

Benchmarking for Practice Success

Tracy Bird, FACMPE, CPC, CPMA, CPC-I, CEMC

Medical Practice Advisors, LLC

tbird@medicalpracticeadvisors.com

“Something that can be used as a way to judge the quality or level of other, similar things”

Source: Merriam-Webster



Why Should We Benchmark?

- Benchmarking helps you understand where you are and define where you want to go and how you will get there
- The dynamics of healthcare management dictate enhanced methods of measurement, analysis, comparison, and improvement
- Benchmarking improves a practice's ability to identify, predict, and adjust to challenges.



Two Key Principles of Benchmarking

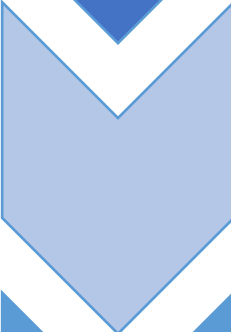
1. If you don't measure it, you can't manage it

1. If you don't value it, you won't change it



Benchmarking- More Than Numbers

- 
- Begins with a comparison of data
 - Numbers, patients, clicks, visits, procedures ...

- 
- Understanding the current state of your practice
 - Barriers, limitations, strengths, goals, areas of concern

- 
- *Any metric deemed important can be benchmarked !*



How to Begin to Benchmark

- Decide what is most important to the success of your organization
- Identify metrics that are critical factors
- Find an internal and external source of benchmarking data
- Measure your practice's performance
- Compare your data with a benchmark
- Decide if action is needed for improvement
- Implement new processes
- Measure change
- Do it all over again



How Do We Do That?

Three Measures to Consider

Operations (Productivity)

Financial (Time and Cost)

Quality

Case Study # 1 (Operations Example)

You are the administrator of a primary care practice with 5 FTE physicians and 2 NPP's. A recent patient satisfaction survey indicated patients are unhappy with their ability to reach your practice by phone; they cannot schedule appointments when they need them and consequently you have noticed a higher- than-normal no-show rate.

Considerations for What to Measure

Staffing

- Staffing ratios per FTE physician
- Administrative support staff per FTE physician
- Clinical support staff per FTE physician

Telephone Management

- Number of phone calls
- Types of calls – Reasons for the calls

Patient Demographics

- Age and gender of patients

Survey Evaluation

- Survey instrument
- Questions Asked

Benchmarking – Common Key Performance Indicators

- **Scheduling**

- 3rd next available appointment
- No show rates
- Cancellation rates
- Provider service hours
- Visits per provider

- **Patient Flow**

- Average wait time
- Total appointment time

- **Patient Encounters**

- New patients
- Established patients
- Appointment type mix
- Average encounters per day per FTE provider



Staffing Benchmarks

Staffing	My Practice	MGMA
Non- Physician Practitioners	2.0	2.10
Front Office Receptionists- Referrals- Medical records-	4.5	6.65
Clinical Support One per provider Float	7.0	8.0
Total	13.5	16.75

Source: MGMA 2021 Data Dive. *Family Medicine per FTE Provider*

Receptionist – “Best Practices” Benchmarks

- **Performance standards:**

- *Check in 100-130 patients per day if only verifying the registration.*
- *Check out 60-80 patients per day when performing follow-up scheduling, cashiering, and processing a fee slip.*
- *Check out 70-90 patients per day when performing follow-up scheduling and cashiering at check-out.*

“Mastering Patient Flow” by Elizabeth Woodcock.

Patient Flow Staff Performance Benchmarks

Practice Operation Task	Workload Range
Surgery Scheduling	25-30 patients per day
Referrals (inbound and outbound)	70-90 patients per day
Nurse triage	75 calls per day
Nurse/MA rooming patients and assisting providers	22-30 patients per day



Phone Calls	My Practice	Best Practice Data
Appt. scheduling with full registration	120	150
Appt. scheduling with no registration	180	250

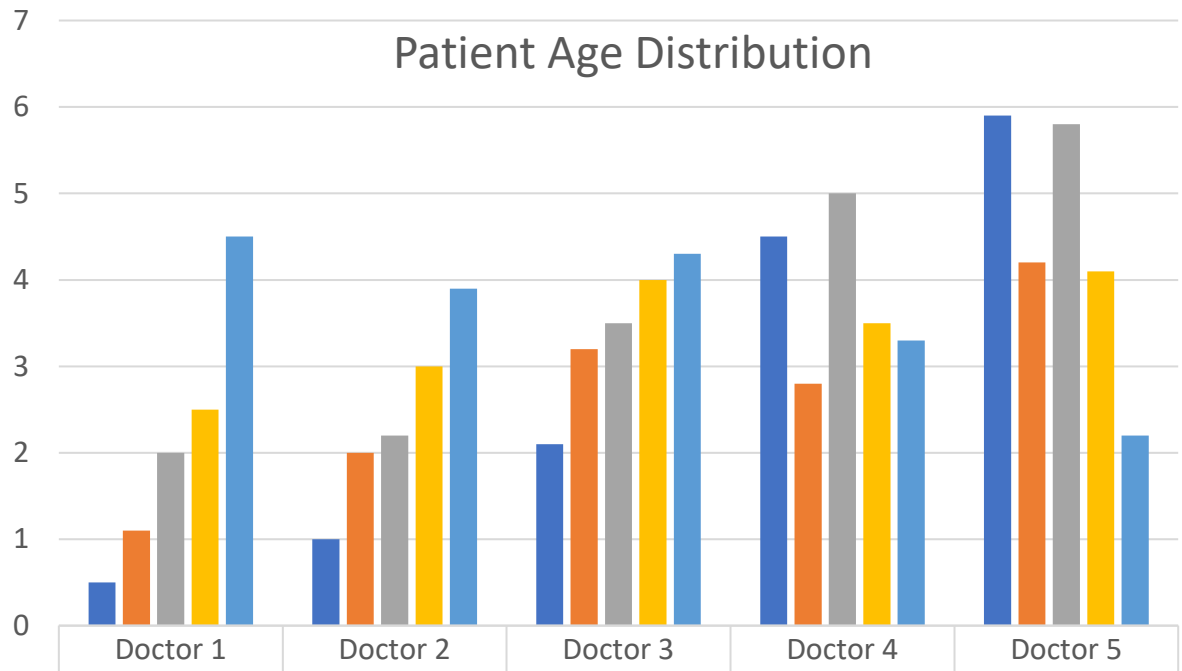
Source: Elizabeth Woodcock: Mastering Patient Flow

