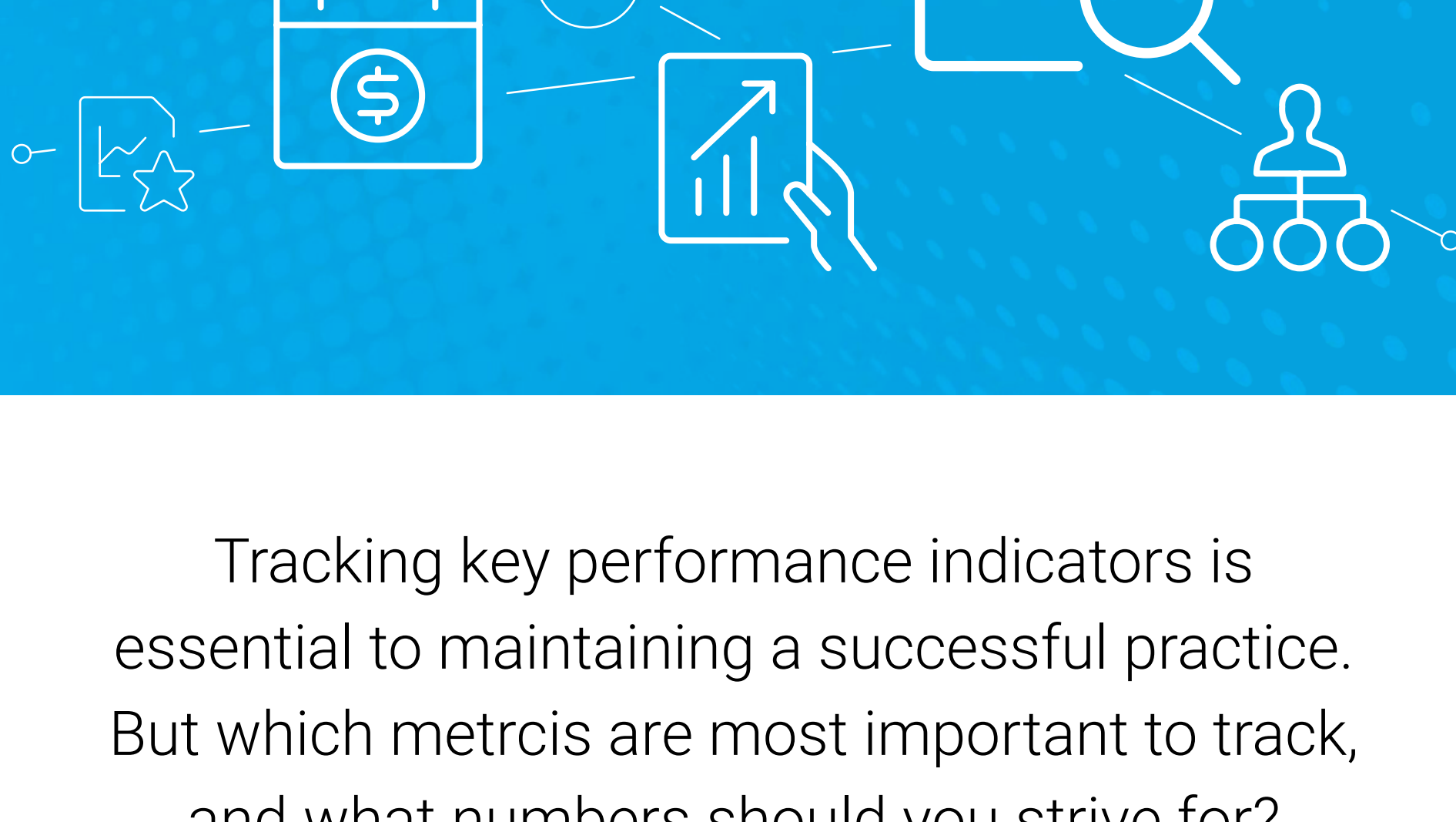


# SEVEN ESSENTIAL KPIS YOUR PRACTICE SHOULD BE TRACKING



Tracking key performance indicators is essential to maintaining a successful practice. But which metrics are most important to track, and what numbers should you strive for?

