THE BUSINESS OF PEDIATRICS:
PEDIATRIC PRACTICE SUCCESS: TODAY AND TOMORROW

Pediatric Benchmarks: Why, What, and How
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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 /benCH.märk/

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?

About Today's Benchmarks

• Sample Source

• Practice Sizes, Locations, Type

• Bias

• What makes a good benchmark?

• What if my results are different?

• Where can I ask questions?
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).

$$\frac{300,000 \text{ (A/R)}}{10,000 \text{ (Average Daily Charges)}} = 30 \text{ A/R Days}$$

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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.

$$\frac{30,000 \text{ (A/R >60 days)}}{100,000 \text{ (Total A/R)}} = 30\% \text{ of A/R is >60 Days}$$

---

A/R Days 60-90 Days

**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)

$$\frac{3,000,000 \text{ (total collected)}}{30,000 \text{ (total visits)}} = 100 \text{ per visit}$$
### Revenue Per Visit

<table>
<thead>
<tr>
<th>10th Percentile</th>
<th>25th Percentile</th>
<th>Average</th>
<th>75th Percentile</th>
<th>90th Percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>$98</td>
<td>$114</td>
<td>$129</td>
<td>$142</td>
<td>$157</td>
</tr>
<tr>
<td>$82*</td>
<td>$94*</td>
<td>$105*</td>
<td>$115*</td>
<td>$125*</td>
</tr>
</tbody>
</table>

*Revenue Per Visit Without Immunizations

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### 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.

\[
\text{Multiplier} = \frac{\$3,000,000 \text{ (charges)}}{55,000 \text{ (RVUs)}} = 54.5 \text{ RVUs per procedure}
\]

\[
54.5 / 36.69 \text{ (2009 RVU rate)} = 150\%
\]
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.

\[
\frac{1,500,000 \text{ (payments)}}{3,000,000 \text{ (charges)}} = 50\% \text{ of charges were collected}
\]
**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 performed for RVU-valid procedures for a given time frame by total visits.

\[
\frac{55,000 \text{ (RVUs)}}{30,000 \text{ (total visits)}} = 1.833 \text{ RVUs per visit}
\]

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**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.

\[
\frac{35,000 \text{ (total diagnoses)}}{10,000 \text{ (visits)}} = 3.5 \text{ diagnoses per visit}
\]
**CPT Distribution By Volume (85%)**

<table>
<thead>
<tr>
<th>CPT</th>
<th>Average</th>
<th>Average</th>
<th>Unit</th>
<th>Charge</th>
<th>Payment</th>
<th>Collection</th>
<th>Rate</th>
</tr>
</thead>
</table>

**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.

\[
\frac{100 \text{ (new patient E&Ms)}}{1,000 \text{ (total E&Ms)}} = 10\% \text{ new patient rate}
\]

**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.

\[
\frac{50 \text{ (missed visits)}}{1,000 \text{ (total visits)}} = 5\% \text{ missed visit volume}
\]

**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).

\[
\frac{25,000 \text{ (total E&M visits)}}{10,000 \text{ (total well visits)}} = 2.5:1
\]
**Sick-to-Well Visit Ratio**

<table>
<thead>
<tr>
<th>10th Percentile</th>
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<th>Average</th>
<th>75th Percentile</th>
<th>90th Percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.48</td>
<td>2.05</td>
<td>1.67</td>
<td>1.44</td>
<td>1.3</td>
</tr>
</tbody>
</table>

**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.

$$\frac{4,000 \text{ (children up-to-date)}}{10,000 \text{ (active children)}} = 40\%$$

**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).

$$\frac{3,000 \text{ (up-to-date asthmatic children)}}{2,000 \text{ (asthmatics)}} = 50\% \text{ coverage}$$
### Asthma/Flu Shot

**immunization rates - influenza (asthma) distribution**

- 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.

\[
\text{Coverage} = \frac{1,000 \text{ (up-to-date ADD children)}}{2,000 \text{ (ADD children)}} = 50\%
\]

### ADD/ADHD Distribution

**distribution of active ADD/ADHD patients**

<table>
<thead>
<tr>
<th>Percentile</th>
<th>20th</th>
<th>25th</th>
<th>Average</th>
<th>75th</th>
<th>90th</th>
</tr>
</thead>
<tbody>
<tr>
<td>62%</td>
<td></td>
<td></td>
<td>74%</td>
<td>80%</td>
<td>86%</td>
</tr>
</tbody>
</table>

### 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.

\[
\text{Coverage} = \frac{1,000 \text{ (children with 4 DPTs by age 2)}}{2,000 \text{ (active 2 years olds)}} = 50\%
\]

**Vaccine** | **Coverage**
---|---
4 DTaP | 79%
3 IPV | 83%
3 MMR | 88%
2 HIB | 92%
3 Hep B | 78%
DTaP, IPV, MMR, Varicella, Hep B | 65%

### NQF 0038

**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 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.

\[
\frac{1,000 \text{ (children with 3 HPVs)}}{2,000 \text{ (13-17 yos)}} = 50\% \text{ coverage}
\]

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**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.

\[
\frac{1,000 \text{ (screened adolescents)}}{2,000 \text{ (adolescents)}} = 50\% \text{ coverage}
\]

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**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.

\[
\frac{1,000 \text{ (screened infants)}}{2,000 \text{ (infants)}} = 50\% \text{ coverage}
\]

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**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?**

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