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Medical Practice Management Consultants

.....  
**Demystifying Data to  
Improve and Drive  
Performance**

.....  
**Nancy Babbitt, FACMPE**

.....  
*Best Practice Management for Better Healthcare and Financial Success*

## Learning Objectives

- Healthcare Trends
- Dos' and Don'ts
- Benchmarking Examples
- Sample Scorecard
- Improvement Checklists
- Ensure Success



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## Top Healthcare Trends

- Healthcare Improvement
  - Improve Quality
  - Reduce Cost
  - Enhance Patient Experience
- Payment Reform
  - Payment Methodology
  - Physician Compensation
- Organizational Alignment



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## Use DATA and Benchmarking

- Know where you are
- Know where you want to go
- Improvements
- Concentrate resources to get the most impact
- Measure Success



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## Data....Internal and External

- Internal – show progress over time
  - Historical – establish a baseline
  - Ongoing – identify problems
  - Control fraud and embezzlement
- External – compare to others
  - MGMA
  - Specialty Society – AAP
  - Business Partners
- MGMA Best Practices
  - Profitability and Cost Management
  - Productivity, Capacity and Staffing
  - Accounts Receivable Management



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## Dos' and Don'ts of Benchmarking

- Use the Median, not the Mean
  - Median – mid-point of a set of data
  - Mean – observations divided by observations
- Don't default to the highest benchmark
  - Can represent the best or worst, depending on type of data
- Use tables with “metrics” that apply
  - Per FTE Physician
  - FTE Provider
  - Per patient



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## Dos' and Don'ts of Benchmarking

- Be aware of the population
  - Higher the population, more robust data
- “Best Fit” data
  - 1<sup>st</sup> look for data based on specialty and ownership model
  - Then review all benchmarks, size, region, number of providers



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## TIPS

- Illustrate your findings to Physicians and Staff
  - Graphs
  - Tables
  - Dashboards
- Use Productivity Benchmarks to set reasonable targets
  - Example: Encounter data to set daily visit goal
- Create daily, monthly, yearly goals
  - Update staff regularly
- Attract and retain quality staff by using compensation and benefit benchmarks



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## KEY Benchmarks

### Monthly – *Practice and by Provider*

- Charges, Payments, Adjustments
- # Office Visits
- # New Patients
- # New Born
- Aged Accounts Receivable, by carrier
- E & M Coding Distribution

### Annually or Semi-Annually

- Payer Mix
- Procedure Code Analysis



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### Key Performance Indicators – Sample Pediatric Practice

<u>ANNUAL</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Charges		\$3,259,231	\$3,280,324
Collections		\$1,549,879	\$1,700,954
Adjustments		\$1,659,566	\$1,559,642
Visits		15,934	16,531
New Patients		1156	1259
Net Collections	56%	48%	52%
Adjusted Net Collections	104%	98%	100%
Accounts Receivable	\$201,451	\$223,894	\$206,441
Charge Per Visit	\$200.27	\$207.68	\$202.20
Revenue Per Visit	\$112.39	\$99.05	\$105.17
Cost Per Visit		\$100.50	\$115.25
Physician Compensation			
Dr. A		\$190,000	\$217,000
Dr. B		\$189,000	\$219,000
Overhead %		64%	63%
Staff to Provider Ratio	2.43	2.89	3.11
Total Expenses		\$1,580,412	\$1,870,588
Net Income		\$ 101,256	\$ -20,589

*This is an example with sample data*



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# MGMA DataDive



Physician Compensation and Production: 2013 Report Based on 2012 Data

## Total Compensation

	Phys	MedPracs	Mean	Std Dev	10th %tile	25th %tile	Median	75th %tile	90th %tile
Pediatrics: General	2,406	379	\$236,810	\$95,649	\$140,713	\$172,081	\$216,112	\$280,769	\$359,467

## Ambulatory Encounters

	Phys	MedPracs	Mean	Std Dev	10th %tile	25th %tile	Median	75th %tile	90th %tile
Pediatrics: General	1,172	190	4,118	1,834	2,342	3,120	3,949	4,925	6,004

## Collections

	Phys	MedPracs	Mean	Std Dev	10th %tile	25th %tile	Median	75th %tile	90th %tile
Pediatrics: General	1,034	188	\$465,654	\$176,798	\$257,009	\$347,961	\$455,331	\$574,259	\$684,935



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## MGMA DataDive



### Physician Compensation and Production: 2013 Report Based on 2012 Data

	Med Practices		Providers	
	<u>Count</u>	<u>Percent</u>	<u>Count</u>	<u>Percent</u>
Eastern	1,093	28.68%	13,597	22.61%
Midwest	479	12.57%	19,201	31.92%
Southern	1,862	48.86%	16,088	26.75%
Western	377	9.89%	11,260	18.72%



