Children's National
Health Network

# THE BUSINESS OF PEDIATRICS:

## PEDIATRIC PRACTICE SUCCESS: TODAY AND TOMORROW

Pediatric Benchmarks: Why, What, and How
An Analysis of Independent Pediatric Practices, 2003-2015

Chip Hart
chip@pcc.com



## Disclosure

In the past 12 months, I have had the following financial relationships with the manufacturer of a commercial product and provider of commercial service(s) discussed in this CME activity:

**PCC Employee**

I do (or) do not intend to discuss an unapproved/investigative use of a commercial product/device in my presentation.



## What Is A Benchmark?

**bench·mark** /ˈbenCHˌmärk/

Noun:
A standard or point of reference against which things may be compared or assessed.
[dictionary.com]



## What Is A Benchmark?

- Why use them?
- How do I use them?
- Where do I get them?



## What Is A Benchmark?

- What makes a good benchmark?
- What if my results are different?
- Where can I ask questions?



## About Today's Benchmarks

- Sample Source
- Practice Sizes, Locations, Type
- Bias

# A/R Days

**What it measures:**
Approximates the time it takes to collect outstanding balances. Allows practices of different sizes or production to compare results.

**How to calculate:**
Divide A/R total by average daily charges (use at least 3 months of data).

**$300,000 (A/R) / $10,000 (Average Daily Charges)**
**= 30 A/R Days**



# A/R Days

| 10th Percentile | 25th Percentile | Median | 75th Percentile | 90th Percentile |
|---|---|---|---|---|
| 47.6 Days | 34.5 Days | 25.1 Days | 20.2 Days | 17.8 Days |


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# A/R Days > 60

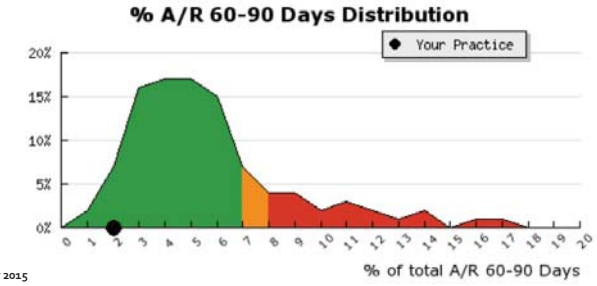
**What it measures:**
How much of your A/R approaches noncollectable status.

**How to calculate:**
Divide A/R that is older than 60 days by total A/R.

**$30,000 (A/R >60 days) / $100,000 (Total A/R)**
**= 30% of A/R is >60 Days**



# A/R Days 60-90 Days

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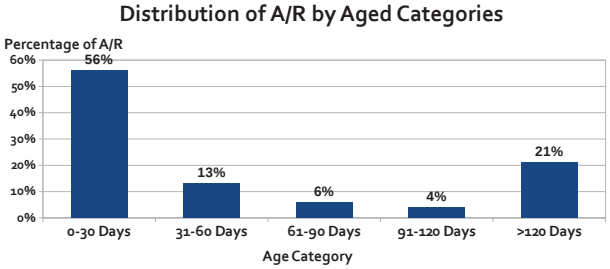
# A/R Days Distribution

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# Revenue Per Visit

**What it measures:**
The average revenue generated per patient visit, across all payers and visit types.

**How to calculate:**
Divide your total revenue by your total visits *for those visits* for a given time frame (one year is best)

**$3,000,000 (total collected) / 30,000 (total visits)**
**= $100 per visit**

## Revenue Per Visit

| 10th Percentile | 25th Percentile | Average | 75th Percentile | 90th Percentile |
|---|---|---|---|---|
| $98 | $114 | $129 | $142 | $157 |
| $82* | $94* | $105* | $115* | $125* |

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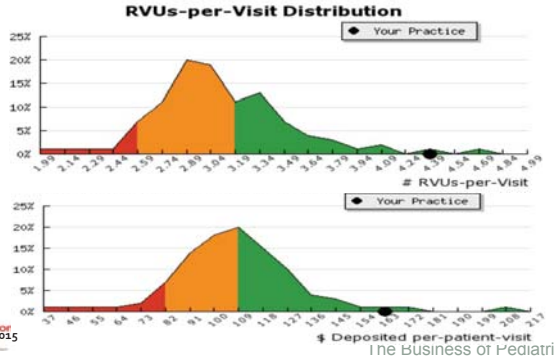
* Revenue Per Visit *Without Immunizations*



