

AAOE Benchmarking Results

REPORT OVERVIEW AND FORMULAS

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► Percentage of Accounts Receivable Aging

Purpose

Provides benchmarks for the amount of money held in each of the five aging buckets (e.g., 0-30 days, 31-60 days).

Formula

$$\frac{\text{Accounts Receivable Balance in Aging Bucket}}{\text{Accounts Receivable Aging Total Balance}}$$

Note Unlike other benchmarking metrics, better performance in Accounts Receivable aging is reflected in lower percentiles (e.g., 25th percentile) instead of higher percentiles (e.g., 90th percentile). Specifically, practices who have a lower percentage of their AR in the 61-90, 91-120, and Greater than 120 Days aging buckets are performing better than practices with higher percentages in these buckets.

► Payer Mix Percentage (Net Collections and Gross Charges)

Purpose

Payer mix percentages are computed separately for gross charges and net collections across several payer types (i.e., commercial, Medicare, Medicaid, worker's compensation, other payer, and self-pay). This series of reports allows practices to understand the payer mix typically seen in orthopedic practices as a whole and represented in practices that participated in the AAOE Benchmarking Survey specifically. These results can be useful when interpreting the benchmarks available in the other reports.

Formula

Payer Mix Percentage (Gross Charges)

- Commercial = Gross Charges for Commercial Payers / Total Gross Charges
- Medicare = Gross Charges for Medicare / Total Gross Charges
- Medicaid = Gross Charges for Medicaid / Total Gross Charges
- Worker's Compensation = Gross Charges for Worker's Compensation / Total Gross Charges
- Legal/IME = Gross Charges for Legal/IME / Total Gross Charges
- Self-Pay = Gross Charges for Self-Pay / Total Gross Charges
- Other Payers = Gross Charges for Other Payers / Total Gross Charges

Payer Mix Percentage (Net Collections)

- Commercial = Net Collections for Commercial Payers / Total Net Collections
- Medicare = Net Collections for Medicare / Total Net Collections
- Medicaid = Net Collections for Medicaid / Total Net Collections
- Worker's Compensation = Net Collections for Worker's Compensation / Total Net Collections
- Legal/IME = Net Collections for Legal/IME / Total Net Collections
- Self-Pay = Net Collections for Self-Pay / Total Net Collections
- Other Payers = Net Collections for Other Payers / Total Net Collections

► Accounts Receivable

Purpose

Provides benchmarks for the amount of money held in each of five accounts receivable aging buckets (e.g., 0-30 days, 31-60 days). This dashboard also includes a summary of accounts receivable by FTE provider.

Formula

- Accounts Receivable Aging = Accounts Receivable Aging Total Balance by Days in Accounts Receivable
- Accounts Receivable by FTE Provider = Accounts Receivable Aging Total Balance by Days in Accounts Receivable / FTE Providers from Physician Productivity and Compensation & PA-NP Productivity and Compensation

► AR Payer Mix

Purpose

This dashboard provides a comprehensive look at gross charges, contractual adjustments, net charges, and collections by payer mix and can be used to compare the payer mix in a specific practice to other orthopedic practices.

Formula

Gross Charges, Contractual Adjustments, Net Charges, and Net Collections by Payer (e.g., Commercial, Medicare, Medicaid, Workers Compensation, Self-Pay, and Other Payer) / Total Gross Charges, Contractual Adjustments, Net Charges, and Net Collections, respectively

► Percentage of Insurance vs. Patient Balance

Purpose

Provides benchmarks for the insurance and patient balance held in each of the five accounts receivable aging buckets.

Formula

Insurance Balance and Patient Balance / Total Balance in Accounts Receivable in each Aging Category

► Adjusted Charges per Day

Purpose

Comparing this ration to your daily charges shows if each day's work – at least in terms of revenue productions – is above or below average.

Formula

- Net Charges per Day = Total Net Charges / Number of Business Days in Year
- Gross Charges per Day = Total Gross Charges / Number of Business Days in Year

ACCOUNTS RECEIVABLE

ADDITIONAL REPORTS

► Days and Months Outstanding in AR

Purpose

Provides a key performance metric often used in healthcare practices to measure the performance of accounts receivable.

Formula

- Days Outstanding in AR = Total Balance in Accounts Receivable / (Total Gross Charges / 365)
- Months Outstanding in AR = (Total Balance in Accounts Receivable / (Total Gross Charges / 365)) / 30

CALL DATA

ADDITIONAL REPORTS

► Call Data

Purpose

This section includes information on physician call for emergency room, trauma, and hand cases.

