



# INFORMATION ADVANTAGE

USING DATA TO IMPROVE YOUR PRACTICE

*Amy Souza*

**D**an Chambers, practice manager of Key-Whitman Eye Center, has an MBA in operations management, with a background in optimization and logistics. So it's no surprise that when his practice faced increased patient complaints regarding wait times, Chambers turned to a solution often used to increase efficiency on a manufacturing floor—a real-time locating service that tracks patients, staff, and doctors. The system, currently installed at two of Key-Whitman's locations and on its way to installation at a third, utilizes radio frequency identification (RFID) chips embedded in small badges about half the size of a credit card. Infrared scanners read badge data and provide a real-time picture of where any badge holder is within the clinic, while also storing that data for future reference.

“Our goal was to reduce wait times to less than 15 minutes,” Chambers says. “Plus, looking to the future, we saw an avalanche of Baby Boomers coming our way, as well as lower reimbursements from providers, making efficiency that much more important.”

With all of this data on hand, Chambers and his staff can now easily analyze and track wait times and overall visit times. They can look at which procedures and which doctors are more efficient and identify bottlenecks. The system provides helpful monitoring, such as pop-up messages that alert staff if a patient has been waiting too long. Additionally, computer-aided design (CAD) software provides a computer model of the building—reception, pretesting, examination, and surgery rooms—so Chambers and his staff can simulate patient movements and workflow processes to try out new procedures on a computer rather than in the clinic.

“Initially our staff was hesitant,” Chambers admits, “because it looked like Big Brother was watching.” But the results won over naysayers. “We’ve been able to lower wait times, increase our production capacity by 15%, and keep a pace of work that

is comfortable. The practice is less feast or famine, and we have better patient satisfaction scores, as well as happier staff dealing with a more consistent pattern of work.”

It took Chambers several years to put together the best technological solution, one he notes would have been economically infeasible just a decade ago. And though the initial expense was still significant, Chambers' initial analysis showed that adding one more patient per day would cover the start-up costs.

“This system is now constantly gathering data. We can get tens of thousands of samples with virtually no effort.”<sup>1</sup>

#### THE STORY'S MANY MORALS

Whether or not your practice needs or would consider a real-time locating service, the Key-Whitman story illustrates the importance of data, from paying attention to patient satisfaction to analyzing potential solutions to strategic planning.

“There are a million great ideas out there,” says Maureen Waddle, senior consultant at BSM Consulting who spent 20 years as a practice manager. “The right information can help you decide which ones you should tackle.”

Waddle recommends yearly strategic planning sessions to assess a practice's financial health and to explore opportunities in the marketplace. Planning meetings also help ensure all owners share similar visions for their practice's growth. This is the time to consider opening a satellite office or adding a new service line. Then, for any potential addition—whether staff, equipment, office, or service—the next crucial step is to determine whether or not the decision makes financial sense.

“One reason I get called in is because this analysis hasn't been done,” says Waddle. “We all make decisions based on how we're feeling at the moment; that's human nature. But we need to get away from that impulse and think, ‘What is the business impact of this decision?’ Really the process is

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—Maureen Waddle

similar to what doctors do every day, the SOAP method. There's the subjective, or gut feeling; the objective, which is the data we need to gather; then we assess and plan. That's just what a doctor does when evaluating a patient.”

For example, a basic feasibility analysis for a new piece of equipment would include adding fixed costs (equipment purchase price) and variable costs (staff time, supplies, costs to run the machine) then comparing that to potential revenue using CPT codes and estimated patient volume. This quantitative information—even though some of it is a guess—allows for clearer-eyed decision making.

“Doctors tend to be very data-driven people,” says Derek Preece, senior consultant at BSM Consulting. “As a layperson, the only way to change a doctor's mind about a decision is to use data. Doctors are trained to trust their own opinions, even over a consultant like me with decades of experience. But if I can bring data and show how it's derived, I can often influence that decision.”

**TOWARD HAPPY, LOYAL PATIENTS**

Perhaps nothing holds more importance than your patients' approval. Unfortunately, many practices do not collect any patient satisfaction data. That doesn't mean the information doesn't exist, however. “If you're not going to do it, the Internet is going to do it for you,” says Waddle, noting the prevalence of review sites, such as Yelp and RateMDs.

It's widely believed that patient satisfaction data will be used in the near future to modify payer reimbursements, with practices that report higher scores receiving higher payments and vice versa. Plus, says Preece, “a practice with clients who are really happy and loyal always does better financially than those with patients who kind of like the practice.”

He adds that if you graphed this data, you'd see a hockey stick effect: A practice in the 60<sup>th</sup> or 70<sup>th</sup> percentile in patient satisfaction will not fare much better than one in the 50<sup>th</sup> percentile. But one in the 95<sup>th</sup> percentile will see a huge difference in terms of referrals and loyalty. And

**RECOMMENDED REPORTS AND ACTIVITIES**

So what information should you gather and what will it tell you? Here are two areas to consider:

**FINANCIAL ANALYSIS AND BENCHMARKING**

Compile revenues and expenses by category, including ratios that compare them against standardized national benchmarks. Derek Preece says this information can “point out weaknesses and strengths in your basic financial structure, help gauge if you have the right number of staff, and help measure whether you're collecting reimbursements appropriately.”

