

Benchmarking Basics: Key indicators for a healthy practice.

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How healthy is your practice?

- Appointment availability
- Office environment
- Patient surveys and social media
- Accounts receivable
- Financials

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Availability

How available are you to see your next patient?

When is your next new patient appointment?

Follow-up visit or skin test appointment?

- If your first available new patient appointment is greater than 2-4 weeks, depending on condition/symptoms, the patient may decide to seek treatment elsewhere.
- Do you need to hire a mid-level or possible physician to handle the patient need?
- When you schedule too far in advance, you run the risk of an increased no-show rate.
- Be careful not to put so many restrictions or rules on your schedule that your staff has a hard time scheduling patients.

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Patient Wait Times

- How are the office wait times?
 - Patients become very anxious if they have to wait
 - Signs are posted in our office stating that if they have not been called back within 15 minutes to see the receptionist
 - Are they waiting too long in the exam room?
 - Track the wait times for office visits and allergy shots.
 - EHR
 - Allergy Shot Program
 - Manual

Side Note: If our patients are 15 minutes late to their appointment, they run the risk of being rescheduled.

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Are you reminding patients of their appointments?

Patients not showing up for their appointments are becoming a huge challenge.

- With technology, there are many ways to notify patients of their appointment:
 - Patient portal
 - Secure messaging
 - Text message
 - Phone reminder system
 - Of course, the old fashioned personal phone call

Remember an empty slot is lost revenue!

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Question from MGMAstat on May 22, 2018:

Does your organization use text messaging to communicate appointments to patients?

68 %	Yes
24%	No
7%	Considering it
1%	Unsure

1569 applicable responses

MGMA.com/stat #MGMASTAT

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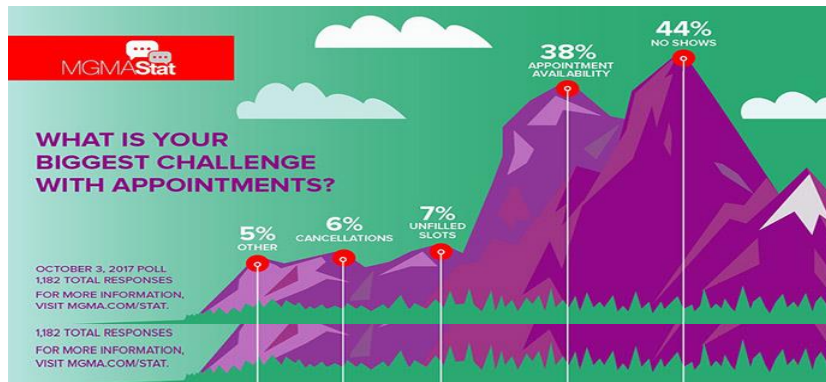
Tips for sending appointment reminders by text message

HIPAA Journal

- Only send necessary information; e.g., patient first name and last initial along with the appointment day/time
- Obtain consent from patients for reminders via text, email or phone *and* honor these agreements (while reminding patients that text messages may not be fully secure)
- Verify patient contact information each visit
- Avoid including any PHI in a text, potentially including practice name (i.e., ABC Allergy Center)
- Consider secure texting options for communicating PHI internally between staff members

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No shows are the biggest appointment challenge.

Appointment availability-managing different appointment types and patient/provider need. Adjusting schedules by provider.

Gathering all of the documents, authorizations, referrals necessary before an appointment.

You MUST be able to measure your data before you can manage it!

Office Environment

Clear Objectives for mission and values.

*Our practice philosophy is simple: treat each patient with compassion and respect, and offer them the most advanced treatment options available. With more board certified allergists and asthma specialists than any similar practice in the region, we offer a comprehensive evaluation of your medical condition, and an individualized treatment plan in our state of the art facility. We are also proud to be the region's premier research center exclusively dedicated to advancing the treatment of allergies and asthma through clinical trials. Coastal Allergy is committed to helping you **Live Better and Breathe Easy!***

Do you stand behind the statement you have in place?

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- **Employees---Staff and Providers**
 - What is your staff turn-over rate?
 - How does the staff interact with your patients and the other staff and providers?
 - Good customer service skills?
 - How do the providers treat the staff?
 - Do you perform employee surveys?
- **Office Appearance**
 - Is your office welcoming?
 - Is your office clean and taken care of?
 - Are exam rooms clean and neat?

