

RUNNING THE PRACTICE // BUSINESS OPERATIONS



DASHBOARD REPORTS MAKE A PICTURE WORTH 1,000 WORDS

Derek Preece, MBA, and Maureen Waddle, MBA

In today's complex and often hectic healthcare business environment, the "less is more" adage aptly describes dashboard reporting. An effective dashboard report provides a snapshot of a practice's performance in relation to its aspirations and other benchmarks. In this conversation, we discuss the benefits of this reporting system and explain the key elements for creating simple, functional dashboard reports.

Derek: Well, Maureen, we both have been working to make better sense of key reporting information for many practices by shifting our focus to dashboard reports. Why do you think owners and managers are so interested in dashboard reports?

Maureen: Physician-owners are busy, and they need a better snapshot of their practices to help them monitor practice performance and make decisions.

Derek: Many times, I've asked doctors to show me their monthly reports, and they've handed me a ream of paper. Usually, they include the comment that they can't "plow through that much data," so they end up ignoring everything.

Maureen: Too much information or data that does not contain some associated analysis causes problems for management. When the owners can't easily understand what's going on in the business, they tend to have a lower level of trust and confidence. Decisions are then made based on current circum-

stances rather than long-term goals. A good dashboard report is essential for communications between administrators and doctors and for staying focused on the key drivers of the practice. It shows trends in performance and compares actual performance to goals/budgets or national benchmarks.

Derek: How long should a dashboard report be?

Maureen: The key word here is "dashboard." Think of the gauges on your car. You can quickly glance and make a decision to apply more gas, to stop and get gas, to check the coolant, etc. If you try to include too much, you can't drive because you spend too much time looking at gauges. Too

FIGURE 1

BILLING DEPARTMENT	CLINICAL	FRONT OFFICE
Days sales outstanding	Percent of diagnostic tests compared to total visits	Total patient visits
Net collection ratio	Office visits per FTE staff hour	Patient visits per FTE front-office staff
Claims error rates	Overall patient time in the office	Capacity (number of full slots divided by total slots available)
Claims per FTE billing staff hour	FTE clinical staff per FTE physician	Patient satisfaction survey scores
Percent of A/R in each aging bucket	Unscheduled days off	Check-in per hour/check-out per hour

much information confuses the main messages of the report. I prefer a one-page report that summarizes the key performance indicators (KPIs) driving the practice. Practices can work more strategically when they stay focused on these “drivers.”

Derek: A one-page report does help practices become more strategic. It forces them to thoughtfully consider the most important KPIs and eliminate noncritical figures. What are some of the KPIs that you suggest practices track in a dashboard report?

Maureen: It really depends on the practice’s vision and goals. Each administrator should work with the doctors to determine the measures that are the most important drivers of success for their particular business. I think most dashboard reports would include some of the following:

- Production of each doctor in terms of dollars and counts of visits (and/or surgeries depending on the specialty)
- Key financial ratios such as net collections, operating overhead percentage, and staff expense percentage
- Key business line information (e.g., optical or research)

Derek: I also like to see patient satisfaction data on dashboards since those results will become more important to reimbursement levels. Billing ratios are

also important, especially if there is a history of difficulties in that area.

Maureen: With all of these recommendations, it is easy to see why practices have a challenge culling down the information. Usually, though, it is challenging to figure out how to keep the information to one page. Additionally, the information usually has more impact when presented in graph format compared to goals and showing trends.

Derek: I agree. In fact, the best dashboard reports I have seen provide a very brief summary, mostly in a visual format, of the key indicators of practice performance. An owner can absorb graphic information quickly and evaluate any areas needing attention.

Maureen: That being said, dashboard reports don’t absolve managers from knowing the details behind the snapshot information. If a trend is moving in the wrong direction, we need to know why and how to change that trend. In addition to the overall practice report, there should also be scorecards/dashboards that focus on goals for each department or business line.

Derek: What types of measures would you include on those department reports?

Maureen: I typically suggest focusing on productivity for each department, thereby monitoring key information that would indicate “success” for that

department. Here are some examples (Figure 1).

Derek: So you’re using one-page reports to help monitor the various areas of the practice in concise, quickly readable reports.

Maureen: That’s exactly right. These scorecards/dashboards help practice management and ownership make disciplined decisions about changes that will drive the practice (Figure 2).

Derek: Now the big question, Maureen: How do administrators develop a dashboard report? They’re not going to be able to simply print something from their practice management, electronic health records, or accounting software.

Maureen: Unfortunately, those systems don’t usually have good dashboard reports, so management needs to design its own dashboard, usually using a spreadsheet. Management then pulls data from those other systems to populate the dashboard report and to bring the key indicators together into one page. The setup takes a bit of time, but good reports save time in the long run. Once set up, the actual data entry each month takes about an hour. Since setup does take time, practices getting started might consider reaching out to those willing to share samples.

Derek: What do you do when a doctor **wants** the details behind a dashboard report?



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FIGURE 2



Maureen: Practice-owners are always entitled to see detailed information, so I would provide the detailed report from the practice information system as requested (many systems can be set up to automatically produce such reports each month). You've probably discovered, as I have, that even the doctors who like details also appreciate a summary of the data that targets the key information related to practice goals. The dashboard is a perfect vehicle for providing that "executive overview."

Derek: Let me see if I can summarize some of the keys to good dashboard reporting.

- The information needs to be relevant to the particular practice and the key drivers for that practice.

- There should be some type of trending and comparative information to practice goals or national benchmarks.
- Keep it brief—one page is ideal.
- The up-front time to set up these reports is worth the savings in management time as well as the improvement in decision making.
- In addition to an overall practice dashboard, each service line or department benefits from a one-page dashboard to monitor productivity.

Maureen: I'll add just one more tip: Get started! Even if you only have three measures on the first report, those who have been using dashboard reports know that they can and should

improve over time, as management responds to changing needs, goals, or circumstances. Keep it simple and trust that the effort expended in developing these types of reports will be rewarded with clearer direction, better decisions, and increased trust between doctors and management. *AE*



Derek A. Preece, MBA (801-227-0527; dpreece@

bsmconsulting.com), and Maureen Waddle, MBA (916-687-6135; mwaddle@bsmconsulting.com), are senior consultants for BSM Consulting.