

Use Statistics to Grow Your Practice: KPIs Don't Lie!

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A well-run practice is managed by its statistics and not by the emotions of its leadership. Statistics, also referred to as Key Performance Indicators (KPIs), are vital for both practice leaders and team members to set performance benchmarks, analyze performance, and make targeted suggestions for correction and improvement. Statistical analysis should play a significant role in goal setting, troubleshooting, and improving your practice. Statistics help to track the “ups and downs” and cyclic patterns of your practice.

Managing a practice without statistics is like driving without a roadmap. You won't know when you are off course or when you reach your destination. Without your practice statistics, your leadership and practice team are required to run your practice based upon emotions.

Initial Monthly Statistics: Your Starting Point

Monthly statistics enable you to measure the “heartbeat” of your practice. They serve as tools that can be used to predict, diagnose, and expose the strengths and weaknesses of your practice. They represent the facts, not your emotions, about how well your practice is doing. This data establishes a baseline for your practice. It is used to measure the productivity gains that you can achieve by refining the systems you use in all areas of practice development.

Essential Monthly Data

- Office Visits
- New Patients
- Reactivated Patients
- Missed Appointments
- Services Rendered
- Write Offs
- Collections

Essential Monthly Benchmarks

Patient Visit Average (PVA) measures the average number of visits patients are seen in your practice. Based upon medical necessity and Wellness care, your PVA should be between 30-35 visits.

- PVA Formula: $\text{New Patients} \div \text{Patient Visits}$

Case Average (CA) measures the value of the average case in your practice.

- CA Formula: $\text{Services Rendered} \div \text{New Patients}$

Office Visit Average (OVA) measures the services rendered in dollars for each office visit

- OVA Formula: $\text{Services} \div \text{Office Visits}$

Missed Appointment Percentage (MA%) measures how many missed appointments you have in relation to office visits. A Missed Appointment is defined as an appointment that was scheduled but not kept within the same day. If an appointment is rescheduled on another day, it is counted as a Missed appointment. The maximum acceptable MA% is 10%

- MA% Formula: Missed Appointments ÷ Office Visits

Services Write-off Percentage (WO%) measures the percentage of services rendered that are uncollectible. Examples include billing above the maximum allowable amount on a visit. The maximum acceptable WO% is 35-40%. The WO% will be higher in practices that see a lot of managed care patients.

- WO% Formula: Write Off Services ÷ Total Services

Collections Percentage (CL%) measures the percentage of services rendered that are collectible. The minimum acceptable is average 60-65%. A cash-only practice will have a CL% above 90%.

- CL% Formula: Total Collections ÷ Total Billed Services

Collection Office Visits Average (COVA) measures the average collections generated from each office visit.

- COVA Formula: Total Collections ÷ Office Visits

Collection Case Average (CCA) measures the collections generated from each case. It helps to predict cash flow based on patient volume.

- CCA Formula: Total Collections ÷ New Patients

Weathering the Storms

With statistics you can measure how well your management initiatives are being achieved. You can see highs and lows, peaks, and valleys in the timeline of your practice. If you know a “low” is coming, you can plan for it...and won't have to weather the storm. Your historical practice data can be used to project long term trends. For any given month, your percentages may fluctuate from normal. If your statistics are consistently abnormal it indicates a practice system that needs attention, as it may have broken down.

Monthly CPT Analysis

Perform this important step on a monthly basis. This is vital to tracking the range of services you provide. Trends and practice habits will emerge that you should be aware of. Commit to reviewing this data within 5 days after the beginning of the next month. The following examples are not meant to imply that each practice will be the same. They are general guidelines that allow you to track your trends against standard expectations.

CPT Analysis Procedure

Print a report from your practice management software that captures the CPT codes billed and the number of each for the prior calendar month. Sometimes this report is called “CPT Analysis” or “Practice Analysis” or “CPT Statistics”.

Chiropractic Manipulative Therapy (CMT) Code Analysis

These estimates are based on CMS data for relative usage by chiropractors. If your numbers are not within range, consider where you may be out of balance. CMT usage between the three spinal codes should be approximately:

- 98940: 35%
- 98941: 55%
- 98942: 10%

Extra Spinal Manipulation Analysis

The total number of 98943 codes should be approximately 20-40% of the number of spinal CMT codes. Rationale: approximately 20-40% of patients in a given population will require care for extra spinal regions.

Evaluation & Management (E&M) Code Analysis

The number of new patient E&M (9921X) codes should be approximately twice the number of reevaluation (9920X codes). Rationale: following standard case management procedures, most patients receive at least two re-exams per episode of care.

Active vs. Passive Procedure Analysis

The total of active, therapeutic procedure codes 97530 + 97110 should be approximately twice the total of passive modality codes (muscle stim, ultrasound, etc.). Rationale: passive modalities will typically drop off after the first two to three weeks of care.

Perform Monthly Comparison Audits

Make commitments about what areas you want to improve on each month from the CPT analysis. Review last month's commitments as you review this month's CPT analysis and see if you improved in the areas you hoped to. When stats are down-trending you must direct your focus at correcting the problems. Find the procedures that can be improved and continually refine them. When stats are trending up, keep doing what you are doing. Find out why things are working and strive to better them. It's been said, "What's gets measured, gets managed." What gets measured also often improves! Use statistics and not feelings to manage your practice and measure your success and you'll see your practice improve and grow.