Incoming Call Analysis

Call Reason	Total	% Repeat
Rx	70	10%
Appt.	150	0%
Billing	35	0%
Referral	25	3%
Tests	135	32%
Nurse/Dr.	75	15%
Other	20	0%
Total	510	12%



Patient Demographics



- Series 1: 0-10
- Series 2- 11-25
- Series 3- 26-40
- Series 4- 41-64
- Series 5-65+

	Doctor 1	Doctor 2	Doctor 3	Doctor 4	Doctor 5
Series 1	0.5	1	2.1	4.5	5.9
Series 2	1.1	2	3.2	2.8	4.2
Series 3	2	2.2	3.5	5	5.8
Series 4	2.5	3	4	3.5	4.1
Series 5	4.5	3.9	4.3	3.3	2.2



Patient Satisfaction Surveys

Qualitative

- How satisfied were you with the care you received today?
- What could this practice do to improve the care you received today?
- Did the provider listen to your concerns?
- Would you recommend this practice to your family and friends?

Quantitative

- Using the choices below how would you rate the ease of making an appointment by phone?
- Circle:
 - “1” for poor
 - “2” for good
 - “3” for excellent

Appointment Availability

- Measure number of days to next available new or established patient.
 - 3NAA (3rd next available appointment) is healthcare standard measure of access to care and tells how long a patient waits to be seen.
 - Measure from the same day and same time for every provider.
 - Helps determine back log.
 - Institute of health sets the goal as zero days for primary care and 2 days for specialists

No Show Rates and Cancellation Rates

- No Show Rate

Number of appointment no-shows

Number of total scheduled appointments

- Cancellation Rates

Number of cancellations converted to appts

Total Cancellations

Tracking No Shows

Total “no-show” numbers per provider:

	A	B	C	D
January	27	86	44	49
February	18	64	36	38
March	27	49	44	18
April	18	59	23	23
May	22	44	25	16
June	21	41	38	22
July	21	46	38	22
August	27	59	38	34
September	29	57	55	36
October	24	82	22	52
November	35	55	59	30
December	27	39	38	28
Totals	296	681	460	368



Provider Data

- Patient encounters per FTE Physician

Physician ambulatory encounters

Total FTE Physicians

- New patient registrations per FTE Physician

New patient registrations

Total FTE Physicians

- Physician weeks worked per year

- Total number of weeks worked per year per physician

- Clinical service hours worked per week

- How many patient contact hours are available per FTE Phys per week

- Appointment duration in minutes

Total number of clinical service hours per week per physician

Number of totaled scheduled appointments per physician



Encounter Data

- Measure and benchmark monthly encounters per provider

Encounters Per FTE Provider	My Practice	MGMA
Physicians	225	300
Non-Physician Practitioners	165	198

Case Study #2 (Financial Example)

You are the administrator of a primary care practice. Over the last two years you have seen a decrease in revenue and increase in overhead. The physicians are also concerned. They have asked you to identify whether it is a



revenue problem?



or an expense problem?

and report back to the board with an improvement plan.

Benchmarking – Common Key Performance Indicators

- **Revenue KPI's**

- Gross charges
- Gross collection ratio
- Net collection ratio
- Days charges in A/R
- Months charges in A/R
- Aged trial balances- Payer & Patient
- Coding patterns by provider



What To Measure

Revenue

- A/R: Charges, payments, adjustments
- Payer and patient issues

Expenses

- Staff costs
- General operating costs
- Physician compensation

Evaluating Revenue

- Gross collection ratio

$$\frac{\text{Net FFS revenue or collections}}{\text{Gross FFS charges}}$$

- Net collection ratio

Net FFS Collections

Net FFS Charges (Charges less Contractual Adj.)

Evaluating Accounts Receivable

- Days in A/R

$$\frac{\text{Outstanding net Accounts Receivable}}{\text{Average adjusted revenue per day}}$$

- Months in A/R

$$\frac{\text{Total Accounts Receivable}}{\text{Annual Adjusted FFS charges} * 1/12}$$

