

The Power of Revenue Goals and the P&L

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COLLEGE OF
URGENT CARE
MEDICINE

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In healthcare operations and marketing since 1994:

Dermatology,
Ophthalmology, &
Urgent Care

Auburn University graduate
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**Finances presented in this presentation are
fictitious and for learning purposes only*



ABOUT THE PRACTICE

Currently run 3 urgent care clinics in Nashville, TN

Annual revenues of \$7m - Staff of 60

Open 10-12 hours a day, 7 days a week

Owned by 6 ER physicians who don't work shifts

4 administrative staff including Director of Operations,

Director of Medical Services, Marketing Director, and HR Assistant



THE RIGHT STRUCTURE FOR SUCCESS

Can I be successful?

Is anyone **untouchable**?

How do I get **yes's** and **no's**?

What is your **AR**?

What is your plan for **growth**?

What are your top 2 **problems**?



WHAT DOES EVERY ADMINISTRATOR NEED TO BE GOOD AT?

DRIVING **CHANGE2023**
THE URGENT CARE CONVENTION

Strategy
Technology
Operations
Marketing
Personnel
Finance



Without **STRATEGY**, there is no **VISION**.

Without strong **TECHNOLOGY**, there is **FRUSTRATION**.

Without seamless **OPERATIONS**, there is **CONFUSION** and rework.

Without **MARKETING**, there is no **IDENTITY**.

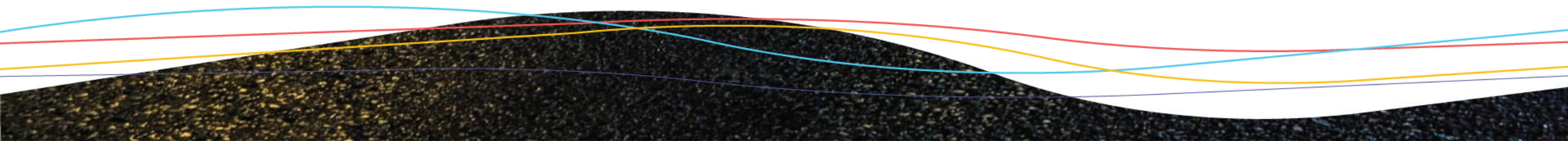
Without great **PERSONNEL**, there is not great **CARE**.

Without accurate **FINANCIALS**, there is no **ACCOUNTABILITY**.

HOW TO MANAGE “ALL THE THINGS”

I am the leader. My job is to set strategy and keep all the **STOMPF** elements moving forward.

Everything I show you today is NOT your job to DO. It is your job to train your staff to produce data and to work in the context of data. THEN empower them to make the decisions.





DATA DRIVES EVERY DECISION

the glance rule

MONTHLY

Key Business Indicators: Chges/Revenue, Total pts, New pts, % N/S and Cancel	Bad Debt: Patients Sent to Collections, courtesy write-offs, small balance adjustments
P&L	ER Referral/No Charge Pts
Upcoming Reviews - HR	Refunds: Total Dollar Amount
Monthly Provider Reports: Coding, Reviews, Cycle Time	Missing Charges
Monthly Phone Call Volume	AR Totals/Spreadsheet
Percentage Charts Co-Signed	Pivot Table
Marketing Analytics: Website hits, social media followers, campaign results, online review scores, google ads summary, net promoter scores	

QUARTERLY

Controlled Substance Reports
Equipment Inventory and repair

ANNUALLY

Zip Code Analysis of New and Established Patients
Computer Inventory
Percent pts by Payor



