



NATIONAL NURSE PRACTITIONER
RESIDENCY & FELLOWSHIP TRAINING
CONSORTIUM

TRACK ONE:

New Fellowship/Residency:
Program Planning, Launching and Support

Workshop 3:
Finance and Operations

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Moderator: Patricia Dennehy, DNP, RN, FNP, FAAN, NNPRFTC Membership Committee Chair

Time: 2:15-3:10pm

Learning Objectives

- Participants will understand the financial resources required to support a postgraduate residency program.
- Participants will identify the operational and administrative activities that support a postgraduate residency program.
- Participants will appreciate the financial and non-financial positive return-on-investment of hosting a postgraduate training program.

Post Graduate Residency Required Finances

Cost	FNP Residency	Psych NP Residency
Resident salary	60,000 (X3) = \$180,000	85000 x2 = \$170,000
Fringe (19.67%)	35,500	33,500
Residency Fee	45,000	30,000
Preceptor Costs	72,000	93,000
Specialty Rotation Costs	5,000	0
EHR Costs	22,500	15,000
Support staff costs(FNP 2 MAs 1 RN & Psych 1.5 MAs)	164,000	70,000
Coordination Costs (69,000)	34,500	34,500
Total Costs	558,500	419,000

Operational and Administrative Activities

Recruitment

Program Design

Patient
Scheduling

Managing
Support Staff

Weekly Huddles

Precepting

•Weekly Steering
Committee

Organizing
Orientation

Organizing
Community
Tours

Organizing
Specialty
rotations

Marketing

Improve, Increase and Strengthen

Improve

Improve patient care by developing skills of new providers

Increase

Increase awareness of Thundermist as a leader in community-based, patient-centered care

Strengthen

Strengthen relationships with academic and clinical partners (Brown University Alpert Medical School, Care New England, Kent Hospital, Landmark Medical Center, University of Rhode Island)

Create

Create a predictable flow of providers to fill vacancies

Eliminate

Eliminate the need for recruiting services for hardest to fill positions

Build

Build provider capacity to meet health center growth needs

Enhance

Enhance the ability to recruit and retain providers

Non Revenue Benefits

Nurse practitioner residents
trained to needs of
population

Nurse practitioner residency
return on investment comes
in 2nd year

Avoidance of recruitment
costs part of return on
investment

Providers want to teach

Education programs allow
recruitment of top talent

Concepts learned in
teaching programs are
generalizable:
Community tours
Supervision

Provider retention

Non-replicable positions

Guaranteed growth each
year HRSA implications

Position variation/retention

Residency Revenue Analysis Last 5 Years

Residency Type	Fiscal Year	Visit Revenue*	Approximate Visits	Estimated 340B Revenue	Estimated Residency Cost	Difference (+/-)
FNP	15-16	\$183,029	2295	\$27,540	\$522,599	-\$312,030
FNP	16-17	\$199,551	2852	\$34,224	\$558,500	-\$358,949
FNP	17-18	\$256,541	2955	\$35,940	\$558,500	-\$301,959
FNP	18-19	\$357,322	2955	\$35,940	\$558,500	-\$201,178
FNP	19-20	\$268,984	2103	\$25,236	\$465,416	-\$171,196

Residency Type	Fiscal Year	Visit Revenue*	Approximate Visits	Estimated 340B Revenue	Estimated Residency Cost	Difference (+/-)
Psych NP	17-18	\$212,585	1838	\$22,056	\$419,000	-\$184,359
Psych NP	18-19	\$106,317**	921	\$11,052	\$317,298	-\$199,929
Psych NP	19-20	\$145,477	1683	\$20,196	\$432,197	-\$266,524



Seattle Children's APP Fellowship

- APP workforce is 320 individuals, present on nearly all inpatient units and 39 specialty services
- Provided approximately 30% of all ambulatory visits in FY 2019
- Many applicants were new grads-now all new grads referred to fellowship, only experienced APPs hired directly into regular positions
- Fellows relatively inexpensive to hire, we get up to 10 applicants for each opening
- First year salary 25% less than standard APP salary
- 15K hiring bonus paid if they accept a regular position at the end of the year



Seattle Children's APP Fellowship

- Growing recognition that newly graduated APPs struggle in their first year
- First year 'failure to launch' not uncommon and very costly
- The quality of on the job training is variable and a huge burden on teams

The training gap:

- MDs:
 - Medical school + residency = 18,000 hours of supervised practice
 - Specialty fellowship = additional 6000-9000 hours
- NP or PA programs = 750-1000 hours of supervised practice
- SCH APP Fellowship: additional 1500 hours of supervised practice



Seattle Children's APP Fellowship

- National shortages with 7-10% vacancy rates among our peer institutions
- Ambulatory vacancies: loss of 1200-1500 visits/vacant APP/year
- Inpatient vacancies cause 50-75% increase in staffing costs due to premium pay or locum staffing
- Our NNP team staffs 7 different NICUs, chronic NNP shortages led to development of fellowship track aimed at training PAs to work in the NICU.
- October 2017-\$308,745 in locums and OT
- June of 2020- no locums, \$30,000 in OT



Seattle Children's APP Fellowship

- Turnover rate 2% hired fellows vs. 18% in the general APP group
- Fellows engagement score 4.34 vs. 4.06 in the APP group as a whole
- Diversity in the fellowship group is 28% vs. 18% in the regular APP staff
- Time to full productivity drops from 15-18 months to 3 months

Community Health Center, Inc.

