

Top KPIs Every Revenue Cycle Leader Should Measure

Key Performance Indicators (KPIs) are measures that organizations track to determine how well they are performing against targets or expectations over time.

How well does your health system compare?

Hospital executives were recently surveyed about how they worked with their employed physician practices to meet organizational KPIs.



Source: HFMA Webinar, "5 Signs It's Time to Outsource Your Revenue Cycle," sponsored by Change Healthcare, August 2016, n=162

Do you know where your organization stands with these healthcare revenue cycle best practice benchmarks?

Measure	Type	Goal	Sign You May Need Outside Assistance
Days in Accounts Receivable (A/R)	Efficiency	32± ^a	32± ^a
Payer Aging % > 90 days	Effectiveness	<17%	>25%
Cost to Collect	Cost Containment	<=3%	>5%
Cash as % of Net Revenue	Effectiveness	100%	100%
Net Collection Percentage	Effectiveness	96%	<85%
Bad Debt Percentage	Effectiveness	<4%	>5%
Clean Claim Rate (First Claim Response)	Efficiency	>90%	<90%
HCAHPS Summary Star Rating (from Hospital Compare.org)	Effectiveness	4+ stars	1-2 stars

^aDepending on your organization

Source: Change Healthcare best practices, HFMA.org

Improve Patient Satisfaction and Overall Quality of Care

Reduce Costs

Improve patient satisfaction and overall quality of care

Optimize Revenue

Eliminate ongoing HR costs and issues related to benefits, salary and raises, performance management, etc.

Improve compliance and mitigate risk

Prepare for value-based reimbursement

Reduce operational expenses related to constant staff training, retraining, auditing, etc.

Criteria for evaluating revenue cycle outsourcing vendors to assist your organization in setting and achieving KPIs:

- Experienced**
RCM vendor should have experience measuring KPIs in both hospital and practice settings, by specialty and subspecialty
- Accurate**
RCM vendor's coders should achieve at least a 95% accuracy rate, undergo rigorous training and QA throughout the year
- Documentation**
RCM vendor should have a robust clinical documentation team, including both nurse and physician auditors and be able to provide detailed reports, showing trends and recommendations down to the provider level
- Efficient**
RCM vendor should be able to deploy onshore and offshore staff (if permitted) to maximize time zone coverage and cost efficiencies. Offshore staff can be non-patient-facing and focused on high-skilled tasks



Know Your Strengths

Do what you do well and work with an experienced partner to help you do the rest.

Change Healthcare provides revenue cycle management services to more than **30,000 physicians** and other providers annually across multiple specialties in the US. We are ready to work with your team, too.

<http://changehealthcare.com/contact-us>