**Aged accounts receivable

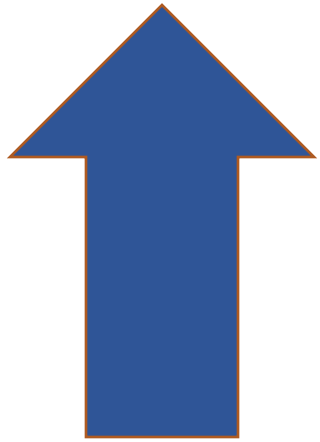
Goal: ≤ 60 days – 50%-60% of total A/R

≥ 90 days – no more than 15% of total A/R

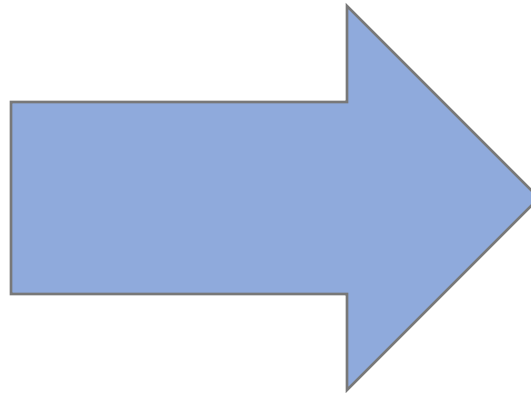
ABC Clinic

2022	Charges	Receipts	Adjustments
January	203,406.00	118,291.85	48,856.68
February	231,279.50	159,031.74	64,110.71
March	246,268.00	168,324.20	85,684.13
April	275,122.00	155,707.17	67,607.80
May	264,468.00	212,105.19	81,512.71
June	284,359.00	208,302.85	84,368.05
July	266,112.00	204,925.09	84,267.63
August	341,514.00	223,385.43	90,705.27
September	223,898.29	199,969.70	61,677.46
October	292,998.75	200,563.96	81,262.35
November	292,998.75	206,058.25	109,334.01
December	267,414.57	164,402.38	90,720.21
TOTAL	3,188,943.45	2,221,067.81	950,107.01
Monthly Average	265,745.29	185,088.98	79,175.58
2021 Monthly Ave.	197,070,.08	141,732.48	56,553.11

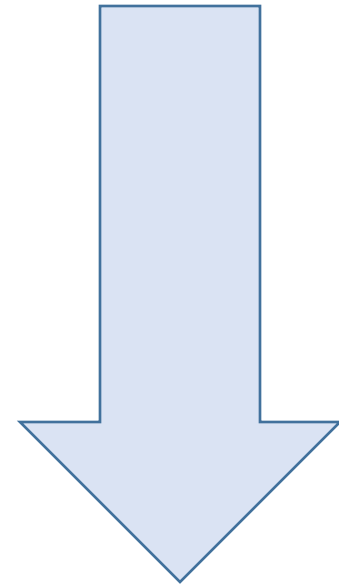
Tips For Monitoring Charges



Charges should be consistent from month to month



Monitor charges by service line- E&M, Surgery, Lab, Drugs, etc.



Establish internal benchmarks or compare with external benchmarks

Monitoring Charges

- Pay attention to outliers:
 - Charge posting issues
 - Lag time to posting
 - Physician issue
 - Work- flow in the business office
 - Vacations or time off
 - Physician not turning in charges consistently
 - Implementing or discontinuing a service
 - Isolated or unusual incidents such as a spike or lull in demand (seasonal)

Adjustments/Write-offs

Contractual

- Discounts mandated by insurance contracts

Other Adjustments

- Bad debt, courtesy, errors, and other discretionary discounts



Monitoring Adjustments

Adjustments to billed charges is often an under-managed area in medical practices

Monitoring write-offs is a sound internal control procedure

Periodic audits of write-offs protects against employee dishonesty or incompetence

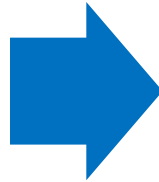


Tips for Monitoring Adjustments

- Establish adjustment reason codes for major payers and separate codes for frequently used “*Other*” write offs:
 - Bad debt, courtesy, small balance, timely filing, billing errors
- Use Monthly, Year-to-Date and Average Columns to compare to your internal benchmarks
- Monitor by major payer to identify trends
- Track adjustment percent by provider

Monitoring Adjustments

Adjustments tend to mirror receipts, not charges. In a month with above average receipts, expect above average adjustments



When adjustments appear too low or too high, or do not mirror cash receipts, look for:

- Anomalous levels of Medicaid or Medicare postings within the month
- Clerical staff not writing off bad debt on a regular and consistent basis
- Fallout from claims filing errors
- Other posting errors

Accounts Receivable Management

Accounts Receivable Aging Report XYZ Clinic

Bill Date	Total	0-30	%	31-60	%	61-90	%	91-120	%	121+	%
	291,304		57.90%		15.15%		7.18%		4.33%		14.16%
August	427,126	246,441	57.70%	59,971	14.04%	34,474	8.07%	27,782	8.85%	58,457	13.69%
September	464,283	279,738	60.25%	55,840	12.03%	39,762	8.56%	19,674	4.24%	69,270	14.92%
October	442,919	254,458	57.45%	82,764	18.69%	21,016	4.74%	20,323	4.59%	64,357	14.53%
November	462,359	261,545	56.57%	36,514	7.90%	53,403	11.55%	29,075	6.29%	81,822	17.70%
December	392,112	224,351	57.22%	19,070	4.86%	46,293	11.81%	34,458	8.79%	67,941	17.33%
January	456,933	256,224	56.07%	46,988	10.28%	30,118	6.59%	37,653	8.24%	88,046	19.27%
February	467,334	261,201	55.89%	83,586	17.89%	22,186	4.75%	5,037	1.08%	95,324	20.40%
March	442,505	284,906	64.38%	42,286	10.46%	52,749	11.92%	9,964	2.25%	48,600	10.98%
April	439,730	294,067	66.87%	47,449	10.79%	50,076	11.39%	7,714	1.75%	40,423	9.19%
May			#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
June			#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
July			#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!

Svc Date	Total	0-30	%	31-60	%	61-90	%	91-120	%	121+	%
	291,304		50.26%		14.60%		7.83%		4.78%		21.23%
August	427,126	156,627	36.67%	78,498	18.38%	48,916	11.45%	27,715	6.49%	115,370	27.01%
September	464,283	163,793	35.28%	97,249	20.95%	45,523	9.81%	33,375	7.19%	124,343	26.78%
October	442,919	162,904	36.78%	88,031	19.88%	39,542	8.93%	28,865	6.52%	123,577	27.90%
November	462,359	163,758	35.42%	65,433	14.15%	50,916	11.01%	27,780	6.01%	154,472	33.41%
December	392,112	131,046	33.42%	51,781	13.21%	43,110	10.99%	35,392	9.28%	129,784	33.10%
January	456,933	177,412	38.83%	69,052	15.11%	32,950	7.21%	32,950	7.21%	144,569	31.64%
February	467,334	140,857	30.14%	124,718	26.69%	36,841	7.88%	21,601	4.62%	143,318	30.67%
March	442,505	165,436	37.39%	71,220	16.09%	88,098	19.91%	20,394	4.61%	97,356	22.00%
April	439,730	178,287	40.54%	66,789	15.19%	35,940	8.17%	69,515	15.81%	89,200	20.29%
May			#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
June			#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
July			#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!

