Radio Stewardship recommendation?

Your Media Partner (Radiothon Director) can assist you in placing additional media, funded by your hospital, to cover the difference if the Radio Partner budget falls short of the 10% Radio Stewardship goal.

What happens with the PEC in 2015?

Beginning in 2015 the Public Education Campaign will be included in the new operating model fee calculation with all hospitals participating. It will no longer be invoiced separately or appear as a line item.

What do I tell my hospital executives about this change?

Public Education Campaign 2014: Hospital Executives Talking Points

Children's Miracle Network Hospitals announced changes to the 2014 Public Education Campaign. These updates are designed to:

- 1) Build the charitable cause of children's hospitals;
- 2) Generate new fundraising; and

- 3) Recognize and support key corporate and media fundraising partners on a National level.

Key Facts:

This year's local market buy through CMN Hospitals is strategically focused on positioning the charitable need of children's hospitals and to create additional donor opportunities for the hospital.

CMN Hospitals is in the process of securing a celebrity spokesperson that will be the focus of the creative for this year.

- The ads will be co-branded with the hospital and hospitals will be able to run ads with the celebrity saying the hospital's name.

The CMN Hospitals Public Education Campaign budget will be allocated as follows:

- 40% budgeted for Radio Partner buys;
- 20% budgeted for corporate partner recognition at a national/regional level; and
- 40% budgeted for Put Your Money Where the Miracles Are creative execution at a national/regional level.

The Local Market Buy budget will be used to purchase marketing/promotion on the Radio Partner's station.

To maximize the hospital's opportunities, buys will be made by a CMN Hospitals Radiothon Director, assigned to the market, with input from the hospital.

Corporate Partner Recognition

Can I still recognize corporate partners as part of the PEC Radio Partner Buy?

Corporate partner recognition is not part of the local market buys.

Corporate partners at the national level are aware and supportive of this; all corporate partner recognition through CMN Hospitals media buys will occur at the national/regional level.

Resources available to help you develop other opportunities to recognize your local corporate partners include:

Input from other program directors, using the 'Chatter' function in Mission Control; and

Best Practices Database System on Miracle Soup.

If you have other questions on how to recognize your local corporate partners, contact your Region Director.

What are the Corporate Recognition Media Plans?

The Corporate Recognition media plan is in development for 2015. Plans are being developed for top partners for the remainder of 2014. Both plans will be released in the fall in Essentials.

Where can I find Corporate Recognition that has already taken place?

To download copies of completed Corporate Recognition to share with local partners they can be found in Mission Control > Miracle Soup > Campaigns & Programs > Public Education Campaign > Corporate Recognition. Additional information such as when an ad ran is included there as well.

Put Your Money Where the Miracles Are Campaign

In what ways is the local campaign messaging different this year?

CMN Hospitals is in the process of securing a celebrity spokesperson that will be the focus of the creative for this year.

- The ads will be co-branded; your hospital will have the option to run pre-produced ads with the celebrity mentioning your hospital's name.
- All media collateral produced by CMN will carry the same campaign branding and "call to action" messaging (this includes Radio, Television, Streaming for web, web banners, Outdoor, and Print).
- Some ads will be "Child Only" where our Champion children are the focus/talent and others will include the celebrity.
- Local buys and the campaign message will be augmented/supported with National buys with the same "call to action" campaign message.
- The "call to action" messaging is to help build awareness for the charitable cause of children's hospitals.

Will the celebrity be available to endorse local Radio Partner Buy events / campaigns?

Celebrity Public Service Announcements (PSA) for your hospital will be pre-produced with the Put Your Money Where the Miracles Are campaign. The celebrity will likely not be available for specific local level activities or promotion.

Will National ad dollars be focused on supporting my fundraising campaign?

Past May/June market buys will be replaced with the local market Radio Partner Buys and supported nationally with a broader campaign that will take place throughout the calendar year. This will be focused on positioning children's hospitals as having a charitable need. National ad dollars will be focused on the Put Your Money Where the Miracles Are call-to-action message/campaign. Individual markets have the option of placing/running pre-produced celebrity endorsed media collateral in the form of PSAs; radio, television, and streaming spots; web ads; print and outdoor, all branded for your hospital.