Analyzing Physician Compensation Trends: Establish a Data-Driven Approach

AUGUST 10, 2023

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Agenda

1. Who we are and Disclaimers
2. Defining the Challenge
3. Pinpointing the Issue
4. Learning from Other Practices
5. KPI’s by Type for Data Driven Approach
6. Q&A

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Curi Advisory & Arrowlytics

- Curi was founded in 1975 as Medical Mutual Insurance of NC
  - Providing Medical Malpractice coverage to ~15,000 physicians
  - Began diversification in 2014 – now with 3 distinct business units
  - Rebranded to Curi in 2018
- An original investor in 2015, Curi Holdings acquired Arrowlytics in April 2021 to launch Curi Advisory.
- Curi Advisory is a new business unit (alongside Curi Insurance and Curi Capital) focused on the company's mission of helping physicians in medicine, business, and life.
- Data-driven platform (Arrowlytics) and Advisory services.
- Do not have to be a MPL client to work with Advisory.
- There are multiple good technology and consulting firms out there.

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ABOUT CURI ADVISORY

Data-driven, human-inspired business solutions

In today's fast-moving healthcare landscape, technology and data alone are not enough. You need human insight to make data actionable. As thoughtful partners with deep practice management expertise, we actively listen and proactively curate solutions to protect, optimize, and grow your practice.

Note: There are many good technology and consulting firms available. The main point is to identify the KPI's and how to use them, regardless of where and how you get them.

ARROWLYTICS PLATFORM

A practice analytics platform that pulls practice data from various sources, including social media, to provide total practice insight.

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CONSULTING SERVICES

Valued advice from a team that leverages data and years of practice and risk management experience to help practices make business decisions with confidence.

LEARN MORE

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PHYSICIAN COMPENSATION

Defining the Challenge

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We've All Been There...

Why did my compensation go down this month?

Why does Dr. Smith's compensation seem to be trending higher than mine for the last quarter?

Should I be seeing more patients to make up for lost compensation last month?

Can you speak to the billing team about working my accounts?

Can you tell me what my compensation is going to be for the rest of the year?

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...And Tried to Dig into the Data

Our receptionist isn't able to come in today. How should we handle patient check-in?

The staff refrigerator isn't working. Who should I call to come fix it?

We have a couple of patients arguing in the waiting room. What should I do?

The new MA is slowing down Dr. Smith, and he's unhappy. How should we handle?

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Pinpointing the Issue

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PINPOINTING THE ISSUE

Step 1: Identify Impacted Providers

Geographic Location

Group or sub-specialty

Individual provider

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Step 2: Review Probable Causes

Provider Productivity Changes

Provider Utilization Changes

Revenue Cycle Issues

Where many of us start!

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Step 2: Review Possible Causes

PROVIDER PRODUCTIVITY CHANGES

- ❑ Declining office sessions
- ❑ Changes in new/established patient ratios
- ❑ Fewer patients per session
- ❑ Declining surgical sessions
- ❑ Fewer surgical cases per sessions
- ❑ Ancillary yield (office visit to ancillary ratio)
- ❑ Labor costs not aligned to productivity changes

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Step 2: Review Possible Causes

PROVIDER UTILIZATION CHANGES

- ❑ Increase in time it takes for patient to get appointment
- ❑ Significant decreases in wait times/market demand changes
- ❑ Increase in no-show appointments
- ❑ Increase in same day canceled appointments
- ❑ Decreased patient satisfaction with office
- ❑ Decreased patient satisfaction with provider
- ❑ External provider referral pattern changes
- ❑ Payor mix changes related to external referrals
- ❑ Ancillary leakage

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Step 2: Review Possible Causes

REVENUE CYCLE ISSUES

- ❑ Time of service collection issues
- ❑ Increased missing tickets (office or surgery)
- ❑ Under coding compared to bell curve trends
- ❑ Changes in AR Days or AR Aging
- ❑ Increase in denials
- ❑ Increase in posting / filing lag times
- ❑ Payor mix shift for office or surgical visits
- ❑ Decrease in charges per office or surgical encounter
- ❑ Decrease in revenue per office or surgical encounter

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But finding time to analyze all the data is still a challenge

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The Ideal Process

How often do we get to work through this entire process?

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Learning from Other Practices

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A Case Study: Referral Market Shift

Orthopedic practice with downtown specialty centers whose sub-specialist rotate out to the community locations to fill specialty needs. One of their traveling spine physicians asked why their compensation started declining.

- **Check 1:** All physicians or just spine section? **Just spine.**
- **Check 2:** All spine physicians or just individual who raised it? **Just the one.**
- **Check 3:** Are physician's sessions worked down? **No, they're consistent.**
- **Check 3:** Is physician's new patient volume down? **No, they're consistent.**
- **Check 4:** Is physician's patients per office and surgical session down? **No.**
- **Check 5:** Any changes in billing and collections performance? **No.**
- **Check 6:** Has physician's payor mix changed? **Yes, but only at one location.**
- **Check 7:** Medicaid and self-pay % shot from **4%** to **35%.**

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A Case Study: Referral Market Shift

WHAT CAUSED THE SUDDEN SHIFT?

- The hospital acquired a competing neuro/spine practice in the local market.
- Once acquired, they closed practice to Medicaid/self-pay patients and told the hospital employed primary care practices to send patients with best payers to them and send less-desirable payers to our client.
- Client leadership pulled all referring data and met with local hospital CEO to share the information and call them out for "cherry-picking" patients.