## Revenue Per Visit

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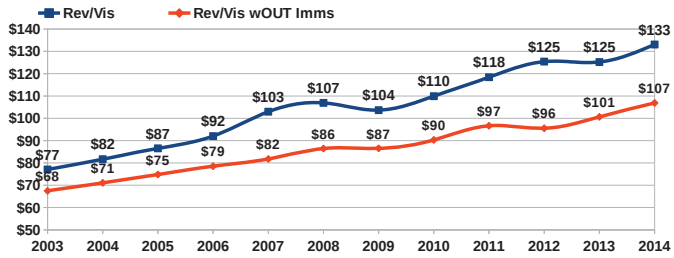
## Revenue Per Visit






## Pricing

**What it measures:**

The average "price" of your RVU-valid procedures, expressed in terms of Medicare pricing.

**How to calculate:**

Divide total dollars charged for RVU-valid procedures for a given time frame by total RVUs performed for those procedures. Compare result to annual Medicare multiplier.

**$3,000,000 (charges) / 55,000 (RVUs)**
**= 54.5 RVUs per procedure**
**54.5 / 36.69 (2009 RVU rate) = 150%**



## Pricing

| 10th Percentile | 25th Percentile | Average | 75th Percentile | 90th Percentile |
|---|---|---|---|---|
| 135% | 148% | 166% | 186% | 208% |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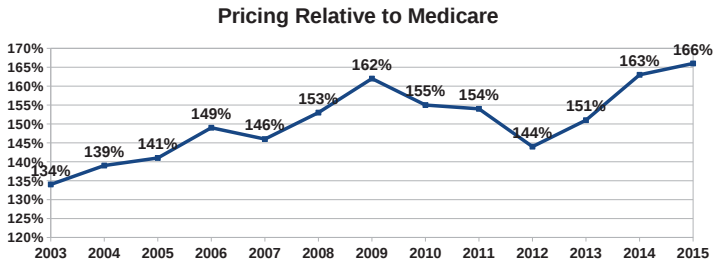
## Pricing

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## Collection Rate

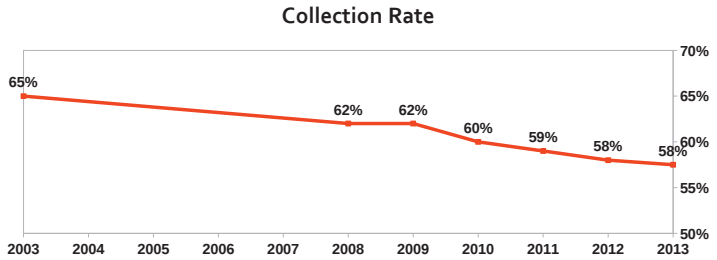
**What it measures:**
The average percentage of total charges collected by the practice.

**How to calculate:**
Divide total dollars collected by total dollars charged *for those payments*.

**$1,500,000 (payments) / $3,000,000 (charges)**
**= 50% of charges were collected**



## Collection Rate






## Medicaid Volume

| 10th Percentile | 25th Percentile | Average | 75th Percentile | 90th Percentile |
|---|---|---|---|---|
| 3.6% | 15% | 29% | 47% | 67% |



## E&M Distribution

**What it measures:**
The rate at which you code for 99214s and 99215s relative to your entire E&M distribution.

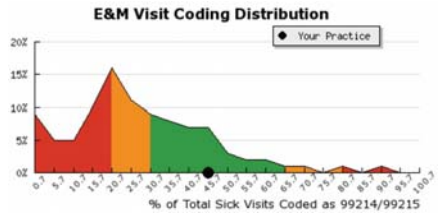
**How to calculate:**
Divide the total of 99214s and 99215s for a specific time frame by your total number of 99212 – 99215 codes. Exclude -25 modified codes?