Formula

- Annual Call Payments, Weekday Call Payments, Weekend Day Payments, and Amount Group Receives for On-Call Coverage from Call Data

COMPENSATION

CORE REPORTS

► Physician Compensation per FTE Physician

Purpose

Examines compensation amounts, including the amount paid to physicians by the practice and hospital, real estate, and ASC earnings, for physicians by practice specialty.

Formula

Compensation / FTE Physicians from Physician Productivity and Compensation

Definitions

- Annual Provider + Earnings + Other: Includes Annual Provider Compensation; ASC, Hospital, and Real Estate Earnings; and Other Compensation
- Annual Provider + In-Office Ancillary: Includes Annual Provider Compensation and In-Office Ancillary Compensation
- Annual Provider Compensation - Amount paid to the provider by the practice
- ASC Earnings - Amount of earnings from an ASC paid to the physician
- Hospital Earnings - Amount of earnings from a Hospital paid to the physician

► Physician Compensation per FTE Physician

Definitions (continued)

- In-Office Ancillary Compensation - Amount paid to the physician from In-Office Ancillaries
- Other Compensation - Compensation paid to the physician that is not reported in the other fields
- Real Estate Earnings - Amount of earnings from real estate paid to the physician
- Total Compensation - Annual Provider Compensation + ASC, Hospital, and Real Estate Earnings + Other Compensation + In-Office Ancillary Compensation

► Practice Administrator Compensation

Purpose

Provides compensation benchmarks for several executive-level positions (e.g., CEO/practice administrator, COO/operations director, CFO/finance director) in an orthopedic practice.

Formula

Total Compensation (including base salary, bonus, and benefits) / FTE Status from Practice Administrator Compensation

Note My Practice data is not presented in this report to protect the confidentiality of the practices executives represented.

► Practice Administrator Dashboard

Purpose

This dashboard provides additional information on the base salary, bonus, and other compensation (e.g., pension, health insurance) paid to executive-level positions within orthopedic practices.

Formula

- Base Salary = Base Salary / FTE Status from Practice Administrator Compensation
- Bonus = Bonus Compensation / FTE Status from Practice Administrator Compensation
- Base + Bonus = Base Salary + Bonus Compensation / FTE Status from Practice Administrator Compensation
- Benefits = Total Benefits / FTE Status from Practice Administrator Compensation
- Base + Bonus + Benefits = Total Compensation / FTE Status from Practice Administrator Compensation

Note My Practice data is not presented in this report to protect the confidentiality of the practices executives represented.

► Physician Compensation Dashboard

Purpose

Examines compensation amounts, including the amount paid to physicians by the practice; hospital, real estate, and ASC earnings; and in-office ancillary compensation, for physicians by practice specialty. Use the ASC, Real Estate, & Hospital Detail and In-Office Ancillary Detail links and pages to view detailed results for these compensation types.

Formula

- Compensation / FTE Physicians from Physician Productivity and Compensation

Definitions

- Annual Provider Compensation - Amount paid to the provider by the practice
- Annual Provider + ASC, Hospital, & Real Estate Earnings + Other Compensation = Includes Annual Provider Compensation; ASC Earnings, Hospital Earnings, Real Estate Earnings, and Other Compensation
- Total Compensation = Annual Provider Compensation + ASC Earnings, Hospital Earnings, Real Estate Earnings + Other Compensation + In-Office Ancillary Compensation
- ASC Earnings - Amount of earnings from an ASC paid to the physician
- Hospital Earnings - Amount of earnings from a Hospital paid to the physician
- Real Estate Earnings - Amount of earnings from real estate paid to the physician
- Other Compensation - Compensation paid to the physician that is not reported in the other fields
- In-Office Ancillary Compensation - Amount paid to the physician from In-Office Ancillaries
- Annual Provider + In-Office Ancillary: Includes Annual Provider Compensation and In-Office Ancillary Compensation

► Provider Compensation by FTE

Purpose

Examines compensation amounts, including the amount paid to physicians by the practice; hospital, real estate, and ASC earnings; and in-office ancillary compensation, for physicians by practice specialty. Use the ASC, Real Estate, & Hospital Detail and In-Office Ancillary Detail links and pages to view detailed results for these compensation types.

Formula

Total Compensation (PA/NP) / FTE Providers from PA-NP Productivity and Compensation

► PA/NP Compensation Overview

Purpose

Provides details on the base salaries and bonuses paid to physician assistants and nurse practitioners. Use the Specialty and Provider Type filters to view results for specific groups of providers.

