

Practice Management

Using Key Performance Indicators to Measure, Track, and Improve Performance in Urgent Care

Urgent message: Key performance indicators provide the yardstick by which urgent care strategy and execution are tracked over time, highlighting areas requiring management intervention, facilitating comparison with peers, and enabling a culture of continual improvement.

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Introduction

Key performance indicators (KPIs) are quantifiable business metrics used by organizations to gauge various aspects of their performance over time. Regular monitoring and evaluation of KPIs help provide insight into an organization's financial health and spotlight organizational strengths and weaknesses. KPIs are also used to set strategic and organizational goals, and to measure a company's performance against industry benchmarks.

For urgent care, the metrics that make up its most important KPIs can be both financial and nonfinancial, as illustrated in **Table 1**. Urgent care is a retail-based health-care business that receives the majority of its revenue from an assortment of payors, so the most critical urgent care KPIs have to do with billing and coding practices and with patient satisfaction and service delivery. In fact, most industry experts cite patient volume as the top KPI. KPIs related to managing operating expenses are critical as well.

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Tracking and Measuring Key Performance Indicators

Since the advent of powerful practice-management (PM) software, there have been few limits to the data that a clinic can track and measure. Most urgent care centers today employ some sort of electronic medical record (EMR) and PM solution to capture both clinical and administrative data, which can then be filtered, ana-

Table 1. Common Urgent Care Key Performance Indicators
<ul style="list-style-type: none"> • Average revenue per visit (net collections per visit) • Evaluation and management coding distribution • Ancillary revenue per visit • Front-desk collection average • Days in accounts receivable • Percentage of accounts receivable over 90 days • Average days to bill • Average days to pay • Visits per clinic per day • Visits per provider per hour (provider efficiencies) • Door-to-examination-room time (time in waiting room) • Door-to-door time (length of stay) • First-pass resolution rates • Patient likelihood to recommend (net promoter)

lyzed, and used to generate reports. In fact, many renowned EMRs even have built-in KPI dashboards certified for meaningful use under the Health Information Technology for Economic and Clinical Health Act. These dashboards serve to help clinics easily stay on top of their most important metrics.

Many of these KPIs are calculated by simply taking the total value for a key metric and dividing it by some meaningful denominator. An urgent care center can arrive at the KPI “average revenue per visit,” for example, by calculating as follows:

$$(Total\ Payments - Total\ Refunds) \div Total\ Visits = Average\ Revenue\ per\ Visit$$

Of course, there are myriad factors that can affect and influence specific KPI values, so those factors must first be identified and understood before the final values can be put into a useful context.

Interview: Anecdotal Examination of Key Performance Indicator Use in Urgent Care

This section provides an anecdotal perspective via an interview of two prominent urgent care executives on how their centers use KPIs to track, measure, and improve performance. Andrea Malik Roe, MBA, is the cofounder and chief financial officer of CRH Healthcare, based in Atlanta, Georgia. Todd Martin, MBA, FACHE, is executive vice president and chief financial officer of Emergency One Urgent Care and Occupational Health Centers, based in the Hudson River Valley of New York State.

Alan Ayers: What are some of the most meaningful metrics you use in evaluating your operational effectiveness?

Andrea Malik Roe: We monitor controllable expenses and patient complaints/LWBS (leave without being seen) reasons. Because labor management is critical, we plot clinical labor hours per hour open versus PPD (patients per day). We alter staffing targets by center by day of week or month on the basis of estimated volume expectations. We also budget and track medical supply expense per patient. If we have patients who LWBS or complain, it is normally because of long wait times, so we monitor D2D (door-to-door) times and the average number of patients seen per hour. The staffing and volume or D2D times are monitored daily by the operations staff and adjusted in real time to stay ahead of any operational issues.

Todd Martin: Operational effectiveness in my mind means delivering a quality of care and service to the patients in our community in a manner that encourages them not only to come back to us but also to tell all their friends and family to come too. It’s the combination of delivering that level of care in this manner that ensures the financial stability of our centers. Among the many meaningful measurements available, we find that patient throughput times (D2D time, which many patients know as “wait time”) and satisfaction are two measures that are critical. Throughput metrics provide us with real-time information on our operational and medical efficiencies, which are objective and have always correlated to our patient satisfaction scores. The satisfaction scores, while subjective, tell us how our patients perceive how effectively we have delivered that care.

