

With the right practice management tools, there is no limit to the data your practice can track and measure. Many of the key performance indicators (KPIs) practices should actively manage relate specifically to the revenue cycle function.

When measuring your practice performance, there are typically two industry standards used. First, compare your statistics from year to year. Flag areas of concern and areas of high performance. For example, are your charges and payments equal to, greater than or less than the previous year? If significant variances exist, look at the data on a monthly basis to see if you can identify cause and effect events.

Second, take a look at industry standards for your specialty. The Medical Group Management Association's (MGMA) Annual Cost Survey and the National Society of Certified Healthcare Business Consultants' Annual Statistics both track key performance indicators by physician specialty.

Key Performance Indicators for Physician Practices

Start by looking at these five key performance indicators:



Charges & Payments

Collect payment at the time of service where applicable to increase collections, decrease collection costs, and accelerate cash flow. In today's healthcare environment, many insurance plans carry high deductibles and larger copays.



Charge Lag

Measures charge capture workflow efficiency and identifies delays in cash. Holding charges delays payment on services rendered and can lead to an uncertain revenue cycle. Make optimal use of your EHR or practice management software to help facilitate the process by automating the billing cycle wherever possible.



Days in AR

Measures the average number of days it takes to collect payment on services rendered. MGMA reports an average of 42 days in A/R. If your receivables exceed this benchmark, examine your collection processes.



Percent of Patient Schedule Occupied

Measures the availability in your patient schedules and identifies ways to maximize visit utilization and improve practice productivity.



Coding Edits for Correct Claims Data

Review claims for missing codes, notes and signatures before submitting to payers.

One final note: verifying patient demographics and insurance information on a regular basis helps to improve all of the items mentioned. Without accurate patient data on file, denials increase, collections become more difficult and appointment confirmations can be challenging.

Consider joining an independent multi-specialty group with access to a full range of practice management services and clinical best practices, such as Consensus Health. To learn more, visit www.consensushealth.com.