Monitoring Receipts

Dr. A Production 2022

Cash Receipts	Jan 22	Feb 22	March 22	April 22	May 22	Total 2021	2022 YTD Ave/Mo
BCBS	26,460	22,483	26,861	27,709	19,286	122,799	24,560
Medicare	2,222	2,591	3,644	4,005	1,199	13,661	2,732
Medicaid	10,235	7,803	8,180	8,628	11,491	46,426	9,285
Commercial	60,064	45,056	57,331	42,665	44,616	249,733	49,947
Refunds (negative)	(1,187)	(2,790)	(4,258)	(958)	(1,169)	(10,360)	(2,072)
Cash Receipts	97,884	75,145	91,757	82,050	75,422	422,259	84,452

- Cash Receipts may fluctuate more erratically than charges
- It is helpful to monitor receipts by payer as an aid to managing or interpreting fluctuations
- Use averages and year to year comparisons to benchmark

Tips for Monitoring Receipts

- When Cash Receipts appear unusually low or high look for:
 - Unusual charge activity in the previous or current month
 - Posting problems - payments not posted regularly
 - Un-filed or lost claims, either in the office, or electronically
 - A check from a major payer either delayed or lost or a spike from a back-log of claims

Aged Accounts Receivable

ABC Family Practice

Accounts Receivable - 13 Month History

	Current	31-60	61-90	91-120	121+	Total	Credit Balance
AUG 20	186,429	86,540	69,127	67,137	168,510	577,743	10,524

- AR balance changes daily – the report is for a single point in time
- Best to generate the report at the same point every month, typically at month end
- Reports are categorized in 30-day intervals, typically up to 120 days
- May include the credit balances

Aged Accounts Receivable

ABC Family Practice

Accounts Receivable - 13 Month History

	Current	31-60	61-90	91-120	121+	Total	Credit Balance
Aug 22	186,429	86,540	69,127	67,137	168,510	577,743	10,524
Sept 22	209,287	76,628	43,028	51,861	192,660	573,465	11,715
Oct 22	195,994	71,306	65,113	40,269	198,204	570,885	12,318
Nov 22	248,281	77,548	51,665	47,266	158,476	583,235	13,658
Dec 22	213,841	117,399	48,152	39,856	158,269	577,516	8,812

- Record the aged categories at the end of each month for month-to-month comparison

ABC Family Practice

Accounts Receivable - 13 Month History

	Current	31-60	61-90	91-120	121+	Total
Aug 20	186,429	86,540	69,127	67,137	168,510	577,743
Sept 20	209,287	76,628	43,028	51,861	192,660	573,465
Oct 20	195,994	71,306	65,113	40,269	198,204	570,885
Nov 20	248,281	77,548	51,665	47,266	158,476	583,235
Dev 20	213,841	117,399	48,152	39,856	158,269	577,516
Jan 21	218,643	87,346	63,639	32,883	131,460	533,970
Feb 21	200,937	96,340	55,795	35,767	94,230	483,069
Mar 21	221,961	81,622	51,459	36,650	72,773	464,466
April 21	210,678	89,839	49,755	36,233	75,780	462,285
Mar 21	186,387	83,191	62,737	28,842	47,905	409,062

Changes in AR can be monitored over time.

AR "bubbles" can be identified and investigated

Bill Date	Total	0-30	%	31-60	%	61-90	%	91-+	%
MGMA Median	1,147,044								
MGMA Better Performers									
January	701,722	551,165	79%	55,180	8%	44,666	6%	50,711	7%
February	659,048	452,286	69%	117,138	18%	40,188	6%	49,436	8%
March	685,196	443,675	65%	119,589	17%	81,418	12%	40,515	6%
April	685,231	436,222	64%	97,137	14%	64,586	9%	87,286	13%
May	669,122	404,359	60%	101,443	15%	63,406	9%	99,914	15%
June	770,816	486,414	63%	104,860	14%	73,775	10%	105,767	14%
July	881,857	489,369	55%	131,709	15%	95,743	11%	165,036	19%
August	867,791	455,802	53%	179,508	21%	99,374	11%	133,106	15%
September	-		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
October	-		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
November	-		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
December	-		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
Service Date	Total	0-30	%	31-60	%	61-90	%	91-+	%
MGMA MEDIAN			43%		18%		9%		24%
MGMA Better Performers									
January	701,722	262,792	37%	158,030	23%	96,460	14%	184,440	26%
February	659,048	229,756	35%	166,036	25%	85,696	13%	177,560	27%
March	685,196	250,570	37%	178,238	26%	93,794	14%	162,594	24%
April	685,231	200,139	29%	199,088	29%	83,830	12%	202,175	30%
May	669,122	216,823	32%	133,855	20%	103,050	15%	215,393	32%
June	770,816	279,760	36%	219,349	28%	64,480	8%	207,227	27%
July	881,857	224,301	25%	236,329	27%	152,320	17%	268,908	30%
August	867,791	240,118	28%	159,508	18%	182,137	21%	286,028	33%
September	-		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
October	-		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
November	-		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
December	-		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!

- Bill date and service date
- Trending \$ and %
- Including MGMA median values



Accounts Receivable Thumb rules

– 50% to 70% of AR should be less than 60 days old.

– No more than 15-20% of AR should be aged greater than 90 days.

– Aim for 1 month's charges in AR.

