

# ARNP Residency Financial Model

## YEAR 1

### REVENUE

*Patient revenue generated by residents:*

Number of residents	2
Visits per resident during residency period	1000
Total patient visit	2000
Average revenue per patient visit	\$200
<b>Total patient revenue</b>	<b>\$400,000</b>
<b>TOTAL REVENUE</b>	<b>\$400,000</b>

### EXPENSES

*Salaries and fringe benefits*

Number of residents	2
Salary per resident (75% of new hire salary)	\$72,990
Total resident salary	\$145,980
Residency program director (0.5 FTE)	\$63,089
Total salaries	\$209,069
Fringe benefits (22%)	\$45,995
<b>Total salaries and fringe benefits</b>	<b>\$255,064</b>

*Other direct expenses*

Equipment, EHR licenses (\$2,250 per resident)	\$4,500
Evaluation software license	\$1,200
Medical supplies and materials (\$2,000 per resident)	\$4,000
<b>Total direct expenses</b>	<b>\$9,700</b>

*Indirect expenses (lost revenue from preceptors)*

Number of preceptors	1
Estimated lost visits per year- 40% of 3,800 visits	1520
Average revenue per patient visit	\$200
<b>Total indirect expenses</b>	<b>\$304,000</b>

**GROSS MARGIN- YEAR 1** **-\$168,764**

## YEAR 2 (POST RESIDENCY)

### REVENUE

Number of residents converted to permanent employees	2
Annual visits by former residents in excess of ramp-up provider	1200
Average revenue per patient visit	\$200
<b>Additional patient revenue total</b>	<b>\$480,000</b>

### EXPENSES

Cost savings on recruitment fees (est \$22,500 per hire)	-\$45,000
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<b>GROSS MARGIN- YEAR 2</b>	\$525,000
<b>NET CASH FLOW</b>	\$356,236

Document created by Elizabeth Wytychak 1/2021  
Based on financial model from NP Residency Book; CHC, Inc.