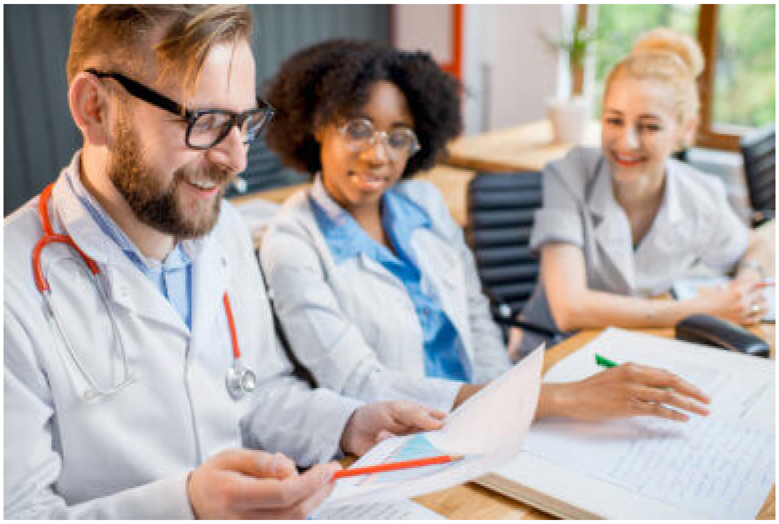
Healthcare dashboards & KPIs: tips and tricks for practice success



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Healthcare organizations are buried in data – patient data, claims data, financial data, operational data, and more – and that includes finance leaders, the finance team, and the C-suite. But just how much of all this data is being organized and leveraged for practice success?

Respondents to our recent Healthcare Finance Team Leadership Survey told us that manual, time-consuming reporting and a lack of real-time visibility into key metrics and performance were the biggest internal frustrations their organizations are facing today. Further, our respondents are overwhelmingly looking for automation when it comes to reporting – to enable turnkey, on-demand, self-service reporting so they can free up the finance team to spend more of their time on strategic work.

There's clearly a need for data, so the question becomes: What do you measure? How? And what do you do with the insight? To answer these questions (and more), I sat down with Linda Pinion, Sage Intacct's Principal Solutions Consultant (and resident expert on all things KPIs, dashboards and reports) to uncover tips and tricks for healthcare finance leaders looking to take measurement and reporting to the next level for practice success and how financial and accounting reporting for healthcare organizations can help with that.

Linda's advice? Focus on a few key areas for the most impact:

What to Measure? Everything!

Linda urges healthcare finance leaders to go beyond traditional revenue and expenses when thinking about measurement. Dig into the details! Consider comparing supplies versus equipment, or direct versus indirect expenses. Compare provider performance or location against location, revenue by insurer, or the profitability of certain treatments or services over others. Challenge yourself and your team to look beyond the "standard" financials and explore how things like capital improvements, revenue, and expenses related to patient care and procedures, participating in new payment models, or offering new products and services, will impact the bottom line.

Sage Intacct customer Paige Oldham, CFO of Health Solutions, did just this, and now enjoys more visibility and streamlined efficiencies, telling us, "We can combine different kinds of KPIs all in one report for a much clearer picture of what's going on with the business. I have [everything] all in one place and can drill down as needed, which helps immensely."

The lesson learned? You won't know until you measure.

Communication & Collaboration

What good is measurement if it's done in a vacuum? Practice success hinges on everyone working towards the same goal and clearly understanding the health of the business today, and where it is trending for the future. Linda recommends that healthcare finance leaders find ways to enable members of your team and broader members of the practice to access tailored dashboards and reports. That way, whether it's a specific provider, department, entity, location, or other functional area of the business, they know where they stand, what they are accountable for, and how they directly impact and influence practice success.

If you have a means to communicate and collaborate in an automated way within your finance system, that's even better – your team will spend less time creating reports and more time on strategic work that will help move the practice forward.

Go Beyond the Financials

While strong financial reporting is critical, don't underestimate the power of combining financial, clinical, and operational data to uncover a deeper level of understanding and a more sophisticated way to measure the success of your practice.

Consider how Virginia Jones, PhD, and COO of Village Family Dental, took reporting to the next level:

> "The system identifies which offices or service lines are making money (or not), so we can decide which lines of business to expand or reduce. Expanding on pediatrics and OR cases and reducing certain insurance carriers has increased revenue by as much as $40,000 per month. After we started offering frenectomies and sleep apnea services, it was simple to evaluate each one's profitability and determine contributing factors."

Perhaps your providers want to see revenue or expenses by patient, per visit, or procedure. Perhaps executives want to understand profitability by provider, the impact of entering a value-based contract, or the potential revenue from adding a new service like Virginia and her team at Village Family Dental. Combining financial, clinical, and operational data all in one place enables healthcare finance leaders to move away from simply reporting on the events of the past and shift gears to strategically predicting the future of the practice.

Authored by Melissa O'Dowd

Melissa is a leader within the Healthcare practice at Sage Intacct, having spent the last 18 years working within the healthcare industry, helping healthcare technology, consumer health, medical devices and diagnostics, pharmaceutical, and biotechnology companies change the lives of the patients they serve.