Charges & Revenue per FTE Physician for Primary Care Single Specialties

Collapse Table

4 selected

Benchmark	All Practice Types				
	10th %tile	25th %tile	Median	75th %tile	90th %tile
Total gross charges	\$619,586	\$870,729	\$1,202,719	\$1,687,127	\$2,266,807
Total medical revenue	\$317,635	\$451,042	\$606,303	\$838,541	\$1,167,369
Total medical revenue after operating cost	-\$49,875	\$76,838	\$183,255	\$309,295	\$502,505
Net FFS revenue	\$289,053	\$425,459	\$575,000	\$806,238	\$1,124,298
Net capitation revenue	\$553	\$6,324	\$19,739	\$41,548	\$104,599
Net other medical revenue	\$467	\$2,242	\$16,178	\$50,251	\$134,714
Net nonmedical income/loss	\$105	\$512	\$2,634	\$23,565	\$193,029
Net income/loss, excluding financial support (all practices)	-\$498,638	-\$309,570	-\$182,565	-\$67,833	\$29,668

Benchmarking Gross charges and revenue per FTE physician Family Practice

- Median Charges: \$1,202,719
- Median FFS Revenue: \$575,000
- *Look at 75% and 90% percentiles

A/R, Collections, Payer Mix Practice Data for Family Medicine

Collapse Table

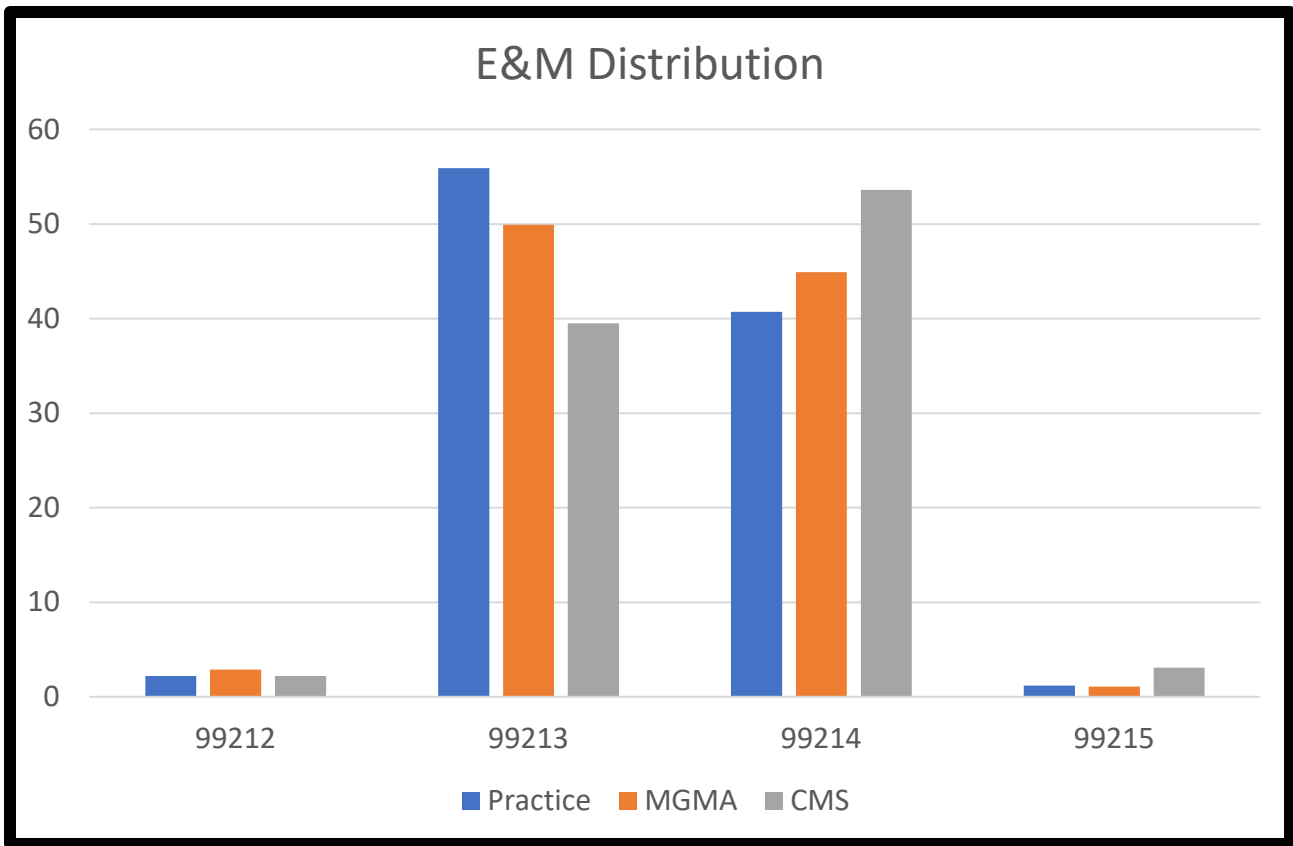
5 selected

Benchmark	All Practice Types					
	Mean	10th %tile	25th %tile	Median	75th %tile	90th %tile
Total A/R per physician	\$148,420	\$49,388	\$72,042	\$114,456	\$190,397	\$292,582
Total A/R per provider	\$85,296	\$39,034	\$49,255	\$72,683	\$101,268	\$163,551
0-30 days in A/R	50.90%	31.13%	42.42%	53.97%	62.66%	67.75%
31-60 days in A/R	10.77%	6.78%	8.71%	10.61%	12.85%	15.19%
61-90 days in A/R	7.77%	4.39%	5.89%	7.41%	8.91%	11.63%
91-120 days in A/R	5.59%	3.08%	3.95%	5.41%	6.70%	8.45%
120+ days in A/R	24.97%	10.42%	14.54%	20.41%	29.20%	41.16%

ABC Family Practice

Accounts Receivable - 13 Month History

	Current	31-60	61-90	91-120	121+	Total
Aug 21	206,197	89,702	43,591	21,242	75,495	436,226
	47.27%	20.56%	9.99%	4.87%	17.31%	100.00%