Formula

Base Salary, Bonus, Other and Total Compensation from PA-NP Productivity and Compensation

► Provider Compensation per Work RVU

Purpose

Examine compensation benchmarks for orthopedic providers, including physicians, physician assistants, and nurse practitioners, based on Work RVU. Use the filters to view benchmarks by specialty and/or provider type to determine compensation levels per Work RVU.

Formula

Annual Provider Compensation (Physicians) & Total Compensation (PA/NP) / Work RVU from Physician Productivity and Compensation & PA-NP Productivity and Compensation

► Compensation per Net Collections

Purpose

Accounting calculation that allows practices to compare provider compensation based on net collections generated.

Formula

Total Compensation / Total Net Collections

Definitions

Total Compensation = Annual Practice Compensation + ASC Earnings + Hospital Earnings + Real Estate Earnings + Other Compensation + In-Office Ancillary Compensation

► PT/OT Compensation Overview

Purpose

Provides details on the base salaries and bonuses paid to physician assistants and nurse practitioners. Use the Specialty and Provider Type filters to view results for specific groups of providers.

Formula

Base Salary, Bonus, Other, and Total Compensation from PA-NP Productivity and Compensation

► Physician Recruitment Details

Purpose

Provides benchmarks for the starting salary, signing bonus, and moving expenses provided to physicians recruited during the reporting year. Use the Specialty filter to view results for specific providers.

Formula

Starting Salary, Signing Bonus, and Moving Expenses from Physician Recruitment Details

► Physician Compensation by Specialty Dashboard

Purpose

Examines compensation amounts, including the amount paid to physicians by the practice and hospital, real estate, and ASC earnings, for physicians by practice specialty.

Formula

Compensation / FTE Physicians from Physician Productivity and Compensation

Definitions

- Annual Provider + Earnings + Other: Includes Annual Provider Compensation; ASC, Hospital, and Real Estate Earnings; and Other Compensation
- Annual Provider + In-Office Ancillary: Includes Annual Provider Compensation and In-Office Ancillary Compensation
- Annual Provider Compensation - Amount paid to the provider by the practice
- ASC Earnings - Amount of earnings from an ASC paid to the physician
- Hospital Earnings - Amount of earnings from a Hospital paid to the physician
- In-Office Ancillary Compensation - Amount paid to the physician from In-Office Ancillaries
- Other Compensation - Compensation paid to the physician that is not reported in the other fields
- Real Estate Earnings - Amount of earnings from real estate paid to the physician
- Total Compensation - Annual Provider Compensation + ASC, Hospital, and Real Estate Earnings + Other Compensation + In-Office Ancillary Compensation

► Provider Compensation by Specialty Dashboard

Purpose

Examines compensation amounts paid to physician assistants and nurse practitioners by practice specialty.

Formula

Compensation / FTE Providers from PA-NP Productivity and Compensation

► Total Staff Cost as a Percentage of Total Revenue

Purpose

Examines staffing expenses in an orthopedic practice based on the amount of revenue generated by the practice. This report can be used in conjunction with the FTE Employees per FTE Physician reports to determine whether staffing levels and expenses are appropriate.

Formula

Total Employee Expenses / Total Revenue

Definitions

- Employee Expenses include expenses for staff employed by the practice, excluding physicians.
- Physician assistants, nurse practitioners, nurses, technicians, athletic trainers, physical therapists, medical assistants, medical secretaries, administrative staff, and other non-provider staff are included as employees.
- Staff taxes and benefits are also included in the calculation of Employee Expenses.

► Staff Cost as a Percentage of Revenue across Lines of Service

Purpose

Examines staffing expenses in an orthopedic practice based on the amount of revenue generated by the practice. This report can be used in conjunction with the FTE Employees per FTE Physician reports to determine whether staffing levels and expenses are appropriate.

Formula

Total Employee Expenses / Total Revenue

Definitions

- Employee Expenses include expenses for staff employed by the practice, excluding physicians.
- Physician assistants, nurse practitioners, nurses, technicians, athletic trainers, physical therapists, medical assistants, medical secretaries, administrative staff, and other non-provider staff are included as employees.
- Staff taxes and benefits are also included in the calculation of Employee Expenses.



EMPLOYEES

CORE REPORTS

► FTE Employees per FTE Physician

Purpose

Summarizes the number of employees working in an orthopedic practice per physician. In this report, you can select one or more employee types (e.g., registered nurse, medical records, PT/OT technician) to view benchmarks on staffing levels frequently seen in orthopedic practices.