Some suggested reports:

- **Accounts receivable summary.** Keep this to one page, says Maureen Waddle. “A mistake is to give doctors a long list of information when all they need are the basics.”
- **Profit and loss/income statement.** Create a one- or two-page monthly statement that includes comparative data. How do the numbers compare to last year? To your budget? To national standardized benchmarks?
- **Balance sheets.** Waddle calls these the “pulse of the health of the entity.” Balance sheets should show everything not on the P&L, most notably debt.
- **Monthly productivity summary.** Track the number of office visits, new patient visits, and surgeries per

month, as well as visits per day. Also track revenue per patient visit. Compare that to your office visit and surgical goals. “You can share this information with your whole staff,” says Waddle. “It's valuable and tangible information to staff and doctors.”

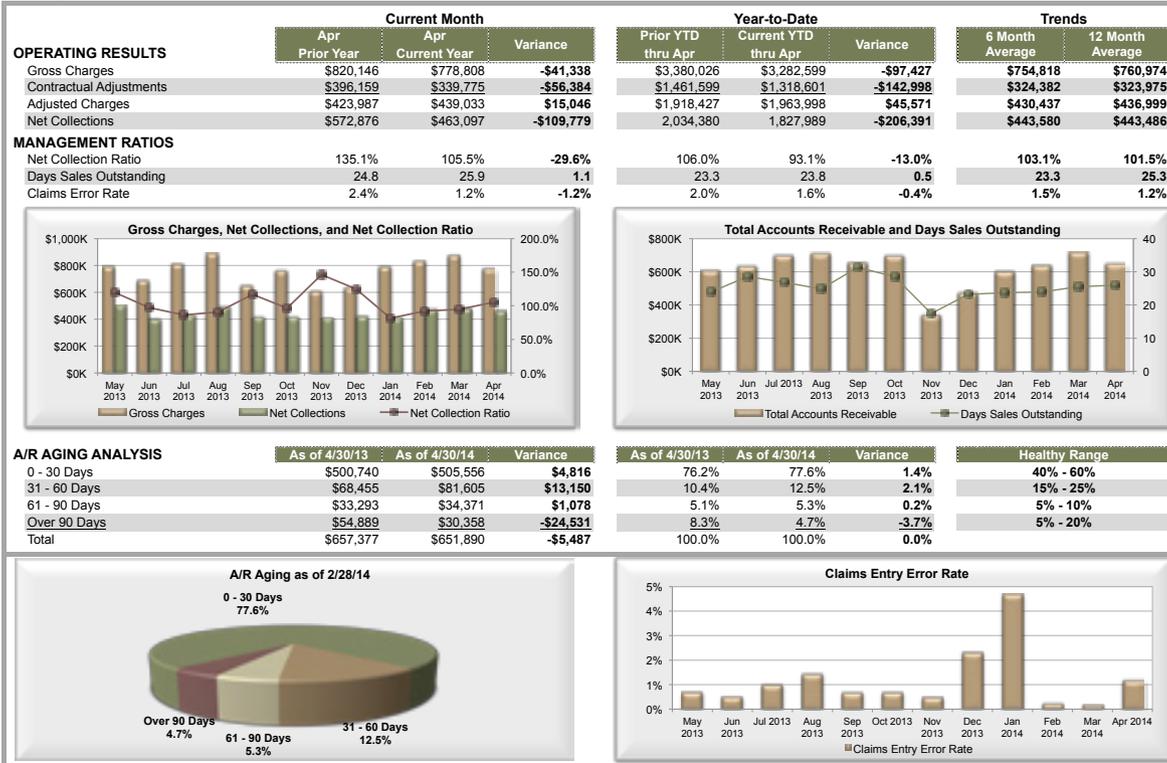
**EFFICIENCY AND QUALITY**

Some suggested activities:

- **Chart audits.** Check a certain percentage every quarter and document deficiencies, says Regina Boore. If there's a problem, dig deeper and pull a larger sample to try to determine the issue. “With records, 95% complete isn't okay. It has to be 100%. We can live with a 98% patient satisfaction rate, but there can be no shortcoming with records,” says Boore.
- **Patient satisfaction scores.** Gather information quarterly and maintain historic records.
- **Departmental scorecards.** “These reports give a snapshot of what's going on in every department,” says Waddle. Ask each department head to choose six to 10 maximum areas to measure, then track them monthly.
- **Clinical outcomes.** “This is an area that's not well-developed,” says Preece. “Most practice managers don't get into it.” But, he points out, CMS and insurance companies are going to focus more on outcomes, so this information will need to be tracked.

## Eye Care Company

### Billing and Collections Department Scorecard



Data tracking allows you to assess your practice's financial health and to explore opportunities in the marketplace.

