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# REVENUE CYCLE PERFORMANCE ASSESSMENT

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**The Approach:** Collect data from the most relevant indicators of how your practice revenue cycle is working to keep money flowing into your practice. See below for a breakdown of the key points that you will want to track month over month.

## PERCENT OF SCHEDULE OCCUPIED

### (How well are you scheduling patients?)

Reveals opportunities to maximize appointment slots by reducing no-shows and strategic scheduling.

**How it Helps:** Measures actual and available capacity of the schedule to accommodate new and existing patients.

## TIME OF SERVICE COLLECTION RATE

### (How much are you collecting at time of service?)

Identifies opportunities to increase collections, decrease collection costs, accelerate cash flow.

**How it Helps:** Reveals opportunity for increased collections at the time service.

## TOTAL CHARGE LAG DAYS

### (How quickly are you submitting clean claims?)

Measures charge capture and workflow efficiency and reveals delays in cash.

**How it Helps:** Improves cash flow.

## PROFESSIONAL SERVICES DENIAL PERCENTAGE

### (How many claims are being denied?)

Tracks payer denials and impact on cash flow and reveals payment opportunities.

**How it Helps:** Drives payer accountability in the revenue cycle.

## AGED A/R BY PAYER AS A PERCENTAGE OF OUTSTANDING TOTAL A/R

### (How long is it taking to get paid from payers?)

Indicator of aging receivables and collectability by payer.

**How it Helps:** Reveals payment delays or revenue cycle's ability to liquidate A/R by payer group.

## AGED A/R AS A PERCENTAGE OF OUTSTANDING A/R

### (How well are you collecting on outstanding accounts?)

Trending indicator of receivable aging and collectability

**How it Helps:** Indicates payment delays or revenue cycle's ability to liquidate A/R

## PRIMARY PHYSICIAN PRACTICE OPERATION MARGIN RATIO

### (How much are you making in profit for professional services?)

Measures the financial performance of a primary physician entity on an accrual basis

**How it Helps:** Determines the state of financial health and sustainability of current practice operations.

## SPECIALTY PHYSICIAN PRACTICE OPERATION MARGIN RATIO

### (How much are you making in profit for specialty services?)

Measures the financial performance of a specialty physician entity on an accrual basis

**How it Helps:** Determines the state of financial health and sustainability of current practice operations.

## NET INCOME/LOSS PER SPECIALTY FTE PHYSICIAN

### (How much are your making in profit per Physician?)

Measures average profit or loss of each physician.

**How it Helps:** Determines financial health on a physician FTE level; can be used for tracking profitability of the practice on a physician level; supports the need for strategy development to minimize losses.

## TOTAL PHYSICIAN COMPENSATION AS A PERCENTAGE OF NET REVENUE

### (What are your costs per Physician against total?)

Demonstrates the ability to afford specialty physician compensation in relation to the revenue of the physician enterprise.

**How it Helps:** Predicts reasonableness of specialty physician compensation in comparison to revenue.

## PRACTICE NET DAYS IN A/R

### (How long is it taking to get paid on average?)

Reveals the average number of days it takes to collect payment for services provided; measures revenue cycle effectiveness and efficiency.

**How it Helps:** Determines effectiveness of patient care collections and can be used for budgeting and cash flow projections.

## PRACTICE CASH COLLECTION PERCENTAGE

### (How predictable is your cash flow?)

Measures revenue cycle efficiency, supports the valuation of current A/R and predicts income.

**How it Helps:** Creates an opportunity to increase cash flow and forecasts accuracy of expected revenues.