## Point-of-Service (POS) and Cash Collections

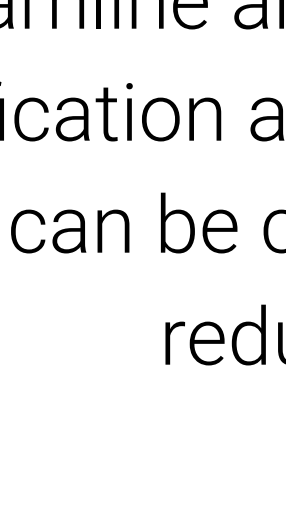
Collecting from patients and payers has become increasingly challenging. Tracking POS or cash collection rates gives practices insight into their financial viability. A poor rate can increase collection costs and bad debt write-offs. Providing patient responsibility estimations and collecting from patients at or before the time of service is more effective than trying to chase revenue on the back end.



Cash collections as a percent of net revenue: **100% OF MONTHLY AVERAGE NET REVENUE FOR THE PRECEDING THREE MONTHS.**<sup>1</sup>

## Charge Capture

Auditing and monitoring charge capture metrics helps practices understand claim lag days and the potential for writing off late charges. Using these metrics, practices can proactively address issues before they have a chance to impede revenue. One of the most impactful steps practices can take is to require charts to be completed with 24 to 48 hours after a visit.



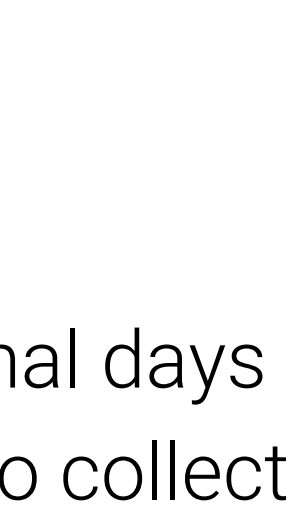
Complete/timeliness of charge capture: **3 – 5 DAYS AFTER THE DATE OF SERVICE**<sup>2</sup>

Late charges as a percentage of total charges: **≤2% OF ALL CHARGES**<sup>3</sup>



## Clean Claims Rate

Ensuring claims are correct and complete upon first submission is critical to a practice's cash flow and bottom line. Automation technology can streamline and improve the accuracy of coverage verification and can flag potential claim issues so they can be corrected prior to sending—leading to reduced rejections and denials.



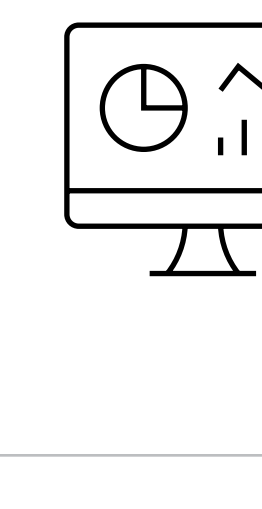
Insurance Verification Rate: **98% OF ALL REGISTERED PATIENTS**<sup>4</sup>

Clean Claims Rate: **98% STANDARD WITHIN THE INDUSTRY**<sup>5</sup>



## Initial Denial Rate

Low denial rates indicate healthy cash flow and optimal revenue cycle management. Fortunately, most denials are avoidable. By removing error-prone, manual processes, practices can prevent millions in lost revenue each year.



**5-10%**  
Industry average denial rate<sup>6</sup>



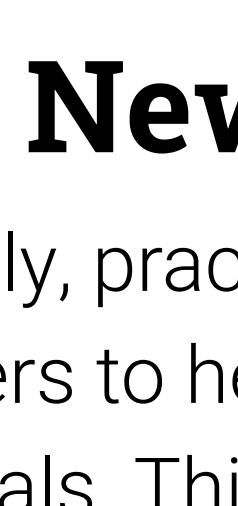
**<5%**  
Denial rate is best practice for optimal performance<sup>7</sup>



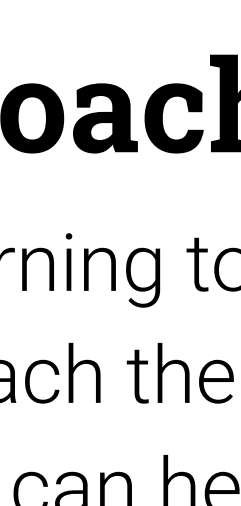
**85%**  
Ideal denial resolution rate within 30 days<sup>8</sup>

## Days in A/R

Optimal days in A/R mean less work for staff, lower cost to collect, and better cash flow for the practice. Automating the billing process and implementing more strategic collection goals can help.