**3,000 (99214s + 99215s) / 20,000 (total E&M visits)**
**= 15%**



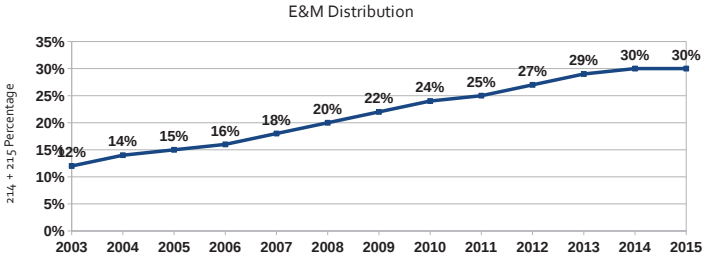
## E&M Distribution

| 10th Percentile | 25th Percentile | Average | 75th Percentile | 90th Percentile |
|---|---|---|---|---|
| 11% | 17% | 24% | 37% | 48% |






## E&M Distribution



## RVUs Per Visit

**What it measures:**
The average number of valid RVUs performed per visit. Measures complexity of visits and is a good predictor of coding and revenue.

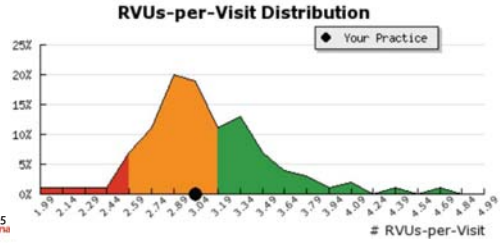
**How to calculate:**
Divide total RVUs peformed for RVU-valid procedures for a given time frame by total visits.

**55,000 (RVUs) / 30,000 (total visits)**
**= 1.833 RVUs per visit**



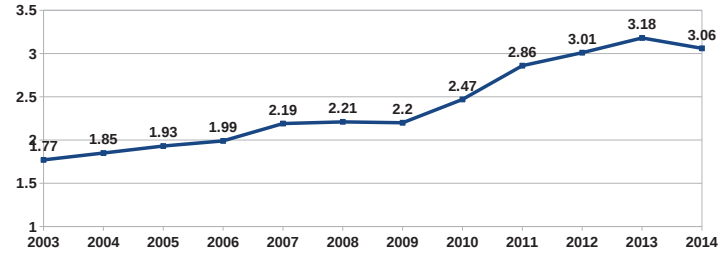
## RVUs Per Visit

| 10th Percentile | 25th Percentile | Average | 75th Percentile | 90th Percentile |
|---|---|---|---|---|
| 2.6 | 2.78 | 2.93 | 3.11 | 3.42 |






## RVUs Per Visit






## Diagnoses Per Visit

**What it measures:**
Practice coding knowledge and effort. Patient base complexity.

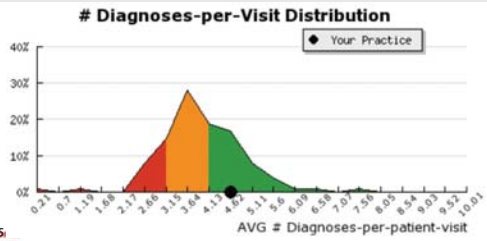
**How to calculate:**
Divide total number of diagnoses by total visits for a given time frame.

**35,000 (total diagnoses) / 10,000 (visits)**
**= 3.5 diagnoses per visit**



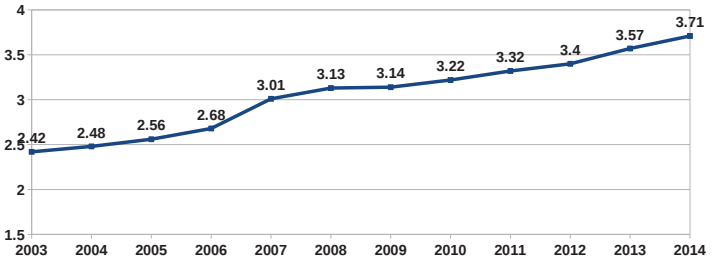
## Diagnoses Per Visit

| 10th Percentile | 25th Percentile | Average | 75th Percentile | 90th Percentile |
|---|---|---|---|---|
| 2.85 | 3.28 | 3.69 | 4.2 | 4.69 |