THE RESULTS? REFERRAL PATTERNS IMMEDIATELY CORRECTED:

1. Referral patterns immediately went back to historical percentages
2. Client used information to not only correct, but improve market share
3. Health system leadership learned our client monitors everything and hasn't tried redirecting patients to their employed competitors again

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KPI’s for Data Driven Approach

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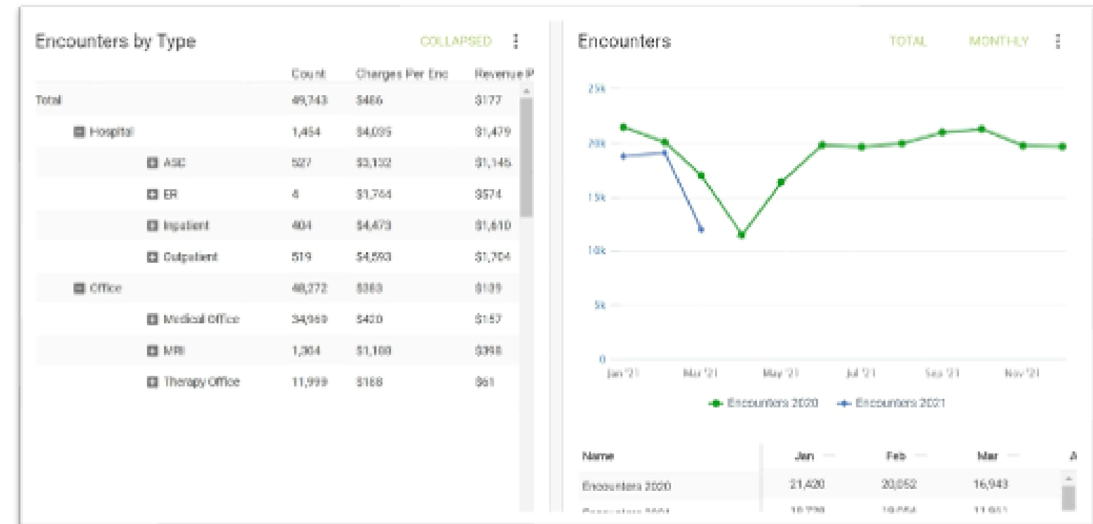
CONSIDERING A NEW APPROACH

Provider Productivity KPIs

- ❑ Sessions Worked Year-over-Year
- ❑ New & Established Visits Year-over-Year
- ❑ Office Visit Per Session Year-over-Year
- ❑ Office Visits Per Session by Month
- ❑ Surgical & Ancillary Yield
- ❑ Arrived Patients Per Clinical Support FTE
- ❑ X-Ray Procedures Per Rad Tech FTE
- ❑ Total Appointments per Appt. Scheduler
- ❑ Test/Surgeries Per Test/Scheduler FTE
- ❑ PT/MRI Yield



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Provider Utilization KPIs

- ❑ Increase in time for patient to get appointment
- ❑ Significant decreases in wait times/market demand changes
- ❑ Increase in no-show appointments
- ❑ Increase in same day cancelled appointments
- ❑ Decreased patient satisfaction with office
- ❑ Decreased patient satisfaction with provider
- ❑ Call center issues relating in satisfaction issues
- ❑ External provider referral pattern changes
- ❑ Payor mix changes related to external referrals
- ❑ Ancillary leakage

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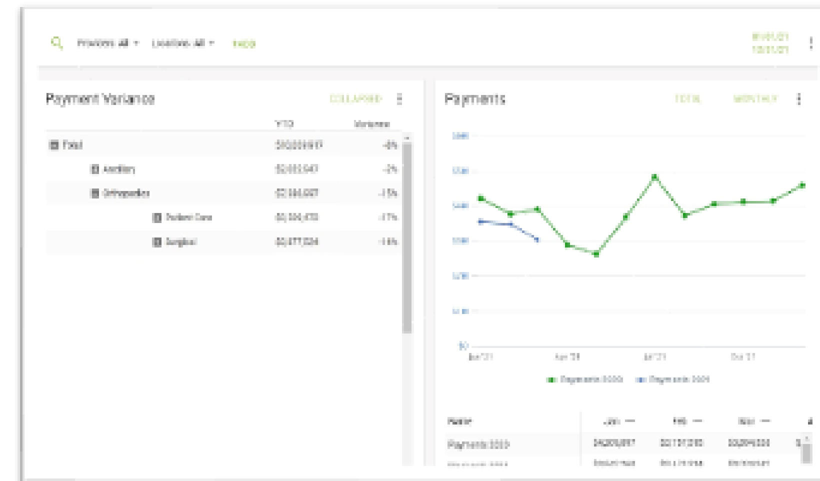
CONSIDERING A NEW APPROACH

Revenue Cycle KPIs

- ❑ Office Time of Service Collections
- ❑ Surgical Pre-Collections
- ❑ MRI Pre-Collections
- ❑ Missing Tickets-Office
- ❑ Missing Tickets-Hospital
- ❑ Established & New Visit Coding Curve
- ❑ AR Days & Days Over 120
- ❑ AR Aging (By Payor/By Revenue Ctr/By Type)
- ❑ Payor Mix by Visit Type
- ❑ Revenue per Encounter (New/Est/Surgery)
- ❑ Charges per Encounter (New/Est/Surgery)



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Questions?

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Thank you!

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