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## **Electronic dashboards**

### **The latest gadget for measuring practice performance**

If traditional financial statements tend to put you to sleep, an electronic dashboard may be just for you. Electronic dashboards are designed to make financial indicators more comprehensible to physicians. In fact, they can be effective tools for engaging all staff members in reducing overhead and increasing profits.

#### **How do they work?**

Auto enthusiasts understand the value of having a clear set of gauges that provide real-time feedback on their cars' performance. Similarly, electronic dashboards give physician practice leaders the data they need to monitor their practices' performance in real time.

An electronic dashboard is an interactive, graphical representation of complex practice data that your staff can use to compare with existing budgets, strategic goals or other performance metrics. Some of the financial measures that can be tracked via an electronic dashboard include:

- Gross charges and payments by reporting period,
- Accounts receivable by payor and type (self-pay, government, private),
- Accounts receivable aging in days,
- Number of claim denials due to coding errors, and
- Expenses incurred by type and physician.

Data presented in a dashboard can be normalized by full-time equivalent (FTE) physician or relative value unit (RVU) for measuring performance. On a per-physician basis, the numbers can drive improvements in resource utilization by individual doctors.

A 2007 survey developed by the American College of Medical Practice Executives found that 37% of physician practices employed some form of electronic dashboard or comparable reporting tool. Of those, 70% said that the results they achieved were "very beneficial."

#### **How do you get started?**

There are a few steps you'll need to take before you can successfully employ an electronic dashboard in your practice. First, you must develop a set of strategic goals and priorities that are supported by all your physicians. The dashboard metrics will guide the practice toward achieving those goals.

Next, your partners must agree to take action on the basis of the dashboard indications and be willing to spend the money needed to acquire the new technology (both software and hardware). And finally, everyone in the practice

must not only accept the concept of evidence-based, data-driven decision making, but also be willing to follow through on decisions made. Remember: The purpose of dashboards is to empower your staff to make changes and adjustments in their work activities. As an example, a dashboard report could alert the practice manager that the largest share of rejected claims is processed by a single clerk who could then be targeted for retraining. Another report might reveal that an ancillary service that the practice just added, or a new satellite clinic that it opened, is drawing a new type of customer that could be further reached through marketing.

### **What features should be included?**

There are several baseline features of a good, utilitarian dashboard. The dashboard should allow users to:

- Select and manipulate data (such as budgets, goals, and previously determined benchmarks) that are important to them,
- Drill down to find the data details that are behind the dashboard outputs,
- View a graphic presentation of the practice's key performance indicators via pie charts, line or bar graphs, and speedometer dials, and
- Publish dashboard outputs in multiple formats, including Microsoft Excel<sup>®</sup>, Word and PowerPoint<sup>®</sup> and Adobe<sup>®</sup> PDF or Flash.

A key component of an electronic dashboard is the ability to gather data from a variety of sources. In fact, if it's capable of interfacing with the practice's existing scheduling and financial systems, the dashboard may retrieve much of its data automatically, without human intervention. Also keep in mind that the dashboard application must be able to limit user access to the data and functions that are essential parts of their jobs.

### **Know where your practice is going**

Electronic dashboards are catching on in the health care profession because they give physician practice leaders the data they need to monitor their practices' performance in real time. Although it may take a couple of months for your clinical and office staff members to learn how to use the tool, the immediate feedback that a dashboard provides can help your practice react instantly to correct problems and take advantage of new opportunities.

### **What costs are involved?**

If you have a computer-savvy staff member, you can keep the cost of developing an electronic dashboard down by having him or her design the tool using Microsoft Excel<sup>®</sup> plus some add-ons. MicroCharts, for example, is an Excel extension that can help you create useful dashboards. You can find more on this application at [xlcubed.com](http://xlcubed.com).

Your other option is to hire a consultant to develop a custom dashboard that meets your practice's unique needs. Because such a system would likely also require your practice to purchase new hardware and software, the cost of implementation could be \$2,000 and up. If you and the consultant agree that special purpose dashboard software would better suit the practice, you could incur an even higher cost.