

Measure Your Practice's Performance

Is your practice moving forward, standing still, or losing ground? You'll know the answer if you compare different aspects of your practice's operations to appropriate benchmarks. It's been said that you can only manage what you can measure. Benchmarking can give you the data you need to make informed management decisions about the direction of your practice.

What To Measure

There are two types of benchmarking: Performance and process. Performance benchmarking compares a practice's operating performance internally over time and externally against other practices of a similar size in the same specialty. Process benchmarking compares a practice's work protocols. By tracking key benchmarks from quarter-to-quarter or year-to-year, you can identify the areas in which progress is being made.

Start by choosing a few indicators that are important to you. For each indicator, determine your objective and define what you'll measure and how you'll do it. Keep tracking the data regularly so that you can make meaningful comparisons over time. Here are some of the indicators your practice may want to use in its analysis.

Profitability/Cost Management

Look at measures such as net income (or loss) per full-time equivalent physician and operating cost per physician. Other useful areas to analyze would include operating costs as a percentage of total medical revenue and total support staff cost per physician.

Billings and Collections

What percentage of submitted claims is rejected by third-party payers? Is that percentage higher or lower than it has been in the past? If you determine that the number is increasing, you'll need to review the quality of your coding. If coding errors are at fault, it's critical that you tackle this issue immediately.

Examine the percentage of accounts receivable over 120 days. Is it higher or lower than what has been your experience? What about your practice's fee for service collection percentage or the dollar amount of bad debts per physician? These are measures that you can evaluate.

If you track your copay collection rate for several quarters and see that it is deteriorating, have your front desk staff pull up each patients' records when making appointments and remind them about past due payments. In addition, remind your front desk employees to ask for copays at the time of service and to request any outstanding amounts.

Patient No-shows

If your measurement of patient no- shows reveals an uptick in the numbers, consider having your staff make reminder calls or charging for missed appointments.

Time Patient Spends in Office

Patients resent lengthy waiting times. You can track the average time patients spend waiting to see a physician or physician's assistant. Start by giving a percentage of patients (10%, for example) a card that your receptionist time stamps on arrival and collects and stamps again on departure. If the data reveal an increase in wait times, overbooking may be an issue. If that's the case, you'll want to reexamine your procedures and time blocking. You may even have to look into adding another physician, physician's assistant, or nurse practitioner.

There are other indicators your practice can use to evaluate how well it is doing. Talk to us about how we can help.

Keep tracking the data regularly so that you can make meaningful comparisons over time.