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## MGMA DataDive



Cost Survey: 2013 Report Based on 2012 Data

Pediatrics: All Ownership

### **Median per Patient**

	<b><u>2012</u></b>
Total medical revenue	\$239.81
Physician work RVUs	2.23
Total med rev after oper cost	\$84.14
Total support staff FTE	14.66
Total provider FTE	4.69
Total cost	\$227.57
Total gross charges	\$443.41



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## MGMA DataDive



Cost Survey: 2013 Report Based on 2012 Data

Pediatrics: All Ownership

<b>Median</b>	<b><u>2011</u></b>	<b><u>2012</u></b>
<b>per Square Foot</b>		
Total med rev after operating cost	\$202.26	\$170.06
<b>per Work RVU</b>		
Total med rev after operating cost	\$51.02	\$40.33
<b>per FTE Physician</b>		
Total med rev after operating cost	\$287,599	\$231,457
<b>per FTE Provider</b>		
Total med rev after operating cost	\$220,854	\$211,513



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## **Percent of Practices Responding “same day” or “1 to 2 days” for length of time to appointment**

### **ACUTE CARE**

Multispecialty with primary and specialty care = 83%

PCMH Practice = 98%

Primary Care, single specialty = 83%

### **ROUTINE CARE**

Multispecialty with primary and specialty care = 28%

PCMH Practice = 53%

Primary Care, single specialty = 47%

Source: MGMA Connexion January 2013



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## Services Associated with Patient-Centered Care

	PCMH Practice		Primary Care	
	Currently Provide	Next 12 Months	Currently Provide	Next 12 Months
Use Chronic-Disease registries to conduct population management	80.6%	16.4%	28.9%	61.1%
Exchange clinical information electronically with referral physicians	61.6%	37.0%	40.3%	56.0%
Exchange clinical information electronically with hospitals	59.2%	40.8%	44.4%	50.9%
Have multispecialty care teams directed by primary care Physician	70.9%	23.6%	15.3%	72.7%

Source: MGMA Patient-Centered Care: 2012 Status and Prospects Report



## Billing Staff Benchmarks

- Number Charges Entered 55-75/hour
- Check Status of Claim (telephone/online) and resubmit
  - 1-5 minutes/account, 12-60/hour
- Research Correspondence & resolution by telephone
  - 5-10 minutes/account, 6-12/hour

*Copyright 2007 Walker, Larch, Woodcock*

## Other Benchmarks

- Accounts Payable (A/P) Turnover Ratio
  - This ratio is calculated as the total amount purchased from suppliers in a period (generally a year), divided by the average total amount of accounts payable outstanding during that period.
  - If the ratio decreases over time, it indicates your business is taking longer to pay your suppliers.
- Days in A/P
  - Days indicates how many days it takes to pay accounts payable.
  - Average A/P divided by Total Cost of supplies and services times 365 days



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## Sample Scorecard Metrics

### Growth, Innovation & Learning

- Education – outside Practice
- Education – internal
- # of employees on committees
- # of training sessions

### • Customer

- Web site hits
- Customer Service Training
- Patient Satisfaction Surveys
- Blogs

### Operations

- Employee Satisfaction Survey
- Cost Containment
- Provider/Manager 360 Survey
- Clinical /Quality Measures – MU

### • Financial

- # New Patients
- # Newborns/Surgeries
- Time of service collections
- Days in Accounts Receivable
- Pay for Performance



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## **Improve Accounts Receivable with Management & Culture**

