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Lead, Follow, or Get Out of the Way: Using Monthly Dashboards to Improve Your Medical Practice Performance
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Using Monthly Dashboards to Improve Your Medical Practice Performance

BY ANNETTE DEEBLER

KEY PERFORMANCE INDICATORS (KPIs)

KPIs are measurements used by practice administrators or finance committees to evaluate performance in specific areas of a medical practice. Measuring performance, making comparisons and acting on opportunities are vital to the success of your medical practice.

DASHBOARDS

Taking the time to collect the data and calculating the KPIs isn’t enough. The information should be shared with decision makers and individuals who can actually impact the data. The challenge is in creating monthly dashboards that are distributed and reviewed in a timely manner. Your physicians want to (and should) focus on their patients, but they also need to understand trends and patterns in order to make key business or scheduling decisions. We’ve found the following financial and clinical dashboards to be effective in identifying areas for improvement in any medical practice.
Monthly financial dashboards: A practice’s financial statements are the starting point for any financial KPI. Revenue, operating expenses and profit or loss should be compared to prior periods and your budget to help judge the viability of the organization. Additionally, accounts receivable is an important metric. Take special consideration of the percentage of accounts receivable that is over 90 days. Knowing your payer mix and identifying any shifts are also keys to anticipating future cash flow. Comparing charges, receipts and contractual adjustments to previous months and years helps identify any seasonality that may occur in the practice.

Monthly clinical dashboards: Evaluating physician productivity is a fundamental indicator that should be reviewed monthly. Comparing practice and individual work relative value units by month can help you understand fluctuations in cash receipts. Using national benchmarks for comparison will help identify potential capacity issues. Many physician compensation programs are based on productivity, so measuring monthly and providing the data to the physicians eliminates much of the surprise that may come after the compensation is calculated.

Putting your dashboards into action

Even a simple one-page dashboard can help identify areas of opportunity in a timely, relative and actionable manner. There is also a lot of comparable medical practice data available. Use this to compare your clinic to others in your regional marketplace and specialty area.

Data — especially financial data — can be overwhelming during monthly management meetings. The phrase “paralysis by analysis” comes to mind. But with simple yet sophisticated dashboards, your management team can easily spot trends, address changes that need to be made and ultimately drive better profitability in your medical practice.

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