Formula

Non-Revenue Generating FTE Employees / FTE Physicians from Physician Productivity and Compensation

Definitions

- Non-Revenue Generating FTE Employees include staff employed by the practice, excluding physicians, physician assistants, and nurse practitioners. Nurses, technicians, athletic trainers, physical therapists, medical assistants, medical secretaries, administrative staff, and other non-revenue generating staff are included as employees.
- Ancillary Service Employees:
 - X-Ray: X-Ray Technicians
 - DME: Athletic Trainers
 - MRI: MRI Technicians
 - PT/OT: Physical Therapists, Physical and Occupation Therapist Assistants, Athletic Trainers, PT/OT Technicians, Medical Receptionists, Authorizing/Credentialing Staff

EMPLOYEES

ADDITIONAL REPORTS

► FTE Employees by 1,000 Visits

Purpose

Determining the appropriate staffing level for an orthopedic practice can be challenging given the multiple variables that must be considered. This report allows users to consider the number employees based on patient volume (i.e., the total number of annual patient visits).

Formula

FTE Employees from Employees / (Annual Total # Patient Visits * 0.001) from Physician Productivity and Compensation & PA-NP Productivity and Compensation

Definitions

FTE Employees do not include Physicians, Physician Assistants, and Nurse Practitioners and does include physical therapist, occupational therapists, and other employees who bill for their services.

► FTE Employees per FTE Provider

Purpose

Summarizes the number of employees working in an orthopedic practice per provider. In this report, you can select one or more employee types (e.g., registered nurse, medical records, PT/OT technician) to view benchmarks on staffing levels frequently seen in orthopedic practices.

Formula

Non-Revenue Generating FTE Employees / FTE Providers from PA-NP Productivity and Compensation & PA-NP Productivity and Compensation

Definitions

- Non-Revenue Generating FTE Employees include staff employed by the practice, excluding physicians, physician assistants, and nurse practitioners. Nurses, technicians, athletic trainers, physical therapists, medical assistants, medical secretaries, administrative staff, and other non-revenue generating staff are included as employees.

Ancillary Service Employees:

- X-Ray: X-Ray Technicians
- DME: Athletic Trainers
- MRI: MRI Technicians
- PT/OT: Physical Therapists, Physical and Occupation Therapist Assistants, Athletic Trainers, PT/OT Technicians, Medical Receptionists, Authorizing/Credentialing Staff

► FTE Employees per 10,000 Work RVU

Purpose

Determining the appropriate staffing level for an orthopedic practice can be challenging given the multiple variables that must be considered. This report allows users to consider the number employees based on provider productivity (i.e., Work RVUs).

Formula

FTE Employees from Employees / (Work RVUs * 0.0001) from Physician Productivity and Compensation & PA-NP Productivity and Compensation

Definitions

FTE Employees do not include Physicians, Physician Assistants, and Nurse Practitioners and does include physical therapist, occupational therapists, and other employees who bill for their services.

EMPLOYEES

ADDITIONAL REPORTS

► FTE Employees Totals

Purpose

Provides benchmarks on the number of employees in a practice.

Formula

- $\text{FTE Employee Count} = \text{FTEs from Employees}$
- $\text{Employees per Physician} = \text{FTE Employees} / \text{FTE Physicians}$
- $\text{Employees per Provider} = \text{FTE Employees} / \text{FTE Physicians} + \text{FTE Physician Assistants} + \text{FTE Nurse Practitioners}$
- $\text{Employees per 1,000 Visits} = \text{FTE Employees} / (\text{Annual Total \# Patient Visits} * 0.001)$

Definitions

FTE Employees include staff employed by the practice, excluding physicians, physician assistants, and nurse practitioners. Nurses, technicians, athletic trainers, physical therapists, medical assistants, medical secretaries, administrative staff, and other non-revenue generating staff are included as employees.

NET COLLECTIONS

CORE REPORTS

► Net Collections per FTE Provider

Purpose

Provides benchmarks for net collections generated by physicians, physician assistants, and nurse practitioners in orthopedic practices.

Formula

$\text{Net Collections} / \text{FTE Provider from Physician Productivity and Compensation \& PA-NP Productivity and Compensation}$

NET COLLECTIONS

ADDITIONAL REPORTS

► Collection Ratio

Purpose

Gross Collection Ratio measures the percentage of charges paid. Net Collection Ratio measures the percentage of charges paid with payer contractual allowances incorporated and should be greater than the gross collection ratio.

