

USING DATA MONITORING TO DRIVE PRACTICE SUCCESS

The process involves more than crunching numbers.



BY TONYA LARUE, MBA

As an ophthalmologist, your treatment decisions are based largely on scientific data coupled with patient feedback. Are you approaching practice operations in the same way?

Like patient care, business decisions within your practice should be based on data-driven insights acquired through the regular tracking and monitoring of key metrics. What you cannot see may be costing you money and affecting your ability to provide quality treatment. So, what areas should you be monitoring to ensure the smooth operation and administration of your practice?

WHAT TO TRACK

The right metrics focus on the most relevant aspects of your business. The following is a list of data points to consider tracking. Ask your practice administrator to identify any additional areas that may affect business operations and patient care.

Profit and Loss Statements

Profit and loss (P&L) statements are not just an accounting exercise. These reports provide a picture of your practice's financial health. At the

broadest level, P&L statements show whether your practice is operating at a profit or incurring losses. The components of each item on the statement, however, can help identify areas where costs could be reduced or revenue increased.

Additionally, the monthly costs of sales and expenses are reported on your P&L statements. Review these in detail to inform purchasing decisions and usage.

Inventory

Inventory management is essential for maintaining smooth and profitable operations. Tracking inventory data avoids shortages, expirations, and overstock situations that can affect patient care and lead to unnecessary costs. Effective inventory management, backed by data analysis, helps maintain an efficient supply chain by minimizing waste and maximizing cost savings.

Accounts Receivable and Collections

Today's accounts receivable balances become tomorrow's practice collections. Accounts receivable balances should be monitored

continuously—not just when cash flow becomes tight. These figures reveal your practice’s pending cash flow and whether collections are happening as expected. A large gap between revenue generated and collections received may signal problems within the patient charting, practice billing, or collections processes.

Examine accounts receivable balances thoroughly and often to ensure the monies earned from services provided are paid accurately and in a timely fashion.

Balance Sheets

Balance sheets offer a snapshot of your practice’s assets, liabilities, and equity. Regularly review these reports to understand loan balances, outstanding vendor payables, and the current cash position of your organization. These metrics indicate whether your practice is financially stable. When making decisions, balance current cash needs against future expenditures.

Doctor Productivity

Understanding how much time each of your practice’s doctors spends per patient, how many patients they see per day, and what conditions they treat can reveal patterns in workflow efficiency. With this information, adjustments can be made to reduce bottlenecks and improve the delivery of patient care.

Scheduling

Review schedule templates to determine if there are gaps in appointment slots, periods of overbooking, or areas where patient flow could be more efficient. Improved scheduling can increase patient satisfaction while ensuring that each provider is working at optimal capacity.

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Referrals

Monitoring where patients come from and which specialists or providers receive the most referrals allows your practice to optimize these networks and make data-driven decisions about future referral strategies.

BRINGING IT ALL TOGETHER FOR ANALYSIS

Once you’ve gathered the data, enter it into a centralized location or tracking system to show at a glance everything that is happening. You may use your practice management software for some components. For other pieces, it may be necessary to collect the data manually and then collate the information into a format your practice finds useful—often a consolidated spreadsheet.

Once the data have been compiled, decide how often to review the information. Monthly tracking typically reveals any trends or patterns. Consistent monitoring not only highlights areas for immediate improvement but also helps identify long-term trends and cyclical patterns. When tracked over time, the numbers tell a compelling story about the overall health of your practice.

As trends are identified, seek input from the professionals in your practice who are responsible for these areas. For example, if doctor productivity appears to be lagging, the practice manager can speak

with the physicians to determine the root causes and explore potential solutions.

In some instances, it may be beneficial to bring in an external professional consultant to analyze your practice data. Consultants may identify issues or solutions that internal team members have overlooked. Be sure to choose someone who specializes in ophthalmology so that their insights are tailored to your needs.

Finally, set benchmarks against your practice’s past and current performance. Goals for your organization should be based on your data rather than a comparison to far-off competitors to avoid unrealistic expectations.

FINAL THOUGHTS

There can be no intentional success without measuring performance. Collecting and analyzing data may seem like a time-consuming task, but it is time well spent. Investing in data tracking can improve operational efficiency, patient care, and your practice’s financial health. With regular analysis, you can develop strategies to head off minor issues before they become major problems. ■

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