	Practice	MGMA	CMS
99212	2.2	2.9	2.2
99213	55.9	49.9	39.5
99214	40.7	44.9	53.6
99215	1.2	1.1	3.1



Benchmarks

Billing Function	Expectation	Actual Performance	Benchmarks
Registration	Demos & Ins.		98% accurate
Prior Auth	Determine & get		98% accurate
Time of service collections	Co-pays, co-ins, balances		co-pays 98%
Coding	Physicians code		1% error on audit
Claims	Rejection rate		< 5%
Charge entry	Lag days		24 hrs ofc/ 48 hrs IP
A/R follow up	Net collection ratio		95% >
Payment posting	Posted & balanced daily		100% accurate
Collections	Patients to collections		110 days
Denials	Due to no referral		2% denial rate
Denials	Due to timely filing		0% denial rate

Two Major Elements of Overhead Expenses

- Support Staff Costs
- General Overhead



- Neither include physician or other provider costs

**REVENUE AND EXPENDITURES
TWELVE MONTHS ENDING JUNE 30, 2000**

	CURRENT ACTUAL PERCENT		YEAR-TO-DATE ACUTAL PERCENT	
SERVICE INCOME				
PROFESSIONAL FEES	\$ 28,961.67	100.3%	\$ 258,924.99	103.2%
PATIENT REFUNDS	\$ (77.90)	-0.3%	\$ (7,931.68)	3.2%
* TOTAL SERVICE INCOME	\$ 28,883.77	100.0%	\$ 250,993.31	100.0%
* TOTAL INCOME	\$ 28,883.77	100.0%	\$ 250,993.31	100.0%
EXPENSES:				
ADVERTISTING	\$ 58.92	0.2%	\$ 2,018.69	0.8%
ACCOUNTING SERVICES	\$ 250.00	0.9%	\$ 3,817.70	1.5%
BANK CHARGES	\$ 4.37	0.0%	\$ 31.69	0.0%
COLLECTION EXPENSE	\$ 203.67	0.7%	\$ 396.91	0.2%
DURGS AND SUPPLIES	\$ 477.57	1.7%	\$ 6,305.70	2.5%
DUES AND SUBSCRIPTIONS			\$ 927.18	0.4%
EDUCATION			\$ 1,390.22	0.6%
FREIGHT AND POSTAGE			\$ 1,000.00	0.4%
GENERAL EXPENSE			\$ 5.00	0.0%
DONATIONS			\$ 400.00	0.2%
LAB AND ASSISTANTS FEES	\$ 3,023.02	10.5%	\$ 15,545.80	6.2%
LICENSE			\$ 70.00	0.0%
LAUNDRY & LINEN SERVICE	\$ 20.00	0.1%	\$ 262.00	0.1%
MEDICAL BOOKS AND TAPES	\$ 35.00	0.1%	\$ 35.00	0.0%
OFFICE SUPPLIES	\$ 635.23	2.2%	\$ 5,729.58	2.3%
OTHER SUPPLIES & EXPENSES			\$ 184.69	0.1%
PUBLIC RELATIONS	\$ 39.95	0.1%	\$ 553.96	0.2%
RENT	\$ 1,400.00	4.8%	\$ 16,800.00	6.7%
RENT - OTHER			\$ 222.08	0.1%
REPAIRS & MAINTENANCE	\$ 374.73	1.3%	\$ 3,339.58	1.3%
RETURNED CHECKS	\$ 37.00	0.1%	\$ 120.00	0.0%
RETIREMENT PLAN			\$ 10,786.64	4.3%
SALARIES P.A.'S	\$ 7,227.60	25.0%	\$ 67,375.00	26.8%
SALARIES NURSE - OTHER	\$ 4,056.02	14.0%	\$ 24,340.74	9.7%
SALARIES OFFICE	\$ 6,813.58	23.6%	\$ 42,811.81	17.1%
SALARIES - DOCTORS	\$ 2,193.75	7.6%	\$ 26,064.35	10.4%
TAXES - PAYROLL	\$ 1,585.88	5.5%	\$ 12,713.26	5.1%
TAXES - PROPERTY			\$ 2,771.25	1.1%
INSURANCE EMPLOYEES			\$ 1,163.00	0.5%
INSURANCE HEALTH			\$ 364.92	0.1%
TELEPHONE	\$ 183.73	0.6%	\$ 3,026.13	1.2%
UNIFORMS			\$ 75.00	0.0%
UTILITIES	\$ 211.89	0.7%	\$ 2,470.86	1.0%
* TOTAL EXPENSES	\$ 28,831.91	99.8%	\$ 253,118.74	100.8%
*NET PROFIT/LOSS	\$ 51.86	0.2%	\$ (2,125.43)	0.8%

• Standard
Income
Statement

• Income
• Expenses

• Bottom Line


Net Patient Revenue	585,641	100%			
Labor Expense					
Business & Clerical	155,582				
Clinical Support	123,926				
Support Staff Benefits	91,333				
Total Support Staff Costs	370,840	63.3%			
Physician Recruitment	60,252				
Utilities	11,215				
Rents	-				
Technology	31,978				
Medical Supplies	12,466				
Drug Supplies	7,964				
Office Supplies	6,261	1.1%			
Services	14,158				
Advertising and Promotion	5,077				
Dues and Subscriptions	535				
Insurance	26,354				
Travel	1,630				
Depreciation	10,680				
Other	9,531				
General Overhead	198,101	33.8%			
Total Overhead	568,941	97.1%			
Operating Profit (loss)	16,700				
Midlevel Comp	80,890				
Midlevel Benefits	31,247				
Physician Comp	277,707				
Physician Benefits	101,431				
Total Provider Costs	491,275	83.9%			
Overall Profite (Loss)	(474,575)	-81.0%			

			Net Patient Revenue	<u>585,641</u>	100%
			Total Support Staff Costs	<u>370,840</u>	63.3%
			General Overhead	<u>198,101</u>	33.8%
			Total Overhead	<u>568,941</u>	97.1%
			Total Provider Costs	<u>491,275</u>	83.9%
			Overall Profite (Loss)	<u>(474,575)</u>	-81.0%



Questions to ask:

- What is your “Total Support Staff Cost”?
 - In \$ per physician?
 - As a % of Net Medical Revenue?
- What is your “General Operating Cost”?
- What is the “Cost of Operations” (Overhead)?