Formula

- $\text{Gross Collection Ratio} = \text{Net Collections} / \text{Gross Charges}$
- $\text{Net Collection Ratio} = \text{Net Collections} / \text{Net Charges}$



► Net Collections per Work RVU

Purpose

As a measure of productivity, this metric measures the amount of direct practice revenue generated by an orthopedic provider, including physicians, physician assistants, and nurse practitioners, per Work RVU. The report can be filtered by both provider type and practice specialty to provide insight into expected ratios for specific providers.

Formula

Annual Net Collections / Work RVUs from Physician Productivity and Compensation & PA-NP Physician Productivity and Compensation

► Annual Gross Charges and Net Receipts

Purpose

This dashboard allows users to easily review benchmarks related to annual gross charges and net collections. The dashboard can be filtered by provider type and specialty.

Formula

Gross Charges & Net Collections from Physician Productivity and Compensation & PA-NP Physician Productivity and Compensation

► Net Collections per FTE Physician

Purpose

Provides benchmarks for net collections generated by physicians in orthopedic practices.

Formula

Net Collections / FTE Physicians from Physician Productivity and Compensation

► Total Overhead by Net Patient Revenue

Purpose

Examines the amount of overhead (i.e., total operating expenses before physician expenses) based on the net patient revenue generated by participating practices. This report does not include indirect sources of revenue.

Formula

Total Operating Expenses before Physician Expenses / Net Patient Revenue from Income Statement

Definitions

- Net Patient Revenue = Patient Revenue (global, technical, and professional revenue) - Refunds (subcontract payments, patient refunds, bad debt recovery) + Remicaid revenue + Injection Revenue + Hospital ER/call coverage payments + Specialty stipends
- Other Revenue = Capitation Income + Other Income (independent medical examinations, deposition fees, rental income, consulting income) + Other Non-Patient Revenue + Interest Income + Industrial Revenue + Payroll Protection Revenue/Loan + HHS Revenue/Funds + Gain/(loss) on Sale of Assets
- Total Revenue = Net Patient Revenue + Other Revenue

► Total Overhead by Total Revenue

Purpose

Examines the amount of overhead (i.e., total operating expenses before physician expenses) based on the amount of total revenue reported by participating practices. Users can also look at the Percentage of Overhead by Net Patient Revenue report for an overhead measurement that excludes indirect revenue sources.

Formula

Total Operating Expenses before Physician Expenses / Total Revenue from Income Statement

Definitions

- Net Patient Revenue = Patient Revenue (global, technical, and professional revenue) - Refunds (subcontract payments, patient refunds, bad debt recovery) + Remicaid revenue + Injection Revenue + Hospital ER/call coverage payments + Specialty stipends
- Other Revenue = Capitation Income + Other Income (independent medical examinations, deposition fees, rental income, consulting income) + Other Non-Patient Revenue + Interest Income + Industrial Revenue + Payroll Protection Revenue/Loan + HHS Revenue/Funds + Gain/(loss) on Sale of Assets
- Total Revenue = Net Patient Revenue + Other Revenue

➤ **Total Overhead per FTE Physician**

Purpose

Provides benchmarks for the amount of overhead (i.e., total operating expenses before physician expenses) per FTE physician.

Formula

Total Operating Expenses before Physician Expenses from Income Statement / FTE Physicians from Physician Productivity and Compensation

➤ **Total Overhead per FTE PA/NP**

Purpose

Examines the amount of overhead (i.e., total operating expenses before physician expenses) by the number of physician assistants and nurse practitioners in a practice.

Formula

Total Operating Expenses before Physician Expenses from Income Statement / FTE Providers from PA-NP Productivity and Compensation

➤ **Total Overhead per FTE Physician/PA/NP**

Purpose

Examines the amount of overhead (i.e., total operating expenses before physician expenses) by the number of physicians, physician assistants, and nurse practitioners in a practice.

Formula

Total Operating Expenses before Physician Expenses from Income Statement / FTE Physicians from Physician Productivity and Compensation & FTE providers from PA-NP Productivity and Compensation

➤ **Overhead by Net Patient Revenue Across Lines of Service**

Purpose

Examines the amount of overhead (i.e., total operating expenses before physician expenses) based on the net patient revenue generated by participating practices. This report does not include indirect sources of revenue. Use this report to examine results for individual lines of service. Use the Total Overhead by Net Patient Revenue report to examine results across all lines of service.

Formula

Total Operating Expenses before Physician Expenses / Net Patient Revenue from Income Statement

➤ Overhead by Total Revenue Across Lines of Service

Purpose

Examines the amount of overhead (i.e., total operating expenses before physician expenses) based on the amount of total revenue reported by participating practices. Users can also look at the Percentage of Overhead by Net Patient Revenue report for an overhead measurement that excludes indirect revenue sources. Use this report to examine results for individual lines of service. Use the Total Overhead by Total Revenue report to examine results across all lines of service.