## Diagnoses Per Visit



## CPT Distribution By Volume (85%)

| CPT | Average Charge | Average Payment | Unit Volume | Charge Volume | Payment Volume | Gross Collection Rate |
|---|---|---|---|---|---|---|
| 90460 | $40.95 | $20.65 | 13% | 8% | 7% | 50% |
| 99213 | $114.14 | $68.21 | 11% | 18% | 19% | 60% |
| 90461 | $25.05 | $10.31 | 8% | 3% | 2% | 41% |
| 99214 | $165.66 | $95.99 | 4% | 11% | 11% | 58% |
| 96110 | $38.36 | $11.72 | 3% | 1% | 1% | 31% |
| 99392 | $164.10 | $99.82 | 3% | 6% | 7% | 61% |
| 99391 | $152.33 | $91.96 | 2% | 5% | 6% | 60% |
| 99173 | $21.01 | $4.17 | 2% | 1% | 0% | 20% |
| 87880 | $32.44 | $13.28 | 2% | 1% | 1% | 41% |
| 99393 | $166.37 | $100.46 | 2% | 5% | 6% | 60% |
| 90670 | $133.99 | $96.39 | 2% | 3% | 4% | 72% |
| 90672 | $39.85 | $22.00 | 2% | 1% | 1% | 55% |
| 90471 | $36.99 | $21.31 | 2% | 1% | 1% | 58% |
| 36416 | $12.47 | $1.70 | 2% | 0% | 0% | 14% |
| 99394 | $186.11 | $110.53 | 1% | 4% | 4% | 59% |
| 92551 | $26.11 | $10.83 | 1% | 1% | 0% | 41% |
| 90633 | $45.93 | $24.03 | 1% | 1% | 1% | 52% |
| 87804 | $32.63 | $14.43 | 1% | 1% | 0% | 44% |
| 99051 | $45.66 | $7.89 | 1% | 1% | 0% | 17% |
| 90680 | $86.40 | $57.84 | 1% | 1% | 2% | 67% |
| 94760 | $16.89 | $0.99 | 1% | 0% | 0% | 6% |
| 90649 | $166.21 | $118.34 | 1% | 2% | 3% | 71% |
| 90700 | $36.87 | $18.86 | 1% | 0% | 0% | 51% |
| 81002 | $14.76 | $2.67 | 1% | 0% | 0% | 18% |
| 99000 | $14.39 | $1.06 | 1% | 0% | 0% | 7% |

| CPT | Average Charge | Average Payment | Unit Volume | Charge Volume | Payment Volume | Gross Collection Rate |
|---|---|---|---|---|---|---|
| 91050 | $0.53 | $0.27 | 1% | 0% | 0% | 52% |
| 90472 | $23.97 | $12.77 | 1% | 0% | 0% | 53% |
| 99212 | $74.07 | $40.87 | 1% | 1% | 1% | 55% |
| 85018 | $15.43 | $3.09 | 1% | 0% | 0% | 20% |
| 90716 | $98.05 | $72.78 | 1% | 1% | 1% | 74% |
| 90648 | $35.55 | $19.32 | 1% | 0% | 0% | 54% |
| 90734 | $128.13 | $94.62 | 1% | 1% | 2% | 74% |
| 92552 | $39.64 | $22.32 | 1% | 0% | 0% | 56% |
| 92587 | $87.64 | $41.00 | 1% | 1% | 1% | 47% |
| 90698 | $103.14 | $65.67 | 1% | 1% | 1% | 64% |
| 90473 | $36.71 | $19.28 | 1% | 0% | 0% | 53% |
| 90707 | $64.48 | $43.30 | 1% | 1% | 1% | 67% |
| 90744 | $42.02 | $18.93 | 1% | 0% | 0% | 45% |
| 90686 | $30.44 | $14.41 | 1% | 0% | 0% | 47% |
| 90685 | $29.50 | $17.82 | 1% | 0% | 0% | 60% |
| 85025 | $29.56 | $9.13 | 1% | 0% | 0% | 31% |
| 99420 | $29.66 | $6.85 | 1% | 0% | 0% | 23% |
| 90713 | $40.58 | $23.63 | 1% | 0% | 0% | 58% |
| 81003 | $15.51 | $2.55 | 1% | 0% | 0% | 16% |
| 87081 | $21.89 | $7.11 | 0% | 0% | 0% | 32% |
| 90723 | $62.38 | $39.72 | 0% | 0% | 0% | 64% |
| 90715 | $53.60 | $31.46 | 0% | 0% | 0% | 59% |
| 81000 | $18.64 | $4.60 | 0% | 0% | 0% | 25% |
| 99050 | $44.24 | $19.16 | 0% | 0% | 0% | 43% |
| 90688 | $32.17 | $15.30 | 0% | 0% | 0% | 48% |