We use these metrics to evaluate provider effectiveness, operational efficiencies, and staffing plans. We also look at many financial indicators, but among the most important are average charges per visit, average reimbursement per visit, and percentage reimbursed versus charges. Each can trigger drill-down analysis to identify why trends appear to be occurring and to understand factors that we can leverage to influence those metrics in a positive manner. Such influencers often are quality and completeness of medical documentation, evaluation and management distribution, or supply documentation. The percent reimbursed versus charges provides insight into trends that are both internal and external, such as changes in payor mix in a center or community, or ratios of new patients to established patients. It also assists in predicting future cash flow.

Takeaway: Both CRH Healthcare and Emergency One

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place a heavy emphasis on monitoring patient-satisfaction KPIs, reinforcing the prevailing urgent care truism that patient volume (and the factors that influence it) remains a top priority. Controlling expenses, labor management, and billing and coding practices also takes precedence, right in line with typical urgent care industry norms.

Ayers: What systems or processes do you use to gather key performance indicators from within your operation?

Roe: We use Practice Velocity as our EMR, which allows us to monitor wait times in real time, patient-payor mix, payment stats, and so on. We take the information from the system and populate our custom reports to generate the specific KPIs that we want to track. We also have centers complete a daily spreadsheet with staffing, volume, and payment information. This allows us to track several key indicators such as current performance versus performance last year, day-of-week volume fluctuations, and patients per hour. We also have a medical supply expense tracker that generates weekly supply budgets by center and tracks actual spending versus budget.

Martin: We use a variety of systems to gather this info, but they start with our EMR/PM system. Our system has a tracking board that is located in the clinical area that tracks patient wait (D2D) time. The tracking board displays the time spent in the urgent care center and uses a color-coded display (yellow, red) to flag patients who have been in our center longer than expected on the basis of our goals. The system is also linked to our PM system and provides reporting that shows us average time in the center by day, provider, and type of visit (workers' compensation, private pay, employer-paid services), as well as visits per day or hour by provider and/or center. Our PM system offers all of the common financial reports, including revenues, accounts receivable and aging reports, collections, adjustments, and volumes. We export these reports into Microsoft Excel to track ratios and trend the metrics that assist us in evaluating our operational efficiencies, and provide feedback to the providers and staff.

Takeaway: Both urgent care systems rely heavily on EMR/PM solutions yet employ traditional methods like spreadsheets and dashboards as well to capture data for calculating KPIs. This heterogeneous mix is consistent with urgent care industry standard practices.



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Ayers: How do you track KPIs over time, across sites, and relative to benchmarks or performance goals?

Roe: We are a data-driven organization and have several spreadsheets to track specific KPIs versus target on a daily, weekly, monthly, and annual basis. The data are typically pulled from our EMR as well as from other specific tracking tools, depending on the metric. Our approach is very granular and builds up by center and by region (and in some cases, patient by patient). Like most organizations, we have our financial statements to track revenue, cash flow, volume, and detailed expense trends by center and region, compared with budget and prior-year results.

Martin: Our systems capture real-time patient visit data that are displayed throughout the day in each of our centers on our tracking boards. Patient-visit data, including visit duration per center, provider, and classification, are aggregated monthly and exported into Microsoft Excel, where we can provide comparative analysis and trending reports to our management, providers, and staff. Visit data, financial metrics and ratios (revenues billed, cash collected, accounts receivable), and patient-satisfaction survey scores and comments are tracked, reviewed, and reported monthly. These reports assist us in establishing performance goals and identifying action plans that drive staffing, operational process, and system adjustments throughout the year. We have found that setting realistic performance goals and benchmarks is very site-specific. It is influenced by the age of the center, the patient demographics, payor mix, and competition in that community. Our benchmarking and goal-setting uses a combination of intracenter data analysis and trending, as well as site-to-site comparative analysis against corporate and national benchmarks.

Takeaway: The integration of EMR and PM software allows urgent care systems to track a wide range of KPIs, which can then be input into a variety of reports, spreadsheets, and dashboards. KPIs of varying types and categories can then be measured over any periodicity the practice chooses, ensuring that urgent care leadership always has its finger on the pulse of every KPI it wants to measure.

Ayers: How do you communicate key performance metrics within your organization?

Roe: We hold monthly performance reviews with the operations and leadership team to review trends and their

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performance relative to peers. In these meetings, we force-rank the centers using scatterplots to highlight performance versus budget as well as relative performance

for similarly situated centers. These reviews have provided helpful peer pressure to encourage the right behaviors.