Formula

Total Operating Expenses before Physician Expenses / Total Revenue from Income Statement

➤ Overhead per FTE Physician Across Lines of Service

Purpose

Provides benchmarks for the amount of overhead (i.e., total operating expenses before physician expenses) per FTE physician. Use this report to examine results for individual lines of service. Use the Total Overhead per FTE Physician report to examine results across all lines of service.

Formula

Total Operating Expenses before Physician Expenses from Income Statement / FTE Physicians from Physician Productivity and Compensation

➤ Overhead per FTE PA/NP Across Lines of Service

Purpose

Provides benchmarks for overhead per non-physician provider within an orthopedic practice. See the Overhead per FTE Physician report for overhead amounts for physicians, and the Overhead per FTE Physician/PA/NP report for overhead amounts for all providers. Use this report to examine results for individual lines of service. Use the Total Overhead per PA/NP report to examine results across all lines of service.

Formula

Total Operating Expenses before Physician Expenses / FTE Providers from PA-NP Productivity and Compensation

➤ Overhead per FTE PA/NP Across Lines of Service

Purpose

Provides benchmarks for overhead per provider within an orthopedic practice. This report reflects the amount of overhead for all orthopedic providers (i.e., physicians, physician assistants, and nurse practitioners), while the Overhead per FTE Physician report provides overhead amounts per physician and the Overhead per FTE PA/NP provides these amounts for non-physician providers. Use this report to examine results for individual lines of service. Use the Total Overhead per FTE Physician/PA/NP report to examine results across all lines of service.

OVERHEAD

ADDITIONAL REPORTS

➤ Overhead per FTE Physician/PA/NP Across Lines of Service (*continued*)

Formula

Total Operating Expenses before Physician Expenses / FTE Providers from Physician Productivity and Compensation & PA-NP Productivity and Compensation

➤ Overhead for Orthopedics and X-Ray

Purpose

Provides orthopedic and X-ray overhead results for practices who report orthopedic and X-ray revenue and expenses separately.

Formula

- Overhead by Net Patient Revenue = Total Operating Expenses before Physician Expenses / Total Revenue from Income Statement
- Overhead per FTE Provider = Total Operating Expenses before Physician Expenses / Total FTE Physicians from Physician Compensation and Productivity and Total FTE providers from PA-NP Productivity and Compensation

REVENUE AND EXPENSES

CORE REPORTS

➤ Cost per Patient Visit

Purpose

Measures the operational cost to treat a patient.

Formula

Total Overhead Expenses from Income Statement / Total New and Return Patient Visits from Physician Productivity and Compensation & PA-NP Productivity and Compensation

➤ Revenue per Patient Visit

Purpose

Measures the amount of revenue generated per patient visit.

Formula

Net Patient Revenue from Income Statement / Total New and Return Patient Visits from Physician Productivity and Compensation & PA-NP Productivity and Compensation

► Individual Category Expense Ratio

Purpose

Measures individual expense categories as a percentage of net collections.

Formula

Individual Expenses (by Category) / Net Collections

► Revenue per FTE Physician

Purpose

Summarizes the amount of revenue by physicians in orthopedic practices.

Formula

Total Revenue / FTE Physicians from Physician Productivity and Compensation

► Revenue per FTE Provider

Purpose

Examines benchmarks for the total revenue generated by orthopedic practices based on the number of providers, specifically physicians, physician assistants, and nurse practitioners, in those practices.

Formula

Total Revenue / FTE Providers from Physician Productivity and Compensation & PA-NP Productivity and Compensation

► Revenue per FTE PA/NP

Purpose

Examines benchmarks for the total revenue generated by orthopedic practices based on the number of providers in those practices.

Formula

Total Revenue / FTE Providers from PA-NP Productivity and Compensation

► Staff Expense Dashboard

Purpose

Provides benchmarks on expenses incurred by orthopedic practices.

Formula

Employee Salary and Wages and Staff Taxes and Benefits from Employees

REVENUE AND EXPENSES

ADDITIONAL REPORTS

► Non-Staff Expense Dashboard

Purpose

Provides benchmarks on expenses incurred by orthopedic practices.

Formula

Non-Staff Expenses from Expenses

► Total Non-Employee Expenses

Purpose

Examines non-employee expenses in an orthopedic practice.