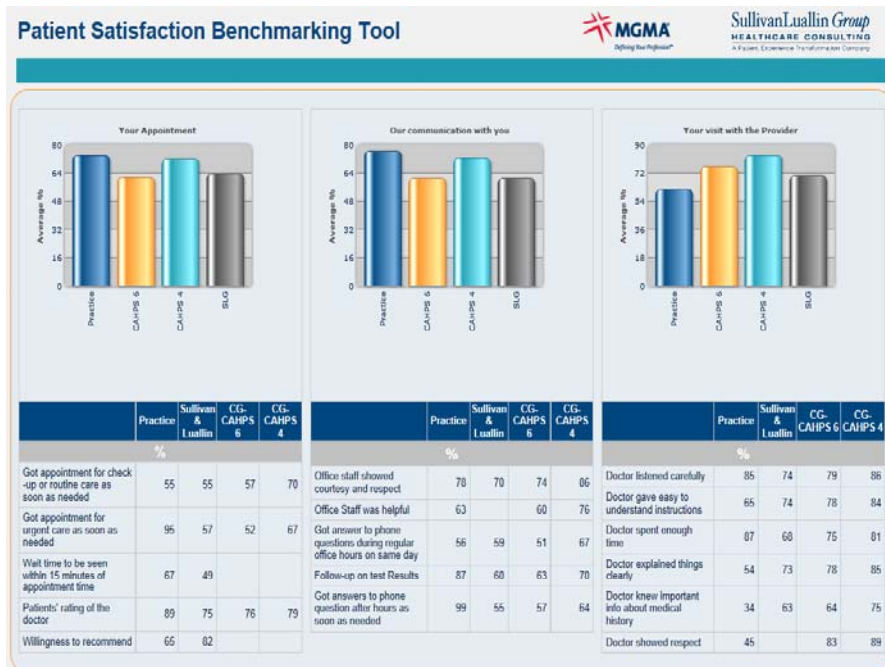
- Involve all staff and Providers
- Measure A/R on a regular basis
- Tie staff bonuses to A/R performance
- Provide thorough training and ongoing training to staff
- Educate Physicians on their role
- Keep everyone updated on policies and changes



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# MGMA Patient Portal



[data.mgma.com/ptsat](http://data.mgma.com/ptsat)

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# How do you measure up?

**Patient Satisfaction Benchmarking Tool**

**SullivanLuallin Group**  
HEALTHCARE CONSULTING  
A Path to Sustained Transformation Consultancy

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### Why CG-CAHPS?

Will the CAHPS Clinician Group survey (CG-CAHPS) become the universal standard patient satisfaction survey? Probably, but not in the way one might expect. Currently, there is NO federal mandate to implement a survey using the CG-CAHPS instrument.

As the Affordable Care Act continues to unfold, there is a great likelihood that the Center for Medicare & Medicaid Services (CMS) will want to provide consumers information to help them become educated about the Clinician Groups in their area. The only model currently in place is CMS's **Hospital Compare**. In this program consumers are able to compare hospitals around the country using top box scores from results submitted using the CAHPS Hospital survey (H-CAHPS).

Will the CAHPS Clinician Group survey (CG-CAHPS) become the universal standard patient satisfaction survey? Probably, but not in the way one might expect. Currently, there is NO federal mandate to implement a survey using the CG-CAHPS instrument.

- I am a Sullivan Luallin Survey User
- I use a different Patient Satisfaction Survey
- I do not currently collect Patient Satisfaction data

**SLG Questions**

**Your Appointment**

Appointment available within a reasonable amount of time

Getting care for illness/injury as soon as you needed it

Waiting time in the reception area

Waiting time in the exam room

Overall rating of care from your provider

Would you recommend the provider to others?

**Our Communication**

The friendliness and courtesy of the receptionist/office staff

The helpfulness of the receptionist/office staff

Getting advice or help when needed during office hours

Your test results reported in a reasonable amount of time

Your ability to contact us after hours

**Provider Visit**

Willingness to listen carefully to you

Taking time to answer your questions

Amount of time spent with you

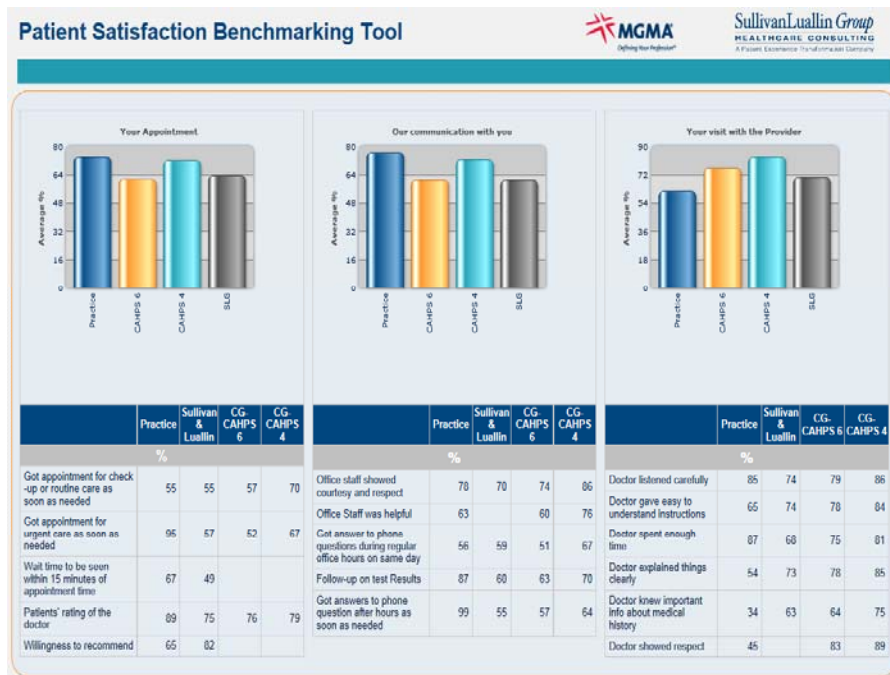
Explaining things in a way you could understand