*Credit: Courtesy Maureen Waddle, BSM Consulting. Disclaimer: These numbers are fictional, for demonstration purposes only.*

while practice managers and doctors might believe they have loyal, happy patients, they can't know for sure unless they have a system in place to gather data and compare it against national benchmarks.

Preece suggests doing patient satisfaction surveys two to four times a year, if using online tools (which are recommended for their ease). He notes it's not practical to conduct paper-based questionnaires more than once a year, simply due to the time involved for printing, mailing, and retrieving the surveys, then typing all of the data into a spreadsheet for analysis.

"Some practices gather satisfaction data at every visit, but no one has the time to deal with that much data," adds Preece. "Plus you'll get clients who are coming for rechecks or multiple appointments filling out multiple surveys, so your data gets skewed."

You can build your own surveys online using inexpensive tools, such as Survey Monkey, or hire companies to build and conduct them for you. The latter choice should come with comparison data so you can see how your practice ranks alongside those of similar size. If you choose to conduct your own surveys, you'll also have to find or purchase comparison data.

"You need a benchmark to compare your data to," Preece says. "Otherwise you can get lulled into a false sense of doing really well."

Surveys should include specific questions with rankings, as well as space for comments in the body of the survey. "If you don't include that narrative section, someone can get a low rating but you might not know why," Preece says.

In addition to surveys, some practices host focus groups, in which six to eight patients are brought in and interviewed about their experiences. Others hire mystery shoppers to rate their call center or come in for an appointment and rate the overall experience. Neither of these provides as broad a perspective as surveys, however.

#### DATA OVERLOAD

Every business decision requires data as a guide. Maureen Waddle advocates running regular reports (see sidebar) and keeping track of patient satisfaction scores. But she cautions against information overload.

"You need to get clear on why you're gathering data," says Waddle. "You really have to know what you're going to do

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with the data, and if you're not going to do anything, then don't gather it.”

Sensing that sweet spot—knowing how much and which types of information to gather—comes with experience, and in fact a fear of getting overloaded makes some administrators hesitate when it comes to creating a recurring report strategy.

“People need to take advantage of technology,” says Preece. “They need to understand the reports available to them in their EMR and EHR systems so they know how to run a report that contains the data they need.”

Preece adds that it's best if practice managers delegate the gathering and compiling of data to someone else on staff so the administrator can take the time to interpret results and craft implementation plans that fix what's wrong or bolster the practice's strong points.

As a practice administrator, Waddle blocked out two or three hours to review reports her staff had created or to run others of her own. Once a month she held partner meetings where she presented the most pertinent information.

“As an administrator, you're trying to help owners get out of the trees,” Waddle says, “because that's what they're doing every day with patients—solving immediate problems. Data and reports add a big picture.”

It's important, too, to make sure your data is accurate. “EMR and practice management systems are pretty complicated,” Preece says. “There are a lot of ways to view data. If you're running a report, you literally might have to check off nine or ten variables, and if you get one wrong, the report will be wrong.”

Preece recalls a panicky call from a client because reports made it look as if they were collecting only a fraction of what they expected to earn each month. “In reality, they were doing a great job; it's just that the report data had been filtered incorrectly.”

#### SAFETY AND REGULATORY DATA

Since 2009, an overhaul of Medicare's conditions of coverage has meant that every surgery center needs a robust and data-driven quality assurance and performance improvement (QAPI) program. Although Medicare currently does not specify which information must be gathered, it does require the program be ongoing, data-driven, and communicated throughout the organization. In addition, a center's governing board must be actively engaged, which means in part, that it is privy to all of the relevant data.

Regina Boore consults with surgery centers throughout the United States and Canada. She says certain key performance indicators will show if a surgery center is being run well. These

include complete and accurate medical records, infection rates, complication rates, and the number of hospital transfers.

“Infection control is of the highest importance,” Boore says. “Especially with MRSA becoming more of a threat, you can't overdo it.”

The simplest way to reduce chances of infection is through proper hand washing, so Boore often conducts hand hygiene audits that include sporadic check-ins. During one such audit, she had a surgery center's entire staff of nurses and technicians wash their hands while she watched, then sprinkled their hands with Glo Germ powder and looked at them under a black light.

“In one facility, literally 100% of the staff failed,” Boore said.

That crucial bit of data led to the creation of an awareness campaign, including training sessions and educational posters designed to keep the issue at the forefront of people's minds. When Boore redid the hand washing study, 90% of the staff passed.

As Boore notes, every study spawns an activity and a restudy. The data isn't the end; it's just the beginning. *AE*

#### NOTE

<sup>1</sup>For more info on how this practice uses its RFID tracking system, see the Customer Care article “Reducing Patient Wait Times” on page 28 of this issue.



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## IN A BLINK

- Gather and track patient satisfaction data over time—it's crucial.
- National benchmarking data gives you a way to measure your successes against your peers.
- Medicare and insurance providers already require some data reporting and this will only increase over time.
- Strategic planning is a must, as are measurable goals. You can't know if you've arrived if you don't know where you're going.
- EMR and EHR systems have powerful reporting capabilities. Learn how to use them and make sure to check the accuracy of your data.