Formula

Total Non-Staff Expenses from Income Statement

► Financial Data

Purpose

This dashboard includes benchmarks for revenue, expenses, operating expenses, and net income.

Formula

- Revenue = Net Patient Revenue + Other Revenue
- Expenses = Physician Expenses + Operating Expenses before Physician Expenses
- Operating Expenses = Operating Expenses before Physician Expenses
- Net Income = Revenue – Expenses

SQUARE FOOTAGE

ADDITIONAL REPORTS

► Square Footage Cost as a Percentage of Revenue

Purpose

Provides benchmarks for the ratio of practice square footage to total revenue. This metric can be useful to understanding when to expand existing office space or add new locations to a practice.

Formula

Facility Expenses / Total Revenue from Income Statement

► Square Footage per FTE Physician

Purpose

Examines the amount of space available in orthopedic practices based on the number of physicians. As orthopedic practices utilize more physician assistants and nurse practitioners, the Square Footage per FTE Provider report can also be used when determining whether to add more space to a practice.

Formula

Total Square Footage from Square Footage / FTE Physicians from Physician Productivity and Compensation

► Square Footage by Employee Group

Purpose

This dashboard provides benchmarks for the amount square footage used by orthopedic practices based on the number of physicians, the number of physician assistants and nurse practitioners, and on the number of employees.

Formula

- Per FTE Physician = Total Square Footage / FTE Physicians from Physician Productivity and Compensation
- Per PA/NP = Total Square Footage / FTE Providers from PA-NP Productivity and Compensation
- Per FTE = Total Square Footage / FTE Employees (not including physicians, physician assistants, and nurse practitioners)

► Total Square Footage

Purpose

Summarizes the total amount of square footage utilized in orthopedic practices. Other reports, including the Square Footage by Employee Group dashboard and the Square Footage per FTE Physician report, allow you to examine square footage in the context of other key variables.

Formula

Total Square Footage from Square Footage

► Total Surgeries per Total New Visits

Purpose

The surgical conversion rate is an important orthopedic metric.

Formula

Annual Total # Inpatient, Outpatient, and ASC Surgical Cases / Annual Total # New Patient Visits from Physician Productivity and Compensation

► Surgeries per New Visit with Specialty Filter

Purpose

The surgical conversion rate is an important orthopedic metric. The report can be filtered by practice specialty to help determine appropriate conversion rates for various surgery types.

Formula

Annual Total # Inpatient, Outpatient, and ASC Surgical Cases / Annual Total # New Patient Visits from Physician Productivity and Compensation

► Surgical Cases per FTE Physician

Purpose

Provides benchmarks for the number of surgical cases performed by orthopedic surgeons during a calendar year. Filtering the report by practice specialty will be helpful when comparing surgical volumes within a practice to the benchmarks.

Formula

Annual Total # Surgical Cases (includes Inpatient, Outpatient, and ASC surgeries) / FTE Physicians from Physician Productivity and Compensation

► Patient Visits per FTE Physician

Purpose

Summarizes the number of new and return patient visits for full-time physicians within orthopedic practices.

Formula

Annual Total # New and Return Patient Visits / FTE Physicians from Physician Productivity and Compensation

► Patient Visits per Provider

Purpose

Summarizes the number of new and return patient visits for physician assistants and nurse practitioners within orthopedic practices.

Formula

Annual Total # Patient Visits / FTE Physicians from Physician Productivity and Compensation & PA-NP Productivity and Compensation

► Injections

Purpose

The number of injections given by orthopedic providers is another way to measure productivity.

Formula

- 2019-2021: Annual Total # Visco Injections from Physician Productivity and Compensation & PA-NP Productivity and Compensation
- 2022 and after: Total Injections from Physician Productivity and Compensation & PA-NP Productivity and Compensation

► Patient Visits and Cases

Purpose

This dashboard provides data on the total number of patient visits and a breakdown of visits by type (i.e., new patient visits, return patient visits, outpatient surgeries, inpatient surgeries, and ASC surgeries).

Formula

- Patient Visits by FTE Provider = Annual Total # New and Return Patient Visits / FTE Providers from Physician Productivity and Compensation & PA-NP Productivity and Compensation
- Visit Breakdown = New and Return Patient Visits and Inpatient, Outpatient and ASC Surgeries from Physician Productivity and Compensation & PA-NP Productivity and Compensation

► Total Surgical Cases per FTE Physician

Purpose

Provides benchmarks for the number of surgical cases performed by orthopedic surgeons during a calendar year.