## New Patient Volume

**What it measures:**
Percentage of visits represented by new patients. Indicates practice growth potential.

**How to calculate:**
Divide total number of "new patient" E&M visits by total E&M visits.

**100 (new patient E&Ms) / 1,000 (total E&Ms)**
**= 10% new patient rate**



## New Patient Volume

| | |
|---|---|
| 2011: | 3.1% |
| 2012: | 3.1% |
| 2013: | 3.1% |
| 2014: | 3.4% |



## Missed Visit Volume

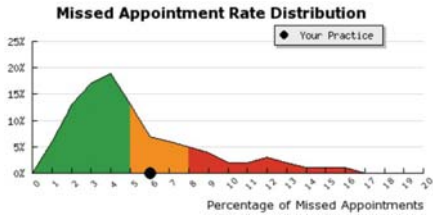
**What it measures:**
Percentage of visits that are considered "missed" by a practice.

**How to calculate:**
Divide total number of scheduled visits by total number of missed visits

**50 (missed visits) / 1,000 (total visits)**
**= 5% missed visit volume**



## Missed Visit Volume




| | |
|---|---|
| PCC Average: | 4.7% |
| Top 10%: | 1.4% |



## Sick-to-Well Visit Ratio

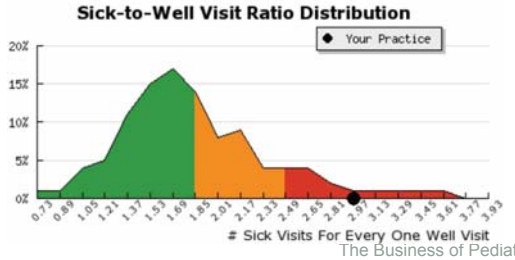
**What it measures:**
The ratio of sick visits to well visits performed in your office. Estimates focus on preventive care.

**How to calculate:**
Divide total sick visits by total well visits (both new and established patients; eliminate -25 modified sick visits; look for visits that have neither sick/well codes attached).

**25,000 (total E&M visits) / 10,000 (total well visits) = 2.5:1**

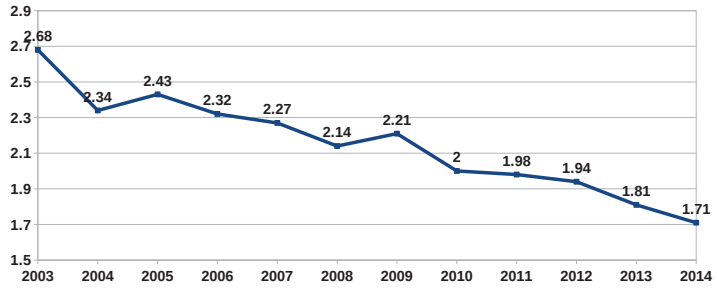
# Sick-to-Well Visit Ratio

| 10th Percentile | 25th Percentile | Average | 75th Percentile | 90th Percentile |
|---|---|---|---|---|
| 2.48 | 2.05 | 1.67 | 1.44 | 1.3 |






# Sick-to-Well Visit Ratio






# Well Visit Coverage

**What it measures:**
The percentage of active children who are up-to-date with their physicals. Strong predictor of potential income, buffer against loss of visits.

**How to calculate:**
Divide the total number of active children who need well visits by the total number of active children.

**4,000 (children up-to-date) / 10,000 (active children) = 40%**



# Well Visit Coverage

**How to calculate:**

**0 – 15 months –** Patients are considered up-to-date on well visits if they have received six well visits by the time they turn 15 months old.

**15 months – 3 years –** Patients are considered up-to-date on well visits if they have received at least one well visit in the past six months.

**3 years – 6 years** - Patients are considered up-to-date on well visits if they have received at least one well visit in the past year.