Knowledge of important information about your medical history

Showing respect for what you had to say

Submit

# Use the MGMA-ACMPE / SullivanLuallin online patient satisfaction dashboard



## Improve Patient Satisfaction & Quality

- Rewards for exceptional customer service
- Provide feedback, education, and training on customer service to physicians and staff
- Experience the practice from a staff's perspective
- Demonstrate quality to the payers
- Every staff member has a role
- Deal with physician disciplinary problems
- Get involved in charitable or community programs
- Be prepared for "Accountable Care"
- Be the physician that other physicians go to
- Risk Management
- Respond to complaints

Patient Satisfaction Survey Resource: [data.mgma.com/ptsat/](http://data.mgma.com/ptsat/)



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## Be Prepared...Evaluate Differences

Before presenting the results consider why your numbers might not be the norm or above average.

What is unique about your practice?

- Payer Mix – Medicare/Medicaid
- Locations
- Providers
- Level of technology



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## The 5 “Stages of Data”

1. Denial: Those aren't MY numbers.
2. Anger/resentment: Who got those numbers?
3. Bargaining: How about if we re-run it again???...
4. Depression: Why are we even doing this?...
5. Acceptance: How can we get better?

*Stages of Grief – E. Kubler-Ross – adapted by M. Albaum MD*



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## Characteristics of Better Performing Groups

- Higher Revenue Per Physician
- Higher Operating Costs
- Higher Staff to Physician Ratio
- Increased Collections
- Greater % of Revenue available for Physician Compensation
- Smart use of Technology
- Emphasis on Ancillary Services



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## Ensure Success

- Work Smart
- Automate
- Start small and keep adding
- Stick to the basics
- Look for trends over time
- Share information
- Network & learn from other organizations
- Set goals
- Celebrate successes



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THANKS for attending!

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# Attachments

## Improvement Checklists



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## Improving Accounts Receivable

- Patient Scheduling
  - Review account balances when scheduling
  - Verify eligibility, co-pay, well care, before
  - Large obligations, assign a financial counselor
- The Visit
  - Confirm Insurance status
  - Follow up on missing info
  - Collect all money due at Time of Service
  - Assist Providers with CPT & DX coding
- Staff Involvement
  - Reward successes
  - Set standards, goals and expectations
  - Cross train front office and A/R process
  - Define clean claims elements
  - Encourage staff to get CPT coding education



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## Improving Accounts Receivable - page 2

- Payer Relations / Contracting
  - Manage relationships / monitor contracts
  - Get to know your representative, if they have one!
  - Make sure contracts define clean claims, timely submission and payment, appeals process, termination causes, times, and methods.
  - Document all interactions with payers
- Billing & Collections
  - Post and file charges the same day
  - Use electronic remittance advice and deposits
  - Audit reports or EOB - get your contracted rate
  - Follow up on outstanding claims
  - Prioritize claims by amount, age, insurance company
  - Establish payment plans
  - Document all billing calls



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## Improving Provider Productivity

- Sample Behaviors
  - Establish cultural values that promote work ethic
  - Utilize Productivity based compensation
  - Use mid-level Providers
  - Maintain optimal staffing levels
  - Mentor new physicians
  - Develop recruitment protocols that ensure new physicians understand productivity expectations
  - Design operational systems and facilities to promote productivity
  - Evaluate physicians coding habits
  - Empower supervisors/staff to be decision makers
  - Hold physicians and staff members accountable
- Essential Metrics
  - Encounters/procedures per physician
  - Revenue per physician
  - Staff per physician
  - Billable days per month per physician
  - No Show rates
  - Referral patterns / trends



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## Improving Financial & Operational Areas

- Perform annual budget and business planning
- Monitor your performance against your budget
- Incorporate financial goals into strategic plan
- Benchmark and set financial objectives
- Scrutinize all expenses
- Regularly bid contracts
- Participate in Group Purchasing Organization
- Reward Physicians/Staff for cost savings
- Give them control and accountability
- Document, train, and keep policies current
- Maximize use of technology and automation
- Develop and manage formal marketing plan
- Keep physicians involved



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