

Benchmarking for Outpatient PT/OT

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Executives

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PT/OT Benchmarks

- Procedures/Provider Work Hour
- Procedures/Day (8-hour day)
- Procedures/Visit
- Visits/Day
- Visits/Patient
- Show Rate

PT/OT Benchmarks

- Payments/Procedure
- Payments/Visit
- Gross Payroll/Procedure
- Net Margin

Procedures/Provider Work Hour

- Procedures/Provider Work Hour
 - Most relevant measure of productivity
 - PT
 - 4.8 weighted procedures (WPs)/hour (about 70 minutes of charges)
 - 2.06 wRVUs per work hour
 - HT
 - 4.3 WPs/hour
 - 1.86 wRVUs per work hour

Procedures/Provider Work Hour

➤ Procedures/Provider Work Hour

- Weighting = 1:1, except init evals and custom splints @ 3:1, re-evals @ 2:1, modalities @ 0.5:1, h/c @ 0.25:1

Procedures/8-Hour Day

➤ Procedures/8-Hour Day

- PT

- 38.4 WPs/day

- 16.5 wRVUs/day

- HT

- 34.4 WPs/day

- 14.8 wRVUs/day

Procedures/Provider Work Hour - Day

- Factors
 - Individual productivity
 - Charge capture
 - Are patients being “dovetailed”?

Procedures/Provider Work Hour - Day

- Factors
 - Appropriate use of aides?
 - Inadequate attention to scheduling
 - Compliance with billing rules (e.g., 8-minute MC rule)
 - Low patient volume

Procedures/Visit

➤ Procedures/Visit

- PT and HT

- 3.5 WPs/visit, e.g., 3 timed units, 1 modality (about 45 minutes)
- 1.5 wRVUs/visit

Procedures/Visit

- Factors
 - Visit time
 - Skills
 - Charge capture
 - MC v. other payers

Visits/Day

➤ Visits/Day

- Compare providers using 8-hour day
- PT – 11 visits/day (after cx/ns)
- HT – 10 visits/day (after cx/ns)
- Misleading measure of productivity
 - E.g., 16 visits @ 2.5 WPs/visit = 40 WPs; 11.5 visits @ 3.5 WPs/visit=40 WPS

Visits/Day

- Factors

- Shorter than average visits (e.g., 2 procedures/visit)
- More documentation time
- Lower patient/provider satisfaction
- Consistently high cx/ns rate (more than 15%)
- Understaffed

Visits/Patient

➤ Visits/Patient

- PT average: 8 (includes early discharges)
- HT average: 8 - less as custom splints increase
- Exponential impact on total visits
- Indirect indicator of patient satisfaction

Visits/Patient

- Factors

- Importance of communication
- Patient's perception of value
- Do patients help set/understand goals?
- Co-pays (e.g., 3 visits/week @ \$40/visit)
- Affordability/demographics
- Understaffed

Show Rate

➤ Show Rate

- Track both eval and follow-up show rates
- Initial evaluations – 92%
- Follow-ups – 88% (excluding same day rescheduling)
- Track for each provider

Show Rate

- Eval show rate factors
 - Importance of scheduling w/i 48-72 hours
 - Physician communication (“You can try therapy”)

Show Rate

- Follow-up visit factors
 - Providers do not communicate value of therapy
 - Variation among providers

Payments/Procedure

➤ Payments/Procedure

- PT: \$26/WP (\$60.47/wRVU) - about 100% of MC allowable
- HT: \$31/WP (\$72.09/wRVU)
- Best measurement of payment rate because therapy typically paid by procedure

Payments/Procedure

- Factors

- Geographic variation
- Co-pay collection
- Authorizations
- Tracking authorized visits, payments, etc.
- Billing/collection problems

Payments/Visit

➤ Payments/Visit

- Procedures/visit is an important factor – so visit rate can be misleading
 - E.g., 2.5 WPs @ \$26/WP = \$65/visit; 3.5 WPs @ \$26/WP = \$91/visit
- PT average \$91/visit
- HT average \$108.50/visit

Gross Payroll/Procedure

➤ Gross Payroll/Procedure

- Important indicator of profitability trends because payroll is by far the largest cost
- PT average is \$11.50/WP (\$26.74/wRVU) for therapists, assistants, aides and front desk (does not include benefits, employer taxes, billing staff)
- HT average is \$15.00/WP (\$34.88/wRVU)

Net Margin

➤ Net Margin

- Net income/revenue
- Wide range due to reimbursement rates and productivity
- At MC allowable rates, expect 15-20% profit margin



KPIs YTD Compare Years Compare Providers Compare Locations Monthly Stats Survey

Months: Jan to Jul Group: 2 Items Location: All Provider: All Discipline: All State: All

Table Chart Procedures Run

	Jan to Jul 2008	Jan to Jul 2009	Jan to Jul 2010	Jan to Jul 2011	Jan to Jul 2012	Jan to Jul 2013	12-13%	Jan to Jul 2014	13-14%
Patients									
New Patients	2,270	2,306	4,458	4,580	4,728	5,060	7.0%	6,009	18.8%
Visits	16,084	18,596	34,784	35,276	35,957	36,611	1.8%	42,045	14.8%
Visits / Patient	7.1	8.1	7.8	7.7	7.6	7.2	-4.9%	7.0	-3.3%
Init Eval Show %	0.0%	0.0%	79.3%	62.9%	94.0%	93.6%	-0.5%	85.9%	-8.2%
FUV Show %	0.0%	0.0%	83.8%	84.5%	84.5%	84.4%	-0.1%	85.2%	0.9%
Productivity									
Procedures	49,077	58,965	98,324	112,064	119,614	132,524	10.8%	152,515	15.1%
Hours	14,030	14,432	29,628	31,139	31,285	29,184	-6.7%	33,256	14.0%
Wtd Procedures	50,269	59,799	105,910	121,114	123,434	138,319	12.1%	158,889	14.9%
Wtd Procedures / Hour	3.6	4.1	3.6	3.9	3.9	4.7	20.1%	4.8	0.8%
Wtd Procedures / Visit	3.1	3.2	3.0	3.4	3.4	3.8	10.1%	3.8	0.0%
Visits / 8 Hr Day	9.2	10.3	9.4	9.1	9.2	10.0	9.1%	10.1	0.8%
Bonus Payable	11,246	37,776	28,303	46,092	40,956	55,337	35.1%	53,242	-3.8%
Payment									
Charges	\$2,754,279	\$3,259,214	\$6,589,190	\$7,550,755	\$7,943,782	\$9,073,047	14.2%	\$10,441,314	15.1%
Payments	\$1,287,536	\$1,491,418	\$3,232,863	\$3,761,228	\$4,162,662	\$4,343,967	4.4%	\$4,795,453	10.4%
Payments / Wtd Procedure	\$25.61	\$24.94	\$30.52	\$31.06	\$33.72	\$31.41	-6.9%	\$30.18	-3.9%
Payments / Visit	\$80.05	\$80.20	\$92.94	\$106.62	\$115.77	\$118.65	2.5%	\$114.06	-3.9%