Management and Dashboard Reporting for the Retina Practice

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Financial Disclosure

Andrew Maller is a consultant with BSM Consulting.

BSM Consulting provides practice management solutions to specialty care providers.

Allergan, Inc. is a client of BSM Consulting.
Objectives

- Understand the importance of management and dashboard reporting techniques.
- Determine the appropriate data to track for management and dashboard reporting.
- Use the tools provided during the course to create meaningful reports to identify productivity and efficiency opportunities in the practice.
- Educate practice owners and staff on how to analyze reports to drive practice results.
- Develop an understanding of key market trends in the retina sub-specialty that impact management reporting.

What is a Dashboard Report?
A “dashboard report” is a brief report that brings key performance indicators together in a quick and easy-to-read format.

What is a Key Performance Indicator (KPI)?

- Type of performance measurement that is essential to the practice reaching its goals.
- An objective to be targeted that will add the most value to the business.
- Should be understandable, meaningful, and measurable.
The truth is: If you are not tracking KPIs …

- You won’t know where you are or where you are going.
- You will have no sense of how performance compares to prior year or budget.
- You will find it challenging to lead or manage the practice.
- You will tend to make poor business decisions.

Why is dashboard reporting important for your practice?
Primary Objectives of Dashboard Reporting

- Provide visual snapshot of practice performance.
- Focus attention on key trends and comparisons.
- Allow for quick and effective intervention.
- Provide stimulus for discussion among stakeholders.
- Provide accountability for the management team.

Dashboard Report Samples
Components of Tracking Provider Productivity

Professional Fee Revenue
(less drug receipts*)

Measures of Time
(clinic sessions, hours worked)

Patient Visits
(new, established, and no-charge)

Diagnostic Tests and Procedures
(injections, lasers, and surgeries)

*If drug receipts are not available, use the expense.

Productivity Dashboard Sample
Productivity Dashboard Sample

**How to Use the Results**

### Provider Level
- Identify trends and patterns.
- Set goals to improve productivity.

### Practice Level
- Identify possible coding issues.
- Determine appropriate staffing levels per provider.
Operating Efficiency Dashboard

Components

Current, Prior, and Budget Profit and Loss Statement

Revenues

Key expense categories such as staffing, occupancy, and marketing

Could also include a review of other staffing efficiencies

Operating Efficiency Dashboard Sample

Sample Practice 2

Monthly Operating Efficiency Dashboard

<table>
<thead>
<tr>
<th>Monthly Operating Efficiency Dashboard</th>
<th>3Mth Average</th>
<th>6Mth Average</th>
<th>12Mth Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Collected Revenue</td>
<td>$500,000</td>
<td>$475,000</td>
<td>$500,000</td>
</tr>
<tr>
<td>Other Income</td>
<td>$4,000</td>
<td>$4,000</td>
<td>$4,000</td>
</tr>
<tr>
<td>TOTAL REVENUE</td>
<td>$504,000</td>
<td>$479,000</td>
<td>$504,000</td>
</tr>
<tr>
<td>EXPENSES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff Payroll Rate</td>
<td>22.2%</td>
<td>22.2%</td>
<td>22.2%</td>
</tr>
<tr>
<td>Occupancy Expense Ratio</td>
<td>5.2%</td>
<td>5.2%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Other Expense Ratio</td>
<td>33.0%</td>
<td>33.0%</td>
<td>33.0%</td>
</tr>
<tr>
<td>OPERATING EXPENSE RATIO</td>
<td>60.8%</td>
<td>60.8%</td>
<td>60.8%</td>
</tr>
<tr>
<td>TOTAL OPERATING EXPENSE</td>
<td>$258,466</td>
<td>$256,000</td>
<td>$258,466</td>
</tr>
</tbody>
</table>
Operating Efficiency Dashboard Sample

How to Use the Results

Financial Benchmarking  Budget Comparison  Presenting to Practice Owners
Billing Department

**Responsible For:**
Charge and payment posting, accurately completing claims, as well as working with third-party payers and patients to ensure that money is collected in a timely manner.

**Scorecards Should:**
Track measures that deal with the amount of time it takes for money to be collected and identify potential claims error issues.

Billing Department Metrics

**Ratio:** Net Collection Ratio
**Formula:** Net collections divided by adjusted charges (gross charges less contractual adjustments).
**Used For:** Identification of a practice’s ability to collect that which it can legally collect (net charges).

