



Creating a Naturopathic Residency in a Community Health Center - The Financials

VALUE VS COST of ND RESIDENCY

Value: revenue generated by ND resident, add-on value to the Primary Healthcare Team, add-on value to the clinic

Cost: ND resident salary, benefits, admin costs, loss of production of supervisor, carve out time

Pros and Cons of Residency:

Continue to address the needs

- Population growth and demand
- Transition and attrition

Cultivate the next generation of naturopathic physicians who continue to serve in community health settings

Positive Effects: the value of revenue from patient services of resident + value of services performed by the resident that impact supervisor productivity + value of services performed by the resident that impact the clinic. Costs = Resident salary & benefits (20%) + administration costs (20%) + supervisor time

Impact on Supervisor Productivity

While initially, the supervising physician's productivity may be lower, as the resident assumes more patient care through the progress of residency training, this enables the supervisor to treat more patients in the long run. Resident promotes efficient use of the supervisor's time providing services, accomplishing delegated tasks and patient care services

Potential Revenue vs Resident Salary

Resident productivity of billable services*

- If at 3.6 patients/day x 48 weeks
- 864 encounters with billable services
- \$70 average revenue of visit = \$60,480
- *composite average based on payment source

Naturopathic Medicine First Year Resident Salary

- Base Salary = \$20/hr x 2080 hrs = \$41,600
- Salary + 20% Benefits + 20% Admin = \$59,904

Value of Delegating Services

Value of delegating preventive and chronic healthcare services

- By delegating 50% of preventive care and 25% of chronic care to other health team members, the potential revenue of primary care MD increases nearly 50%
- This increases the MD provider productivity by 5.6 patients/day
- The ND clinical supervisor and ND resident are part of a team of 4-6 mid-level providers who provide support to the primary MD and delegated and the equivalent of 1 patient/day. Potential gain is 1 pt/day x \$70 x 5 days/week x 46 weeks = \$16,100

Drop-in supervisor productivity = 20% while teaching a resident

- If a resident is paired with the ND supervisor 16hours/week and if productivity is 8 patients/day, then the loss in productivity is 3.2 patients/16 hours of paired teaching shift with resident
- Revenue loss per week is 3.2 patients x \$70 = \$224/week x 46 weeks = \$10,304

Care out time for weekly resident care conferences, journal club, and chart review

- 2hours/week = loss of revenue of 2 patients/week = \$140/week x 46 weeks = \$6,440

Breakeven Point of Having a Resident at 3.6 visits/day:

Amount	Description
\$60,480	Annual amount of billable services of 3.6 patients/day
\$16,100	Add-on benefit MD provider delegating care to the ND team
(\$59,904)	First-year resident salary + benefits
(\$10,304)	20% loss of productivity of supervisor
(\$6,440)	Resident case presentation/journal club/chart review – 2hr/week
(\$68)	Potential net gain / (Potential net loss)

Net Gain at 4 visits/day:

Amount	Description
\$67,200	Annual amount of billable services of 4 patients/day
\$16,100	Add-on benefit MD provider delegating care to the ND team
(\$59,904)	First-year resident salary + benefits
(\$10,304)	20% loss of productivity of supervisor
(\$6,440)	Resident case presentation/journal club/chart review – 2hr/week
\$ 6,652	Potential net gain / (Potential net loss)

Residency Potential Cost & Revenue

ND Clinical Supervisor Salary

- Base salary = \$77,000/year
- Salary + 20% Benefits + 20% Admin costs = \$110,880

Naturopathic Medicine Resident Salary

- Base Salary = \$20/hour x 2080 hours = \$41,600
- Salary + 20% Benefits + 20% Admin = \$59,900

Cost for Residency Program

Potential New Revenue for entire team = \$47,324 per year with the ND team assigned a patient panel of seeing a minimum of 16 patients/day.