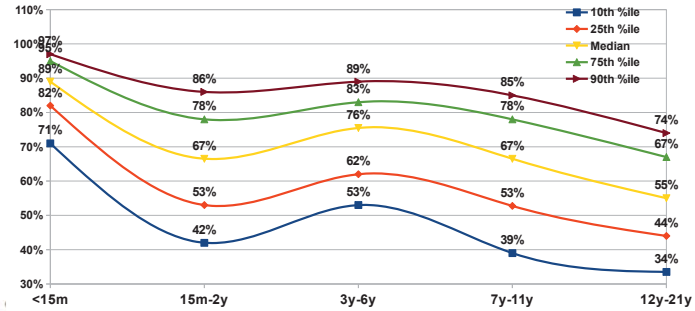
**7 years – 11 years** - Patients are considered up-to-date on well visits if they have received at least one well visit in the past year.

**12 years – 21 years** - Patients are considered up-to-date on well visits if they have received at least one well visit in the past year.

**500 (Children up to date) / 1,000 (total active children) = 50%**



# Well Visit Coverage





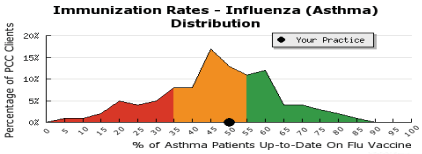

# Asthma/Flu Shot

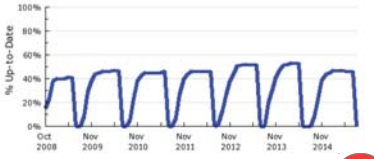
**What it measures:**
The rate at which your asthma patients are up-to-date with their seasonal flu shots.

**How to calculate:**
Divide the number of up-to-date active asthmatics by the total number of active asthmatics. "Up-to-date" covers patients with flu shot during recent season (July → June).

**1,000 (up-to-date asthmatic children) / 2,000 (asthmatics) = 50% coverage**

# Asthma/Flu Shot




Peak Average: 46%



# ADD Followup

**What it measures:**

The percentage of active ADD/ADHD patients who have visited your practice in the last six months.

**How to calculate:**

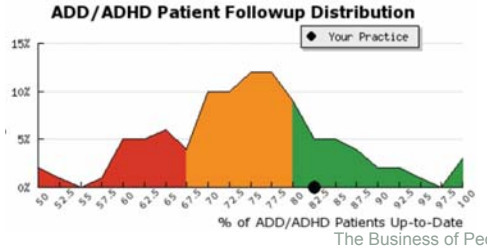
Divide the number of up-to-date active ADD/ADHD patients by the total number of active ADD/ADHD patients. "Up-to-date" covers patients who have visited in the last six months.

**1,000 (up-to-date ADD children) / 2,000 (ADD children) = 50% coverage**



# ADD Followup

| 10th Percentile | 25th Percentile | Average | 75th Percentile | 90th Percentile |
|---|---|---|---|---|
| 62% | 69% | 74% | 80% | 86% |

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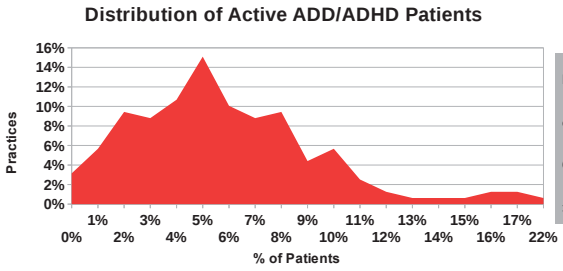
# ADD/ADHD Distribution




| | |
|---|---|
| Mean | 6% |
| 0-5% | 53% |
| 6-10% | 39% |
| >11% | 8% |



# NQF 0038

**What it measures:**

Percentage of children 2 years of age who had suite of vaccines by their second birthdays. The measure calculates a rate for each vaccine and two separate combination rates.

**How to calculate:**

For each vaccine, calculate the number of children who had the requisite vaccines by their second birthdays.