**Ratio:** Accounts Receivable Aging Analysis
**Formula:** Monthly accounts receivable summary aging reports.
**Used For:** Identifying collection trends within the practice.
Billing Department Metrics

**Ratio:** Days Sales Outstanding

**Formula:** Adjusted accounts receivable divided by the average daily collections.

**Used For:** Measure of how quickly receivables turn over in the practice.

Adjusted Accounts Receivable Balance
(Current A/R balance × gross collection ratio (net collections/gross charges))

Average Daily Collections
(Net collections/number of days in the time period)

Billing Department Dashboard Example

### Sample Practice 3

#### Billing and Collections Department Dashboard

<table>
<thead>
<tr>
<th>OPERATING RESULTS</th>
<th>Current Month</th>
<th>Year to Date</th>
<th>Trends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Charges</td>
<td>Mar</td>
<td>Prior Year</td>
<td>Current Year</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$211,754</td>
<td>$211,440</td>
<td>$3,314</td>
</tr>
<tr>
<td>Contractual Adjustments</td>
<td>$39,544</td>
<td>$39,522</td>
<td>$2,022</td>
</tr>
<tr>
<td>Adjusted Charges</td>
<td>$172,210</td>
<td>$171,918</td>
<td>$2,292</td>
</tr>
<tr>
<td>Net Collections</td>
<td>$160,644</td>
<td>$160,428</td>
<td>$216</td>
</tr>
</tbody>
</table>

**MANAGEMENT RATIOS**

<table>
<thead>
<tr>
<th>Ratios</th>
<th>Current Month</th>
<th>Year to Date</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>91.1%</td>
<td>91.5%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Days Sales Outstanding</td>
<td>34.0</td>
<td>33.1</td>
<td>-0.9</td>
</tr>
</tbody>
</table>

**Gross Charges, Net Collections, and Net Collection Ratio**

**Total Accounts Receivable and Days Sales Outstanding**
### Billing Department Dashboard Example

#### A/R Aging Analysis

<table>
<thead>
<tr>
<th></th>
<th>As of 3/31/13</th>
<th>As of 3/31/14</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 30 Days</td>
<td>$125,456</td>
<td>$125,456</td>
<td>$0</td>
</tr>
<tr>
<td>31 - 60 Days</td>
<td>$30,630</td>
<td>$30,363</td>
<td>$2,727</td>
</tr>
<tr>
<td>61 - 90 Days</td>
<td>$20,000</td>
<td>$19,560</td>
<td>$433</td>
</tr>
<tr>
<td>91 - 120 Days</td>
<td>$10,850</td>
<td>$11,938</td>
<td>$2,828</td>
</tr>
<tr>
<td>Over 120 Days</td>
<td>$15,563</td>
<td>$16,963</td>
<td>$1,364</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$232,227</strong></td>
<td><strong>$229,070</strong></td>
<td><strong>$3,157</strong></td>
</tr>
</tbody>
</table>

#### Healthy Range

<table>
<thead>
<tr>
<th></th>
<th>As of 3/31/13</th>
<th>As of 3/31/14</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 30 Days</td>
<td>54%</td>
<td>55%</td>
<td>1%</td>
</tr>
<tr>
<td>31 - 60 Days</td>
<td>13.2%</td>
<td>15%</td>
<td>2.8%</td>
</tr>
<tr>
<td>61 - 90 Days</td>
<td>8.8%</td>
<td>8.5%</td>
<td>0.3%</td>
</tr>
<tr>
<td>91 - 120 Days</td>
<td>8.5%</td>
<td>7.7%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Over 120 Days</td>
<td>15.7%</td>
<td>12.3%</td>
<td>3.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
<td>0%</td>
</tr>
</tbody>
</table>

### Getting Started
Successful Dashboard Reports

- **Timely**: Statements and management ratios should be completed and received within 15-20 working days of the end of each month.
- **Accurate**: Consistent – no question about the data.
- **Brief**: Single page – more is not better!
- **Comparative**: Previous operating results or anticipated budgets.
- **Trend Analysis**: Examined in comparison to 3, 6, or 12 month moving averages.

Summary – Getting Started

- Identify 3-5 KPIs per Dashboard (keep it simple).
- Dashboards and KPIs should always be linked to the strategic goals of the practice.
- Commit to tracking results on a monthly basis.
- Once baselines have been established after a period of time, set goals, and identify opportunities for continuous improvement.
Thank You for Attending!

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