Martin: We have several mechanisms to report performance within our centers. Real-time information is provided daily in our mini meetings at the beginning of the shift. These sessions are great opportunities for us to discuss recent events that require minor adjustments, as well as to review staffing levels, work for the day, and any other operational issues that need to be considered. Monthly reports are provided that share patient volumes, satisfaction scores, and comments, along with any specific changes that are being made to accommodate improvement. Annually, we host an all-staff meeting and provide a corporate overview of the performance of the company highlighting the specific achievements within each center and goals for the upcoming year.

Takeaway: The monthly meetings, reports, and performance reviews initiated by both urgent care systems underscore the importance of sharing KPI data with both decision-makers and staff regarding progress toward improvements. Emergency One takes things a step further with its daily sessions, providing staff real-time updates on the KPIs being tracked.

Ayers: How do your key performance metrics relate to employee incentives or evaluations of providers and staff?

Roe: Our staff bonuses are tied to center performance, which includes profitability, cash flow, operational effectiveness, and complaint level. There are financial aspects as well as intangible or discretionary items. For providers, it is more difficult, given the regulatory guidelines, but they typically receive incentives based on non-government payor collections and profitability metrics.

Martin: We are very fortunate to have a group of providers and staff members who really embrace our culture and are committed to our mission, vision, and performance goals within each center. The performance metrics have simply become tools for them to evaluate how they are doing. We have found that they are motivated by the feedback that these report cards provide. This has stimulated great discussion, problem-solving, and teamwork and has resulted in really creative ideas

about how better to deliver care to our patients. We are constantly rewarding our employees and teams for their successes. These rewards may be as simple as an email sharing a comment made by a patient, or an employee spotlight on our Facebook page or in our newsletter. Other rewards might be a small gift card for a specific accomplishment, or a luncheon hosted in one of our centers for a milestone that has been achieved. Employee-specific performance metrics are considered when determining incentive bonuses and salary increases each year where appropriate. However, we find that the most rewarding incentives are in real time.

Takeaway: Leaders in both organizations clearly understand the key principles of employee engagement and are taking the proper steps to engender it. They share KPI results, set clear expectations, provide actionable feedback, ask for staff input on how to solve problems and reach goals, and give recognition through incentives, bonuses, rewards, and acknowledgment. As a result, their staff members embrace their culture and are fully invested in success.

Ayers: Any other suggestions on taking a metrics-driven approach to managing urgent care?

Roe: It's important to be metric driven. I could have listed about 15 to 20 KPIs that we monitor. From our former careers, we know how to create monthly scorecards and communicate the key items in a succinct, actionable manner. That approach is something that many people in urgent care aren't necessarily well versed in. Knowing where you stand on a more frequent periodicity allows flexibility to change any off-course metric in a more effective manner. If you don't know where you stand, how can you make corrections if necessary?

Takeaway: It is better to measure KPIs more frequently than less frequently wherever feasible. This method allows practices to quickly pivot if certain KPIs are trending in the wrong direction, and to tighten workflows as needed.

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Conclusion

As the saying goes, if you can't track it, you can't improve it. For an urgent care center, KPIs must be tracked and measured to gain an accurate picture of the center's overall health. Armed with properly calculated KPIs, an urgent care center operator is empowered to make meaningful business decisions regarding process improvements, staffing, expenditures, and service delivery. The EMR/PM software of today makes KPI tracking easier than ever, with many solutions

designed with built-in dashboards that automatically crunch the relevant numbers for exporting into spreadsheets and reports.

Industry anecdotes suggest that the most important urgent care KPIs fall under three main categories: service delivery and patient satisfaction, billing and coding practices, and labor and expense management. Weak KPIs in any of these areas portend trouble, so operators must remain vigilant to ensure that the numbers are trending in the right direction. Hence, daily and weekly KPI reports are recommended wherever feasible so that an urgent care center can pivot quickly should the data skew unfavorably.

The most up-to-date and precise KPI data are not of much use if urgent care staff members are not aware of or do not understand how their daily work affects the data. Thus, report cards, performance reviews, scorecards, and even daily mini meetings are vital tools to communicate which way the numbers are trending and how they can be improved. When the desired KPI benchmarks are reached or maintained, operators should recognize staff members for their commitment and hard work through the various forms of acknowledgment available. This type of positive feedback not only helps to reinforce the importance of the KPI values but also eventually leads to the feedback becoming its own reward.

KPIs tell the story of any business, urgent care included. By understanding, tracking, and measuring the crucial KPIs on a consistent basis, an urgent care center takes an important step toward overall operation excellence and long-term success. ■