**1,000 (children with 4 DPTs by age 2) / 2,000 (active 2 years olds) = 50% coverage**



# NQF 0038

| Vaccine | Coverage |
|---|---|
| 4 DTaP | 79% |
| 3 IPV | 83% |
| 1 MMR | 88% |
| 2 HIB | 91% |
| 3 Hep B | 78% |
| DTaP, IPV, MMR, Varicella, Hep B | 65% |

| Vaccine | Coverage |
|---|---|
| 2 Hep A | 30% |
| 2 Rotavirus | 75% |
| 2 Influenza | 59% |
| 2 Pneum. | 80% |
| 1 Varicella | 88% |
| DtaP, IPV, MMR, Varicella, HepB, Pneumo | 61% |

# HPV Coverage

**What it measures:**
Percentage of children 13-17 years old who have received three HPV vaccines.

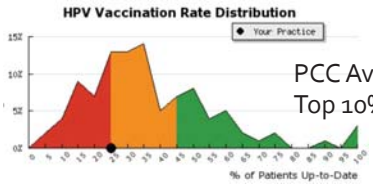
**How to calculate:**
Divide the the number of active children between the ages of 13 and 17 by the number of active children between the ages of 13 and 17 who have had 3 HPV vaccines.

**1,000 (children with 3 HPVs) / 2,000 (13-17 yos)**
**= 50% coverage**



# HPV Coverage

| 10th Percentile | 25th Percentile | Average | 75th Percentile | 90th Percentile |
|---|---|---|---|---|
| 13% | 23% | 32% | 48% | 61% |




| | Female | Male | All |
|---|---|---|---|
| PCC Average: | 35% | 25% | 30% |
| Top 10%: | 61% | 54% | 54% |



# Developmental Screening Rate - Adolescents

**What it measures:**
The percentage of active adolescents who have received a developmental screening in the last year.

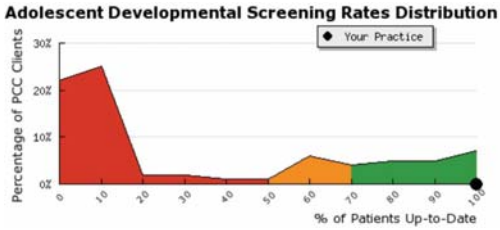
**How to calculate:**
Divide the number of active adolescents who have had a developmental screening by the total number of adolescents. Screening CPTs include 96110, 96127, 99420, or G0444.

**1,000 (screened adolescents) / 2,000 (adolescents)**
**= 50% coverage**



# Developmental Screening Rate - Adolescents

| 10th Percentile | 25th Percentile | Average | 75th Percentile | 90th Percentile |
|---|---|---|---|---|
| 0% | 1% | 35% | 75% | 93% |






# Developmental Screening Rate - Infants

**What it measures:**
The percentage of active infants (6-12m) who have received a developmental screening in the last year.

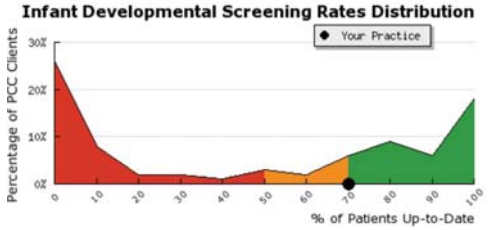
**How to calculate:**
Divide the number of active infants (6-12m) who have had a developmental screening by the total number of infants (6-12m). Screening CPTs include 96110, 96127, 99420, or G0444.

**1,000 (screened infants) / 2,000 (infants)**
**= 50% coverage**



# Developmental Screening Rate - Infants

| 10th Percentile | 25th Percentile | Average | 75th Percentile | 90th Percentile |
|---|---|---|---|---|
| 5% | 56% | 78% | 96% | 99% |



## Changes You May Wish To Make In Practice

- When you return to your practice, choose a few measures from each section and calculate your benchmark.
- Share your benchmarks with other practices (SOAPM!) to see how you compare.
- Record your benchmarks and track changes over time, especially after implementing any new programs or policies in your practice.



## References

For more information on this subject, see the following resources:

- AAP's Section on Administration and Practice Management (SOAPM)
- Medical Group Management Association (MGMA)
- Confessions of a Pediatric Practice Management Consultant (chipsblog.com)



## Comments? Questions?

Chip Hart
chip@pcc.com
800-722-7708

Call or email any time.