
5 benchmarking tips to improve operations and bottom line



Benchmarking is useful for provider organisations looking to improve their operations and bottom line. Essentially, it enables the organisation to gauge its performance vis-à-vis its competitors.

David Gans, senior fellow for industry affairs at the Medical Group Management Association, says that benchmarking allows practices to evaluate their performance and understand their strengths and weaknesses. It can help you see where your practice has been and predict where it is going. Moreover, benchmarking can help convince physicians and staff of the need for change.

What's needed is to look at your organisation's data, analyse it and then compare it against a recognised benchmark to see if you are above or below the average.

Here are some tips to get started:

1. Determine your key performance indicators

Your choice of indicators can change as your goals change. The indicators must be quantifiable or measurable. Two indicators that matter most to many physician practices are collections and revenue and patient experience, says Greg Feltenberger, PhD, chief executive officer at Idaho Urologic Institute in Meridian Idaho.

2. Choose just a few key indicators

A narrow focus is critical to your success, Gans says. If you want to focus on financials, a few key indicators will allow you to assess the revenue cycle of recording, billing and collecting for services; cost efficiency and the bottom line. So, if looking at your revenue cycle, for example, you might choose to measure total accounts receivable for each full-time physician in your practice. That provides the volume of accounts receivable that you need to collect. Or looking at accounts receivable over 120 days describes how much of that is old and more difficult to collect.

3. Assess what data you have available on your own practice

Your electronic health record, your practice management system and billing software are likely good sources of data that you can extract into a spreadsheet.

4. Find sources of benchmarking standards

The MGMA and other professional organisations are good sources for data to allow you to compare your practice to others, according to Feltenberger. But be careful about comparing apples to oranges. If you are a small, independent practice your data may look very different from a hospital-owned practice with dozens of physicians. Try and compare with organisations as similar to your own as possible. Once you have your data and standards from the industry, you can interpret that information.

5. Use your data to support decision-making in your organisation

Data takes the emotion out of the debate, Feltenberger explains. For example, if you are considering buying a new CT-scanner, is it better to buy or lease the machine? Or perhaps not buy it at all? A business case analysis can help you make the right decision whether it's to buy new equipment or implement a new customer service programme.

Source: [FierceHealthcare](#)

Image Credit: Pixabay

Published on : Tue, 24 Oct 2017