Community Health Center, Inc. (CHCI) Profile:

- ◆ 204 sites service delivery sites
- ◆ 1,300 staff
- ◆ Patients/year: 105,000
- ◆ Visits/year: 600,000
- ◆ Specialty access by eConsult to all specialties
- ◆ Key populations are a major focus

Weitzman Institute:

- ◆ Formal Research
- ◆ Leads Quality Improvement/Practice Redesign
- ◆ Educational arm for both current and future workforce nationally
- ◆ Consults to other FQHCs and health systems through Weitzman Institute Learning Academy (WILA)

Health Professions Student Education and Training—Fall 2019: 252 students/20 university/school relationships across all disciplines and levels, certificate through doctoral

- ◆ Accredited CHC postgraduate training programs:
 - Postgraduate NP residency (est. 2007) (Family, Adult, Pediatric, Psychiatry)
 - Postdoctoral Clinical Psychology (est. 2010)

Locations and Service Sites in Connecticut



THREE FOUNDATIONAL PILLARS

1 Clinical Excellence	2 Research and Development	3 Training the Next Generation
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Why Invest in Training?

- ◆ The vast majority of programs in existence today developed with no external federal funding.
- ◆ Organizations from the VA to FQHCs to Health Systems approved investing in training programs because of their strategic imperative to recruit and retain outstanding clinical providers in order to achieve their mission.
- ◆ As programs have demonstrated their effectiveness in achieving their objectives, sponsoring organizations have increased their investment in the size and scope of their programs and formalized their funding.
- ◆ There is a national shortage of primary care physicians, and a projected surplus of nurse practitioners. HRSA has recognized the need to attract and retain NPs and other primary care providers in underserved and rural areas, with the skills and training to care for 20 million patients who are disproportionately low income and adversely affected by social determinants of health. This investment significantly strengthens opportunities for FQHCs to secure funding, stabilize financials, and enhance academic partnerships and innovations.

Why Invest in Training?

Today, NP/PAs are about equal to the number of physicians in FQHCs, with 13,900 FTE MDs and 13,600 Advanced Practice Providers of which 71% are NPs.

(UDS 2018)

- ◆ Postgraduate training offers organizations a significant competitive advantage in attracting new NPs and PAs committed to primary care but deterred by the challenges and complexity of health center practice.
- ◆ We are acutely aware of the imperative to train new providers to a high performance, value-based, population-focused model of care that can significantly contribute to reducing health disparities and increasing health equity all across the life cycle.

Costs, Outcomes, and Sustainability

Program Investment should be viewed as a multi-year life cycle project.



DIRECT COSTS	INDIRECT COSTS
Resident Salary & Benefits	Clinical Support Salaries
Preceptor Salary & Benefits	Purchased Medical Services
Coordinator Salary & Benefits	Medical Equipment
Laptop	IT Infrastructure
EHR License	Occupancy Costs
Evaluation Software	Administrative Overhead
Medical Supplies	

Costs, Outcomes, and Sustainability

Outcomes and Benefits to FQHC:

- ◆ Trained to your population and your model of excellence in clinical and high performance primary care, including care of key, complex, and vulnerable populations
- ◆ > 90% retention as primary care providers 13 years out
- ◆ > 70% retention in FQHCs/safety net settings
- ◆ Creates a recruitment and retention pipeline, supports growth
- ◆ Dramatically reduced recruitment costs
- ◆ Increased satisfaction and “joy in practice” for your providers who serve as preceptors and enjoy teaching
- ◆ Decreased frustration due to unfilled positions creating burden for other providers
- ◆ Creates the next generation of clinical and organizational leaders

Factors That Influence Financial Performance

- ◆ Residents/Fellows: How many will you accept?
- ◆ What is your goal and timeline for visits completed by each Resident/Fellow?
- ◆ Preceptors: What is the lost revenue for providers who precept?
- ◆ Support staff: Usual ratio of support staff to provider or adjusted?
- ◆ Physical space: Do you have sufficient exam rooms/pods/teaching space?
- ◆ Patients: Do you have sufficient new or established patients?
- ◆ Timing: Can your organization credential, privilege, and appoint your trainees by start of program year?
- ◆ Timing: Can your organization successfully enroll your trainees in Medicare/Medicaid/private insurances by start of program year?
- ◆ Will you require a post-residency year of practice? Can you absorb them?
- ◆ Who will monitor every element of the program, resolve issues, and track metrics?

The Role of Program Staff In Monitoring Performance: Ask Questions, Know Your Data

- ◆ **All health care organizations are complex financially!**
- ◆ All expenses and revenue related to postgraduate training programs are unlikely to be captured in one neat financial statement.
- ◆ Know where your program expense and revenue falls in the financial statements.
- ◆ Know what your direct and indirect costs are and where they are allocated.
- ◆ Know what your revenue streams are—grants, contributions, patient fees.
- ◆ Know what your organization’s current cost per vacancy and cost per recruited provider is.
- ◆ **Monitor your program performance monthly—if you need help, ask!**
- ◆ Work with your finance team to calculate the Return On Investment.