Benchmark your medical practice to increase revenue & improve patient care

At a Glance

Importance of benchmarking your medical practice

These days, physicians are eager to provide excellent patient care. However, insurance rules changes, and coding adjustments are constant. Those shifts have placed more burden than ever on provider groups to manage their incomes effectively without neglecting what matters the most: **their patients.**

Benchmarking is recognized as a valuable method to help identify strengths and weaknesses at all healthcare system levels. According to a *recent article*, benchmarking represents one of the main strategies used for **quality improvement**, that is, the changes that will lead to better patient outcomes, **better system performance, and better professional development**.

Medical benchmarking allows you to identify specific areas in need of improvement within your medical practice. However, when enormous amounts of data are available in a practice's EHR/EPM system – and often poorly organized – **choosing how or where to benchmark seems like a daunting task.**

4 strategies
to benchmark your practice

A good benchmarking strategy should include elements of these four strategies to properly inform the practice of what performance should look like for a given point in time.

These strategies are:

❋ *Benchmarking against yourself*

❋ *Benchmarking against others*

❋ *Benchmarking against expectations*

❋ *Benchmarking against the potential*

1 Benchmarking against yourself

The easiest thing to start with is **comparing against your own history**. Is your practice growing in charges, payments, and patient visits? Are you consistently able to collect on services rendered? *Compare your major Key Performance Metrics (KPIs) on a regular basis*. **Being able to trend those metrics by specific time lapses (by month, by quarter or by year) will allow visibility into the right direction for your practice.**

Detect areas of opportunity in your medical practice, and then set action plans in place to streamline your processes and increase revenue.

You can also benchmark internally by:

Setting one financial class against the other

As practice slots are filled, this benchmark will help you understand where to focus availability to drive the most revenue for your medical practice.

Placing one physician against another one

For example, if you have five employee internists, compare how your best performing physician is doing (in terms of patients per day, revenue per encounter or other key metrics) versus your least productive one. **Target this benchmark internally within your own team to improve productivity and increase revenue.**

2 Benchmarking against others

Benchmarking against other similar medical practices provides an opportunity to analyze the industry standard and leverage best practices from a wider sample of constituents.

According to *Benchmarking: A Method for Continuous Quality Improvement in Health*, benchmarking your medical practice against others can be considered a voluntary and active collaboration among organizations to create a **spirit of healthy competition** and to **apply best practices.**

Many providers choose to join professional associations such as the *Medical Group Management Association* **(MGMA)** to gain a wider perspective of how other practices are managed.

MGMA is well known for collecting data around medical practices including physician salaries, operational KPIs, and more. But even powerful resources like MGMA's DataDive are not foolproof. In many cases, the data collected in these sorts of repositories are survey-driven and subject to the individual interpretations each practice may have in how to report.

Some firms therefore respond to the limitations of survey-driven benchmarks by using automated data collection directly from a practice's software platform to provide a trustworthy picture of comparable performance.

> At Health Prime we opt for a software-agnostic data approach. We also collect performance data electronically across the multiple software packages. An automated approach allows us to achieve a normalization across large numbers of medical practices and is superior for other reasons beyond just traditional reporting. It gives us an ability to drill-down on key operational metrics and identify process defects and deploy best practices.

Sharmil Kurian - Health Prime's Chief Operating Officer (COO)

3 Benchmarking against expectations

There's also immense value in doing homework beforehand to determine **what should happen versus what actually happens.** Practices that launch new services need to model expected revenue, track what the payers reimbursement is, and ensure it matches their contract.

Said another way, just because a private payer contract says you should expect a certain percentage of Medicare as the allowed amount, it does not mean that is what you will actually receive—and the burden is on you to protect yourself.

Only by comparing the actual amounts versus the expected reimbursements your practice will be able to identify issues and build a process to counteract the payer's short payments.

4 Benchmarking against potential

Lastly, choose the right scope against which to measure your practice's performance. Too often, billing departments and outsourcing partners will define revenue cycle as a transactional exercise—a physician had an encounter with a patient, the encounter needs to be converted into cash, and hence the claim is shepherded through the process to get paid.

This narrow view can short-circuit a practice's necessary growth, often leaving revenue on the table as an expensive opportunity cost.

Let's review this example:

Practice XYZ

$1000
on scheduled
appointments

— **20%**
No-Show rate

: Practice will
only receive
$800

Typical revenue cycle management will focus only on the $800 and try to collect it as cheaply as possible. However, focusing on practice optimization to recapture the missing $200 may in fact provide a greater boost to the practice's financial picture.

Read more about this strategy and how you can optimize your medical practice on our blog ***Practice Optimization: How to convert resources into revenue - Health Prime (hpiinc.com).***

A comprehensive approach focuses on processes and resources within the medical practice to make sure you deliver a great patient experience, ensuring payment for the work.

HEALTH PRIME CAN HELP YOU!

At **_Health Prime_** we value the importance of benchmarking your medical practice and determining strategies to move forward based on data analysis. Optimizing your practice though benchmarking is essential to ensure your goals are achieved. We take a comprehensive approach that detects areas of improvement within your medical practice to help optimize your revenue.

Also, our Business Intelligence (BI) platform, **_Health Prime's Datalytics_**, can help benchmark your medical practice against yourself and against others based on benchmarks that go beyond the industry standards, and by following best practices.

With the drilldown capabilities of Datalytics, we can help you understand your medical practice's story and current state. By having access to this unique medical billing solution, you can set action plans within your practice to improve processes, deliver a great customer experience, and make sure you are paid for your work.

Benchmarking your practice and working with Health Prime as a trusted partner to provide guidance and expertise will ensure your practice is financially healthy and running smoothly.

SUMMARY

Benchmarking is recognized as a valuable method to help identify strengths and weaknesses at all healthcare system levels. According to a recent article, benchmarking represents one of the main strategies used for quality improvement, that is, the changes that will lead to better patient outcomes, better system performance, and better professional development.

However, when enormous amounts of data are available in a practice's EHR/EPM systems – and often poorly organized – choosing how or where to benchmark seems like a challenging task.

A good benchmarking strategy should include elements of 4 strategies:

Benchmarking against yourself:	**Benchmarking against others:**	**Benchmarking against expectations:**	**Benchmarking against the potential:**
Compare your medical practice against its own history and analyze your major Key Performance Metrics (KPIs) on a regular basis. Being able to trend those metrics by specific time lapses (by month, by quarter or by year) will help visibility into your future direction.	Benchmarking against other similar medical practices provides an opportunity to analyze the industry standard and leverage best practices from a wider sample of constituents.	Comparing your actual payment amounts versus the expected reimbursements will allow your practice to identify issues and build a process to counteract the payer's short payments.	Choose the right scope against which to measure your practice's performance. Think about how you see your practice in the future. Focus on practice optimization instead of just revenue optimization to help you improve cashflow and convert resources into revenue

For more information on how to benchmark your medical practice to increase revenue and improve patient care, contact our team of billing experts at **Health Prime** or email us at **sales@hpiinc.com**. Our team will schedule a meeting to discuss how Health Prime can maximize your cash flow by cutting costs and saving you time!

Subscribe to our **Health Prime blog** and our **Health Prime newsletter** to stay tuned on all the latest updates and guidance on running your medical practice more efficiently, ***so that you can focus on what matters most: your patients.***