**30-40**  
Optimal days in A/R<sup>9</sup>



**<10%**  
A/R over 90 days<sup>10</sup>



**<7**  
Service-to-bill rate days<sup>11</sup>



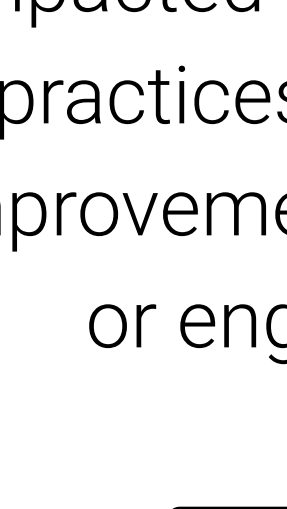
**<30%**  
Self-pay A/R over 90 days<sup>12</sup>



**<1**  
Credit balance days<sup>13</sup>

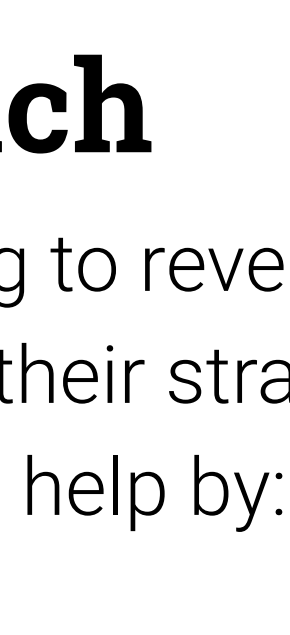
## Net Adjusted Collection Rate

Achieving an optimal net adjusted collections rate requires clean claims and data integrity. Practices that spend a few extra days to collect complete and accurate information on the front end can save up to three months in A/R and significantly drive down the cost to collect.



Net Collection Rate: **MINIMUM IS 95%, OPTIMAL IS 97% TO 99%**<sup>14</sup>

Bad debt (unnecessary write-offs) rate: **<3% OF TOTAL EXPECTED COLLECTIONS**<sup>15</sup>



## Bad Debt Rate

More than one in five physicians say that at least 10% of their patient accounts are impacted by debt.<sup>16</sup> Monitoring bad debt helps practices identify opportunities for process improvements, such as collecting more upfront or engaging early out vendors sooner.



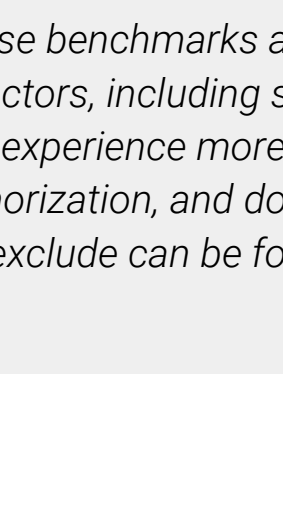
Bad-Debt Benchmark: **<5%**<sup>17</sup>

## A New Approach

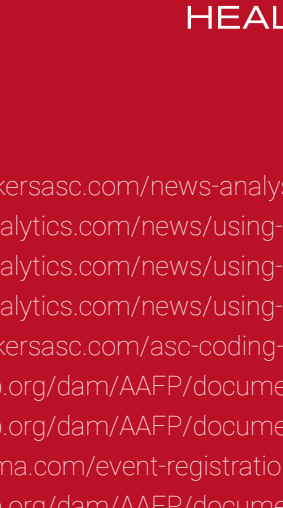
Increasingly, practices are turning to revenue cycle partners to help them reach their strategic KPI goals. This approach can help by:



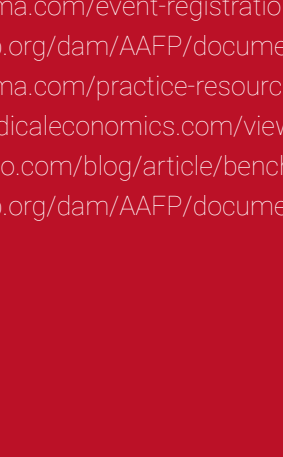
**DELIVERING OPTIMAL KPIS FASTER** and with less effort



**IMPROVING STAFF PRODUCTIVITY** while lowering their stress levels



**ELIMINATING BACKLOGS**



**REMOVING THE NEED TO INVEST** in new technology



## Conifer Health can help

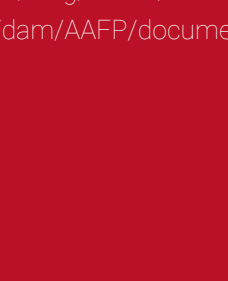
Conifer Health supports each provider's revenue cycle from end-to-end or at any point in between, powered by proven methodologies, repeatable processes, flexible technologies, and measurable performance.



**25M+**  
patient interactions



**\$28B+**  
net patient revenue managed



**\$19B+**  
medical management spend



**5M**  
lives supported through our health management services

**YOU CARE FOR PATIENTS. WE CARE FOR YOUR BUSINESS.**

These benchmarks are general guidelines but the numbers can vary based on a variety of factors, including specialty, geography, and payer mix. For example, some specialists experience more reimbursement-related issues due to medical necessity, prior authorization, and documentation requests. Other considerations for what to include or exclude can be found on the American Academy of Family Physicians website.<sup>18</sup>

1. <https://www.beckersasc.com/news/analysis/10-benchmarks-for-billing-and-collections.html>  
2. <https://healthanalytics.com/news/using-business-intelligence-kpis-for-revenue-cycle-management>  
3. <https://healthanalytics.com/news/using-business-intelligence-kpis-for-revenue-cycle-management>  
4. <https://www.beckersasc.com/ascoding/billing-and-collections/improving-charge-collections-clean-claims-percent-denial-rate-and-denial-reason-trending.html>  
5. [https://www.aafp.org/dsmn/AAFP/documents/practice\\_management/admin\\_staffing/15KeyMetricsPresentation.pdf](https://www.aafp.org/dsmn/AAFP/documents/practice_management/admin_staffing/15KeyMetricsPresentation.pdf)  
6. <https://www.mgma.com/event-registration/mgma18-the-financial-conference/session/handouts/con301-keeping-score-utilizing-key-performance-ind>  
7. <https://www.mgma.com/event-registration/mgma18-the-financial-conference/session/handouts/con301-keeping-score-utilizing-key-performance-ind>  
8. <https://www.mgma.com/event-registration/mgma18-the-financial-conference/session/handouts/con301-keeping-score-utilizing-key-performance-ind>  
9. <https://www.mgma.com/event-registration/mgma18-the-financial-conference/session/handouts/con301-keeping-score-utilizing-key-performance-ind>  
10. <https://www.mgma.com/event-registration/mgma18-the-financial-conference/session/handouts/con301-keeping-score-utilizing-key-performance-ind>  
11. [https://www.aafp.org/dsmn/AAFP/documents/practice\\_management/admin\\_staffing/15KeyMetricsPresentation.pdf](https://www.aafp.org/dsmn/AAFP/documents/practice_management/admin_staffing/15KeyMetricsPresentation.pdf)  
12. <https://www.mgma.com/practice-resources/revenue-cycle/collection-challenges-growing-for-medical-practice>  
13. <https://www.medicalbusiness.com/view/practice-designing-bad-debt-patient-charge-reduction-study-shows>  
14. <https://www.kelco.com/blog/articles/best-practices-for-your-medical-practice-14-best-practices-for-practice-1919>  
15. [https://www.aafp.org/dsmn/AAFP/documents/practice\\_management/admin\\_staffing/15KeyMetricsPresentation.pdf](https://www.aafp.org/dsmn/AAFP/documents/practice_management/admin_staffing/15KeyMetricsPresentation.pdf)