A scenic view of a mountain range with a winding road through a valley, overlaid with text. The background shows lush green hills and a clear blue sky with some clouds. The text is presented in a clean, sans-serif font, with the main title in black and the bullet points in white and yellow.

In a perfect world.... and depending upon specialty...

- Support Staff consumes 30% of revenue
- General Overhead consumes 32% of revenue
- Thus an “overhead rate” of 62% is excellent!

Benchmark	All Practice Types				
	10th %tile	25th %tile	Median	75th %tile	90th %tile
Total provider cost	\$162,797	\$187,907	\$222,021	\$260,490	\$298,142 ^
Total physician cost	\$88,110	\$124,499	\$169,211	\$220,749	\$271,076
Total physician compensation	\$80,007	\$109,403	\$155,093	\$206,240	\$251,366
Total physician benefit cost	\$7,944	\$14,103	\$19,850	\$26,518	\$33,338
Total advanced practice provider cost	\$21,534	\$33,092	\$49,074	\$71,423	\$93,578
Total advanced practice provider benefit cost	\$639	\$4,304	\$7,588	\$11,849	\$15,925
Total advanced practice provider compensation cost	\$17,601	\$28,833	\$42,532	\$64,135	\$83,813
Total support staff	\$92,554	\$116,234	\$142,428	\$175,273	\$212,037
Total employed support staff	\$69,149	\$86,286	\$106,436	\$132,059	\$164,606
Total employed support staff benefits	\$19,497	\$26,680	\$34,902	\$46,369	\$56,666
Total contracted support staff	\$387	\$814	\$1,428	\$4,621	\$10,000
Total business operations support staff	\$6,361	\$11,191	\$18,576	\$31,621	\$49,037
General administrative	\$8,035	\$11,807	\$17,268	\$27,004	\$45,607
Patient accounting	\$876	\$6,532	\$9,089	\$15,138	\$20,694
General accounting	*	*	*	*	*
Managed care administrative	\$2,791	\$5,267	\$9,543	\$16,337	\$24,204
Information technology	*	*	*	*	*
Housekeeping, maintenance, security	*	*	*	*	*
Total front office support staff	\$13,918	\$22,668	\$35,142	\$79,937	\$116,239
Medical receptionists	\$11,587	\$16,554	\$24,501	\$33,172	\$40,633
Medical secretaries, transcribers	\$3,903	\$9,278	\$19,484	\$30,844	\$65,975
Medical records	\$4,221	\$6,323	\$25,192	\$45,429	\$68,843
Other administrative support	\$4,303	\$9,625	\$20,278	\$35,660	\$54,567
Total clinical support staff	\$22,422	\$40,157	\$56,283	\$72,233	\$90,686
Registered nurses	\$3,880	\$6,684	\$12,501	\$26,208	\$46,557
Licensed practical nurses	\$2,964	\$9,836	\$19,221	\$33,366	\$46,588
Medical assistants, nurse aides	\$10,519	\$22,071	\$37,504	\$52,318	\$67,826
Total ancillary support staff	\$210	\$2,017	\$11,826	\$24,941	\$45,874
Clinical laboratory	\$3,716	\$6,945	\$11,975	\$16,535	\$22,361
Radiology and imaging	\$4,364	\$8,488	\$12,258	\$18,576	\$23,471
Other medical support services	\$3,782	\$11,910	\$21,508	\$34,978	\$51,465

Total general operating cost	\$82,661	\$117,987	\$162,843	\$211,531	\$262,080
Information technology operating cost	\$98	\$2,063	\$5,141	\$8,485	\$13,838
Drug supply	\$13,538	\$23,034	\$32,115	\$42,465	\$57,155
Medical and surgical supply	\$1,830	\$2,853	\$4,633	\$7,879	\$13,427
Building and occupancy	\$12,880	\$27,515	\$38,364	\$55,163	\$71,593
Building/occupancy depreciation	\$215	\$828	\$3,186	\$8,643	\$25,958
Furniture and equipment	\$113	\$275	\$1,069	\$1,850	\$3,940
Furniture/equipment depreciation	\$293	\$747	\$1,687	\$4,618	\$8,265
Administrative supplies and services	\$1,095	\$2,351	\$4,392	\$7,688	\$11,213
Professional liability insurance	\$1,181	\$3,690	\$5,573	\$7,071	\$8,776
Other insurance premiums	\$51	\$70	\$177	\$771	\$1,573
Legal fees	*	*	*	*	*
Consulting fees	\$75	\$105	\$192	\$1,488	\$9,557
Outside professional fees	\$36	\$554	\$2,558	\$7,653	\$14,712
Clinical laboratory operating cost	\$56	\$232	\$1,524	\$6,486	\$13,927
Radiology and imaging operating cost	\$13	\$113	\$1,978	\$6,952	\$12,840
Promotion and marketing	\$21	\$116	\$297	\$846	\$2,701
Other ancillary services	*	*	*	*	*
Billing and collection purchased services	\$41	\$2,931	\$17,718	\$31,006	\$38,804
Management fees paid to MSO or PPMC	\$18,728	\$34,368	\$68,352	\$82,739	\$113,746
Miscellaneous operating cost	\$211	\$1,364	\$3,323	\$7,705	\$15,011
Cost allocated to practice from parent	\$18,619	\$27,219	\$27,972	\$51,912	\$89,692
Total operating cost	\$195,680	\$240,038	\$303,494	\$367,304	\$451,547
Total operating and advanced practice provider cost	\$243,849	\$291,266	\$363,120	\$424,761	\$509,802
Total cost	\$379,809	\$451,675	\$531,800	\$620,386	\$729,698