Formula

Annual Total # Surgical Cases (includes Inpatient, Outpatient, and ASC surgeries) / FTE Physicians from Physician Productivity and Compensation

► Total Patient Visits per Physician

Purpose

Summarizes the number of new and return patient visits for full-time physicians within orthopedic practices.

Formula

Annual Total # New and Return Patient Visits / FTE Physicians from Physician Productivity and Compensation

► Work RVUs per FTE Physician

Purpose

Work RVUs measure the time and clinical skill necessary to treat a patient and vary considerably across orthopedic specialties. Practices are encouraged to include Work RVUs in their benchmarking program, regardless of whether the practice includes Work RVUs as a basis for its compensation model.

Formula

Work RVUs / FTE Physicians from Physician Productivity and Compensation

Definitions

Benchmarking Survey Definition of Physician Work Relative Value Units:

- Physician work RVUs only
- Work RVUs for all professional medical and surgical services performed by the physician
- Work RVUs for the professional component of laboratory, radiology, medical diagnosis, and surgical procedures
- Work RVUs for all procedures performed by the medical practice
- Work RVUs for procedures for both fee-for-service and capitation patients
- Work RVUs for all payers, not just Medicare
- Work RVUs for purchased procedures
- National work RVU (do not include the geographical adjustment or GPCI); GPCI must be set to 1.000

WORK RVUs

ADDITIONAL REPORTS

► Work RVUs per FTE Provider

Purpose

Work RVUs measure the time and clinical skill necessary to treat a patient and vary considerably across orthopedic specialties. Practices are encouraged to include Work RVUs in their benchmarking program, regardless of whether the practice includes Work RVUs as a basis for its compensation model.

Formula

Work RVUs / FTE Providers from PA-NP Productivity and Compensation

Definitions

Benchmarking Survey Definition of Physician Work Relative Value Units:

- Physician work RVUs only
- Work RVUs for all professional medical and surgical services performed by the physician
- Work RVUs for the professional component of laboratory, radiology, medical diagnosis, and surgical procedures
- Work RVUs for all procedures performed by the medical practice
- Work RVUs for procedures for both fee-for-service and capitation patients
- Work RVUs for all payers, not just Medicare
- Work RVUs for purchased procedures
- National work RVU (do not include the geographical adjustment or GPCI); GPCI must be set to 1.000

X-RAY AND ANCILLARY SERVICES

ADDITIONAL REPORTS

► X-Ray Exams per FTE X-Ray Technician

Purpose

Summarizes the number of studies that are performed by X-Ray technicians in an orthopedic practice.

Formula

Number of X-Rays Taken (Studies, not Images) from Ancillary Services / FTE X-Ray Technicians from Employees

► X-Ray Metrics

Purpose

Provides data on X-Ray imaging volume as measured by the number of X-Ray studies, X-Ray patients, and the number of X-Ray studies per X-Ray machine.

Formula

Number of X-Rays Taken (Studies, not Images), X-Ray Patients, and X-Ray Machines from Ancillary Services

► MRI Total Revenue per Scan

Purpose

Summarizes the amount of revenue generated per MRI scan in orthopedic practices.

Formula

MRI Total Revenue / Number of Scans from Ancillary Services

► MRI Net Income per FTE

Purpose

Provides benchmarks on the net collections received from MRI scans per MRI technician.

Formula

I Net Income from Income Statement / FTE MRI Employees from Employees

► Physical Therapy Key Metrics

Purpose

This dashboard provides benchmarks for several metrics related to physical and occupational therapy. Specifically, the dashboard includes total revenue per physical/occupational therapy visit, net income per visit, and the number of physical/occupational therapy employees per 1,000 visits.

Formula

- PT Total Revenue per Visit = PT/OT Total Revenue from Income Statement / # PT/OT Visits from Ancillary Services
- Net Income per PT/OT FTE = PT/OT Net Income from Income Statement / FTE PT/OT Employees from Employees
- PT/OT FTEs per 1,000 Visits = PT/OT FTE Employees from Employees / (# PT/OT Visits * .001) from Ancillary Services

► PT/OT Staff and Productivity

Purpose

This dashboard provides benchmarks for physical and occupational therapy providers, specifically physical therapists, physical therapy technicians, occupational therapists, and occupational therapy technicians, who bill for their services.

Formula

- Physical and Occupational Therapy Visits = Physical Therapy and Occupational Therapy Visits from Ancillary Services
- PT and OT Providers = Physical and Occupational Therapy FTEs from Employees
- Physical and Occupational Therapy Visits per Provider = Physical Therapy and Occupational Therapy Visits from Ancillary Services / Physical and Occupational Therapy FTEs from Employees