Walk through the front door once in a while and take an overall picture of how your office presents.

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Patient Satisfaction Surveys and Online Reviews

- Do you perform patient satisfaction surveys?
- Do you review websites for patient reviews?
 - Google, Healthgrades, Yelp, Facebook, etc.
- Do you send responses back to the patients?

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Accounts Receivables Health

- Review charges, payments and adjustments frequently
- Review aged trial balance reports
- Review denials, make corrections, follow up. Change your process if needed to stop the mistakes. Insurance companies love to deny claims...WATCH THEM!
- At least yearly, review your account's receivable process

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Financial Health

- Review your profit and loss statement-look for outliers. Which costs are creeping up?
- Make sure the providers are not “eating more than they kill”
- Employee salaries are a big item. Keep a tight reign on overtime.
- Do you have a contingency fee plan built into place in the event of an emergency?

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Know your numbers

Managing the process more effectively and efficiently by measuring the results will give you a greater sense of your practice's health.

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“ I often say then when you can measure what you are speaking about, and express it in numbers, you know something about it; but when you cannot measure it, when you cannot express it in numbers, your knowledge is of a meager and unsatisfactory kind.”

- - Lord Kelvin
prominent British scientist

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Metrics Drive Behavior

- Help track performance
- Help increase accountability
- Help define the business model
- Help communicate strategy
- Help align objectives

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How Do You Know . . .

- That the overall business is healthy?
- Now . . . How would other people know?
- That the business processes you perform are working properly?
- Now . . . How would other people know?

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Importance of Metrics

- If you don't know how well you are doing, how do you know what to keep doing and what to change?
- If you don't keep score, you are only practicing.
- Words without verifiable numbers are simply just opinions.
- What gets measured, gets done.
- In God We Trust – all others bring data!
- Metrics tell the world what you think is **important**.

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Metrics Defined

- A metric is a verifiable measure stated in either quantitative terms or qualitative terms.

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What Metrics Provide

- **Control** (over processes, equipment and employee performance)
- **Reporting** (of actual performance relative to expectations)
- **Communication** (of what constitutes value and key success factors)
- **Opportunities for improvement** (by showing gaps in performance)
- **Expectations** (to staff, patients, and referring physicians)

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Characteristics of Good Measurements

- **Objective / Quantifiable** (everyone knows how to calculate it)
- **Non-Conflicting & Relevant** (important to doing a good job)
- **Achievable & Verifiable** (motivational in nature)
- **Monitored Frequently / Timely** (feedback on recent actions)
- **Visible** (accessible to all who can make an impact)
- **Comprehensible** (everyone knows what it means)
- **Actionable** (information to know what to do now)

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Overhead Ratio

Total Operating Expenses
 (minus provider salaries & benefits)

Total Collections

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Staff Ratio

Total FTE Employees

Total FTE Providers

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Individual Category Expense Ratio

Individual Expense (by category)

Total Collections

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Laboratory Expense Ratio

Total Monthly Lab Expense

Monthly Net Charges for Lab-Related CPT Codes

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Average Cost Per Patient

Total Expenses Per Month

Total Monthly Patient Visits

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Payor Mix Ratio

Individual Payor Receipts

Total Receipts

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Average Revenue Per Patient

Total Monthly Collections

Total Monthly Patient Visits

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Average Revenue Per Day

Average Charges for Last 3 Months

Number of Business Days in Last 3 Months

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Accounts Receivable Per FTE Physician

Outstanding Accounts Receivable

Number of FTE Physicians in Practice

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First-Pass Resolution Rate

Total Number of Claims Paid

Total Number of Claims Submitted

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Percentage of Accounts Receivable >120 Days

Dollar Value of Accounts Receivable >120 Days

Dollar Value of Total Accounts Receivable

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Days In Accounts Receivable

Outstanding Accounts Receivable

Average Adjusted Charges Per Day

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Gross Collections Ratio

Total Collections

Total Gross Charges

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Net Collections Ratio

$$\frac{\text{Total Collections}}{\text{Total Gross Charges}} \\ \text{(after write-offs or adjustments)}$$

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In a Nutshell

- Measure what matters
 - Find out key essentials for your practice.
- Keep it simple
 - Simple to operate.
 - Simple to understand.
 - Simple to action.

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