ABC Family Practice Monthly Expense Comparison

	ABC Monthly Avg	MGMA
Total Gross Charges per FTE Physician	\$60,645	\$64,384
Total Net Medical Revenue per FTE Physician	\$51,765	\$45,618
Total Support Staff Cost as % of Net Medical Rev.	22.94%	30.63%
Total Support Staff Cost per FTE Physician	\$11,875	\$13,115
Total General Operating Cost as % of Revenue	26.15%	28.30%
Total General Operating Cost per FTE Physician	\$13,538	\$12,677
Total Operating Cost as % of Net Medical Revenue	49.09%	56.77%
Total Operating Cost per FTE Physician	\$25,413	\$25,499
Revenue After Operating Costs as % of Revenue	50.91%	43.23%
Revenue After Operating Costs per FTE Physician	\$26,352	\$17,234
Mid-Level Provider Cost as % of Revenue	4.39%	5.71%
Mid-Level Provider Cost per FTE Physician	\$2,272	\$2,429
Total Physician Cost as % of Net Medical Revenue	44.84%	35.22%
Total Physician Cost per FTE Physician	\$23,213	\$15,412
Gross FFS Collection %	82.15%	69.50%
Adjusted FFS Collection %	98.75%	99.65%
Total A/R per FTE Physician (excluding collections)	\$102,221	\$71,552
# of Months Gross FFS Charges in Receivables	1.73	1.19

Case Study #3 (Quality Example)

You are the administrator of a primary care practice that has enjoyed modest growth over the last year of 1-2%. 40% of your revenue comes from Medicare. You have participated in all the quality initiatives for Medicare over the years including PQRS, Value based payment modifier, meaningful use, and MIPS. In 2023, the practice will once again choose to report MIPS but will begin looking at options for the MVP pathway as it develops.



The Patient Experience

Quality

Perception

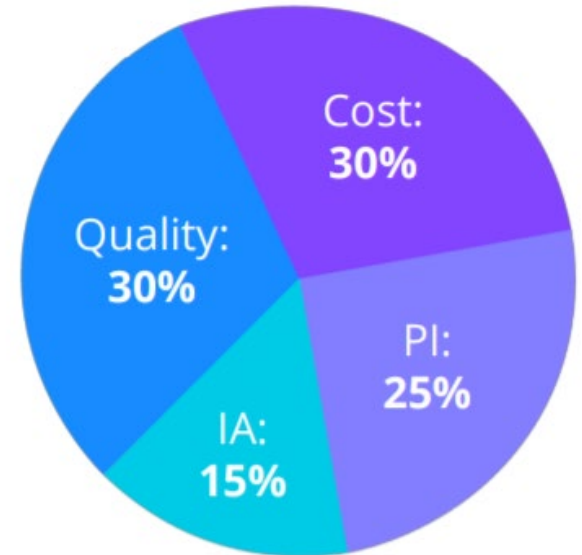




Decision to enter MIPS MVP 2023

- Four areas considered:
 - Quality performance – 30%
 - Cost performance - 30%
 - Improvement Activities 15%
 - Promoting interoperability 25%

- Data completeness threshold is 70%





Decision Making Steps

- Group reporting vs Individual reporting
- Selecting Measures
 - Quality – 6 measures with 1 outcome or high priority measure
 - Cost – CMS will compute
 - Improvement Activities- 2 high weighted or 1 high & 2 medium or 4 medium need a total of 40 points
 - Promoting Interoperability –data for 4 objectives measures and attest to functionality
- Develop a quality plan
 - Analytics capture
 - Quality manager
 - AWW's, TCM, CCM
 - Care Coordinator(s)



Quality Measures

- Six Measures Chosen

1. 001 Diabetes: A1c Poor control (>9%) – High priority measure
2. 126- Diabetes Mellitus: Diabetic foot and Ankle care, Peripheral neuropathy
3. 110: Preventive Care and screening: influenza immunization
4. 111 – Preventive care : Pneumococcal vaccination
5. 236 – Controlling high blood pressure

Quality Measures

6. 047, 112, 113, 128, 130, 134, 182
 - 047 – Advanced Care Planning
 - 112- Breast Cancer Screening
 - 113- Colorectal screening
 - 128 – BMI with follow up plan
 - 130 - Medication Reconciliation
 - 134 - Depression Screening
 - 182 - Functional Outcome Assessment

All these measures are captured within the Annual Wellness Visit

Promoting Interoperability

- Requirements include:
 - Use of an Electronic Health Record that meets certification requirements
 - Report measures from 4 objectives for 90 continuous days
 - Clinical data registry reporting (immunizations, cancer registry)
 - E-prescribing
 - Electronic Case reporting (Public health agency reporting) e.g – STD's
 - Health Information exchange
 - Security Risk Analysis



Improvement Activities

- Need 2 high weighted; or 1 high and 2 medium; or 4 medium
- Report for 90 days during performance period
 - Expanded practice access
 - Glycemic management services

Cost Measures

- Cost is measured for each measure that is met or exceeds the case minimum.
- Achievement points are calculated by comparing performance on a measure to a benchmark. Benchmarks are established using performance data from the performance period (against other reporters)
- The practice must meet the case minimum and be scored on at least one measure to receive a cost category score.



Putting It All Together

- Staffing plan
- Technology and data components
- Measure outcomes and progress
 - Monitor progress via reports
 - Teamwork
 - Communication

“ If you don't know where
you are going, you might
wind up someplace else.”

Yogi Berra

Questions???

Tracy Bird, CPC, CPMA, CEMC, CPC-I, FACMPE

Medical Practice Advisors

913-660-8566

tbird@medicalpracticeadvisors.com

