Measuring Physician Productivity

A look at how to track key indicators of performance to strengthen your practice.

By Andrew T. Maller, MBA, COE

In a medical practice environment that has become increasingly complex, having a solid handle on how to track areas such as physician productivity allows practices to be proactive when making business decisions. Tracking key productivity metrics on a consistent basis serves multiple purposes. At the practice level, possessing a solid understanding of how each physician practices allows administrators to make better business decisions based on real data. After the variances among physicians in the group are known, it becomes more feasible to address a variety of issues (eg, physician scheduling and capacity, technician staffing levels, number of billing staff needed to post charges and payments, and practice budgeting).

Individual physicians also benefit from having their production tracked on a regular basis. Unfortunately, in many cases, productivity results are provided only when requested (or not at all). Oftentimes, even if productivity results are shared, the format of the report might be a 20-page Current Procedural Terminology summary or something similarly difficult to interpret. This makes it challenging for the individual physician to set goals, assess how he or she compares with other physicians in the group, or determine estimated compensation.

The question is, which data points should be tracked to allow physicians to practice more effectively and the business to be more efficient, thus increasing the bottom line? With these goals in mind, consider tracking the following areas.

**KEY PERFORMANCE INDICATORS**

**Net Collected Revenue**

Probably the most common measure of physician productivity is net collected revenue. One of the main challenges in measuring revenue is how to handle the impact of injectable drugs. High drug costs artificially inflate revenue, thus providing a false sense of reality because of the high cost of goods sold on these items. It is recommended that drug revenue be subtracted from revenue to provide a

![Figure](image-url)

Figure. A view of a productivity dashboard. The option to compare specific timeframes allows physicians and practice managers to review differences in revenue across several periods.
A truer sense of physician productivity. To do this, simply reduce all J code revenue from professional fees. Note that the professional fee element of the injection (CPT 67028) should still be included in the total.

**Patient Visits**
The second most common way to measure productivity is to track patient visits, which should include all new and established ophthalmology, evaluation and management, and no-charge visits. Patient encounters include the following CPT codes: 92002; 92004; 92012; 92014; 99201-99205; 99211-99215; and 99024. No-charge visits should be included because they can take up a significant portion of a physician’s time.

**Doctor Days Worked**
When tracking any productivity metric, it is always important to include an element of time. At the practice level, this allows proper assessment of capacity and staffing needs, regardless of whether the physician is full- or part-time. This also allows the creation of key productivity metrics such as revenue or patient visits per clinic day.

**Diagnostic Testing Ratio**
Because each physician has his or her own practice style, some retina specialists use a higher volume of diagnostic tests than others. This has a significant impact on determining technician staffing needs. One way to assess this need is to use a metric referred to as the diagnostic testing ratio, in which total diagnostic tests are divided by patient visits during the same time period. It is not necessary to track every test, but it is important to include the higher-volume tests such as optical coherence tomography, fluorescein angiography, and fundus photography.

**Injection Yield**
The increase in volume of intravitreal injections administered in retinal practices significantly influences physician capacity, staffing, and patient flow. It is critical to routinely assess which physicians in a practice inject at a higher volume. Injection yield, or the total patient visits divided by the number of injections in the same time period, is a reliable measure for this matter. A lower result in this metric indicates that the physician is performing a high volume of injections. Knowing how this metric varies between physicians at a group practice can help in assigning the number of staff required to support the doctors to maintain a smooth patient flow. It can also help in assessing scheduling opportunities such as transitioning to injection-only clinics for some physicians in the group.

**HOW TO TRACK RESULTS**
One of the best ways to track physician productivity trends is through the use of a dashboard report (Figure), a brief but meaningful summary combining key performance indicators (similar to the metrics introduced earlier) in a way that allows identification of specific opportunities for improvement at the physician and practice levels. The most effective dashboard reports have the ability to compare current and past results, either in certain time frames (eg, the same month in the prior year or the year-to-date) or within physician productivity goals. This level of comparison identifies trends in data and pinpoints areas in need of attention.

One of the common pitfalls of dashboard reporting is tracking too many metrics. It is recommended to keep the list down to approximately five key areas and to no more than one page. In making the decision of which areas to track, it is important to gain consensus among physicians and practice administrators on which metrics have the most potential to improve individual and group productivity.

**A VALUABLE INVESTMENT OF TIME**
Using key performance indicators through the use of a tool such as a dashboard report can be beneficial in determining physician productivity levels and managing the practice. Tracking these metrics on a regular basis can be time-intensive, but, when performed on a regular basis, they can be one of the most valuable resources in improving the efficiency and profitability of the practice.

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