



Unfortunately, they didn't teach you coding, collections and clinical efficiency in school. Below are the **8 metrics** you should know if you want to be in the top 5% of practices in the US. If you are not hitting these numbers currently, you are leaving a lot of money on the table. Numbers below are all based on a clinic doing 500 visits a week. You can extrapolate up or down based on your clinic volume.

Coding, Collections and Clinical Efficiency

1 Units Per Visit

How much time is a patient under care per sessions and how many units are you billing for that time? Maximizing the units you bill is important in making sure you are getting reimburse properly.

- **Benchmark:** No more than 0.1 units under company benchmark.
- **What is poor performance costing you?** The difference between a 93% arrival rate and a 85% arrival rate (industry average) on 500 visits is \$3,745 per week.

5 First pass rate

When you initially bill out your visits to the insurance companies, how many visits are being denied on first pass? Your goal should be zero, however some things are out of your control. You can track this via your EMR system.

- **Benchmark:** 95% (50 claims per month at 500 visits per week)
- **What is poor performance costing you?** The more denials or issues you have the longer it takes you to get paid. The longer it takes you to get paid, the less likely you are to ever get paid.

2 Revenue Per Visit

Based on your units billed per visit, are you billing the CORRECT units? Are you collecting patient balances effectively? Making sure you are coding correctly and that you are negotiating correctly with the insurance companies is important in getting this number where it needs to be.

- **Benchmark:** No more than \$2 under company benchmark for position.
- **What is poor performance costing you?** At 500 visits a week, the difference between \$107 per visit and \$100 per visit is \$3,500 lost revenue per week.

6 Lost visits due to missed authorizations

Some insurances require an authorizations in order for a claim to be paid. It is important to have someone that solely focuses on this task. Missed authorizations = unpaid visits.

- **Benchmark:** 1 visit per 500 visits billed
- **What is poor performance costing you?** If you average \$107 per visit and you miss 10 authorizations in a month? That is \$1,070 of lost revenue for your office.

3 Over the counter collections

Otherwise known as patient responsibility. This is all your copays, coinsurance and deductibles due at time of service.

- **Copay collection:** All copayments should be collected at the time of service.
 - **Benchmark:** 100%
 - **What is poor performance costing you?** Most practices just assume that their patients are paying their co-pays. Not collecting copays at the time of service not only hurts your bottom line, but it is a violation of your insurance contracts. If you are not collecting your co-pays, it can easily cost you thousands per week.
- **Other internal collections (deductibles/co-insurances)**
 - **Benchmark:** 95%
 - **What is poor performance costing you?** If you don't have systems in place to collect deductibles or co-insurances, revenue per visit can drop significantly. We have seen practices lose as much as \$15 per visit with poor performance in this area. On 500 visits a week, that will cost you 5-10K.

7 Revenue per full time equivalent

Are you over or understaffed? Having a measurement to give you the answer can be helpful when deciding when to hire.

- **Benchmark:** \$115,000 per full time equivalent
- **What is poor performance costing you?** Every dollar over your benchmark is a dollar taken away from your gross profit

4 60+ day AR percentage

How quickly are you getting paid by the insurance companies? If you have more than 10% of your total charges in your 60-120 day bucket (meaning claims are still unpaid 60-120 days after that original Date of Service) the likelihood of getting paid drops. You want to be able to count on payments with a 30-45 day turnaround time. You can track this via your EMR system and you should be having weekly meetings/calls with your billing company to review this.

- **Benchmark:** 10%
- **What is poor performance costing you?** The further you get away from 60 days on insurance or patient payments, the less likely you are ever going get paid. Also, if you have more than 10% of your AR in the "Above 60 Days" bucket, you are losing thousands of dollars on a clinic that is seeing 500 visits a week.

8 Labor Rate

Having a metric to measure the efficiency of your work force is helpful. 50% of every dollar that comes in should be dedicated to total compensation packages for your people.

- **Benchmark:** 50% of total revenue
- **What is poor performance costing you?** Every percentage point above 50% is a percentage point taken away from your profit margin.



Case management is the key to patient results, and that is what your practice is going to be judged on. Are you helping your patients achieve the goals they set out at their initial evaluation? If not, your practice will struggle in all areas. Tracking and caring about the following metrics is the key to financial and patient outcome success.

Case Management

1 Arrival rate

What is the rate at which your patients are showing up for their scheduled appointments? If you have 500 visits scheduled and 450 attend their appointments, you have a 90% arrival rate. This metric is a reflection of how much your patients value the physical therapy experience.

- **Benchmark: 93%**
- **What is poor performance costing you?** The difference between a 93% arrival rate and a 85% arrival rate (industry average) on 500 visits is \$3,745 per week.

2 Length of stay

On average, how many visits are patients attending in a "Plan of Care"? Longer lengths of stay have been proven to be associated with better patient outcomes and patient satisfaction scores. Lower lengths of stay are associated with high dropout rates and low graduation rates.

- **Benchmark: 16**
- **What is poor performance costing you?** On 500 visits a week, the difference in a length of stay of 16 visits and 12 visits will cost a practice \$13,375 a week.

3 Visit frequency

How often is a patient coming in for physical therapy per week? [Research shows](#) that the higher the visit frequency, the higher the successful graduation rate.

- **Benchmark: 2.0**
- **What is poor performance costing you?** On 500 visits a week the difference between a visit frequency of 2.0 and 1.5 is \$13,375 per week.

4 Drop out rate

How many of your new patients are staying for 3 visits or less? If this number is high, your clinicians are not making a connection with the patients.

- **Benchmark: 1 drop out/clinician/month**
- **What is poor performance costing you?** Every lost patient is a loss of \$1,600.

5 NPS scores

How likely are your patients to refer a friend or family to your practice? A rating of 0-6 is a detractor (will actively say negative things about you to friends, family and sometimes the entire internet). 7-8 are passives. They probably won't say anything about you and 9-10s are your promoters. They loved their experience and will sing your praises wide and far.

- **Benchmark: 9.7**
- **What is poor performance costing you?** Hard to say, but I know for sure you don't want people saying nasty things about you on social media.

6 Schedule efficiency

How efficient is your clinical staff? If your schedules are empty, your labor rate will increase. This takes money directly away from your profit margin. If your schedule efficiency is too high, you will be very profitable, but you will burn out your staff. Productivity expectations are as follows for the 3 main clinical positions in a clinic...

- Clinical director - 50 visits/week
- Staff PT - 60 visits/week
- Staff PTA - 67 visits/week
- **Benchmark: 90%**
- **What is poor performance costing you?** Every percentage point in labor rate you go above 50% is a percentage point you take directly from your profit margin. The key to keeping it under 50% is a high schedule efficiency.

7 Graduation Rate

What percentage of your cases graduate from physical therapy? The definition of a graduation is to go from initial evaluation to discharge and achieve the goals they set out at the beginning of the plan of care. The national average is an embarrassing 11%.

- **Benchmark 80%**
- **What is poor performance costing you?** If you are not graduating 80% of your plans of care, you are not getting patient results. The cost of this is astronomical and nearly impossible to estimate. Poor graduation rate will bring down all your metrics listed above.

What is the next step?

Schedule a practice analysis call with our team. We will break down your situation, answer any questions about the above metrics and even if it's not with us, we can help you make the best decision.



Calendly link