KEY BUSINESS INDICATORS FINANCIAL/ OPERATIONS

CHARGES

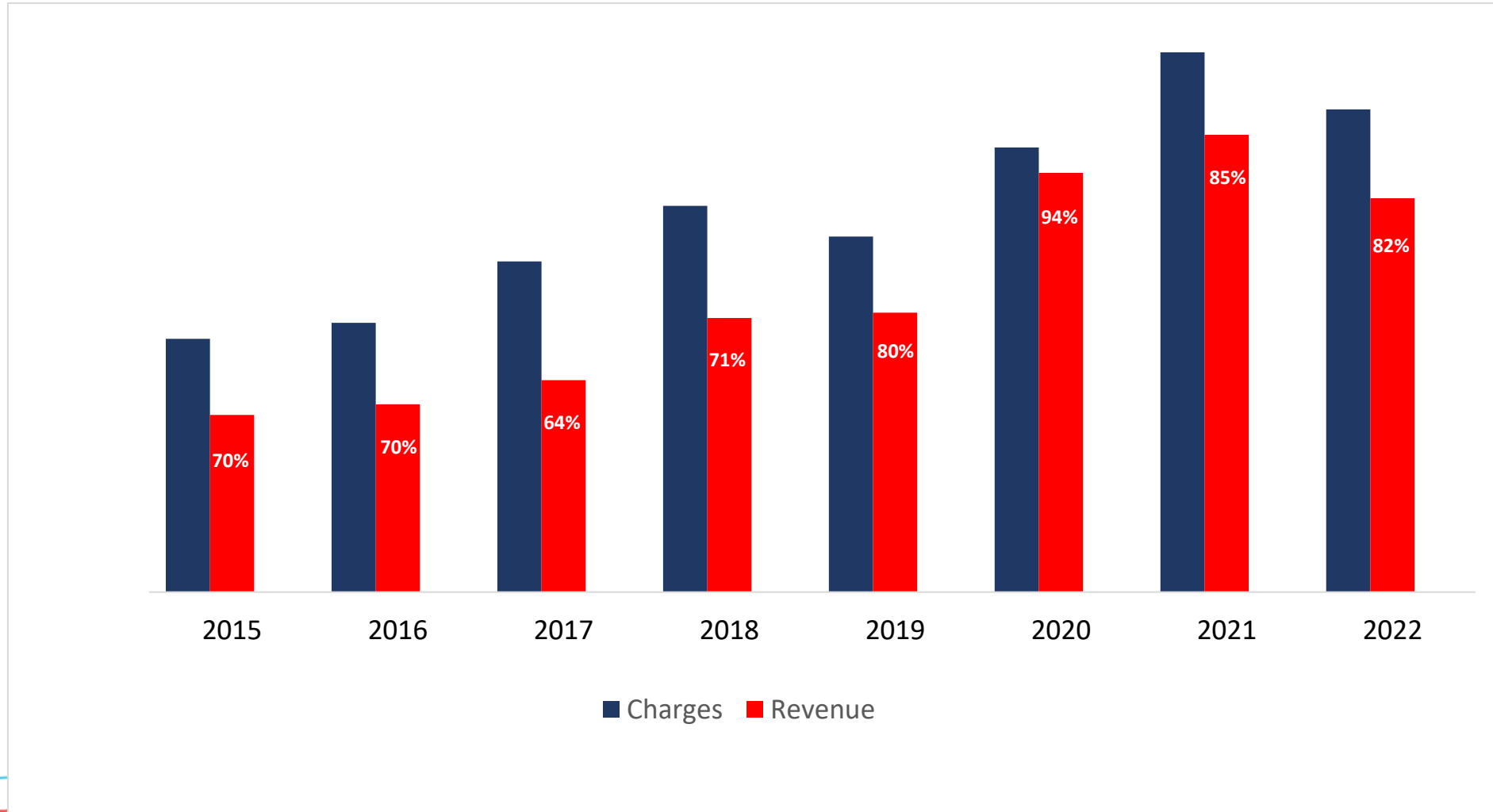
REVENUE

TOTAL PATIENTS

NEW PATIENTS

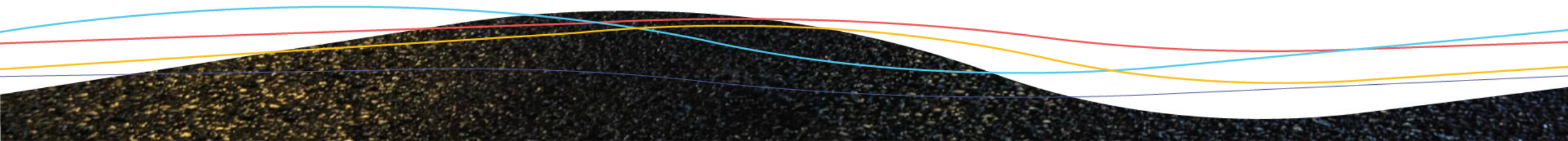
CANCEL/NO SHOW

CHARGES VS REVENUE



<i>ALL CLINICS</i>	<i>Jan-23</i>	<i>Feb-23</i>	<i>Mar-23</i>
Charges	\$705,041.00	\$896,216.00	\$854,331.00
Revenue	\$505,038.00	\$589,592.00	\$739,285.00
<i>Chg/per pt</i>	<i>\$171.91</i>	<i>\$177.75</i>	<i>\$185.34</i>
<i>% Collected</i>	<i>72%</i>	<i>66%</i>	<i>87%</i>
Total Pts	4,101	5,042	4,610
New Pts	1,411	1,676	1,581
<i>% New Pts</i>	<i>34%</i>	<i>33%</i>	<i>34%</i>
Total Canceled	203	264	259
<i>% Canceled</i>	<i>5%</i>	<i>5%</i>	<i>6%</i>

Ordinary Income/Expense	
Income	
Location #3	1,975,763.29
Location #2	2,286.256.59
Location #1	3,046,837.15
Fee for Service Income Infusion	101,113.77
Fee for Service Income Ketamine	8,836.08
Fee for Service Income Primary	411,436.95
Patient Refunds	-190,583.38
Rapid Testing	538,530.27
Total Income	8,178,190.76



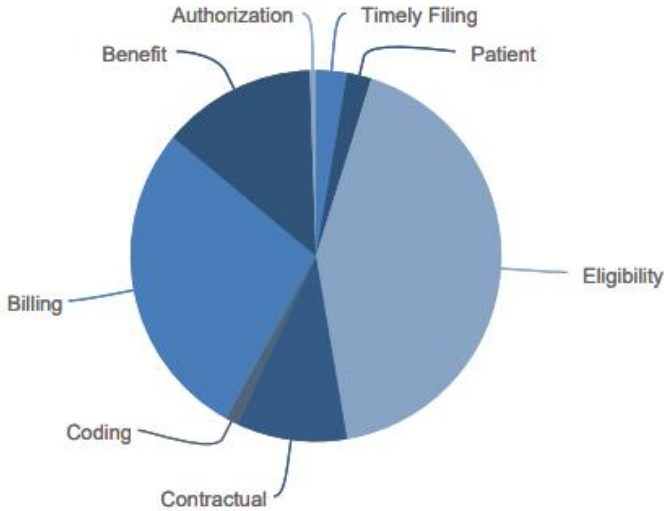
Total Income			8,178,190.76
Total Facility	goal = 8-12%	7%	593,506.19
Total Labor	goal = 54%	50%	4,115,802.00
Total Marketing	goal = 3%	2%	199,747.60
Total Medical Care	goal = 7%	8%	671,078.10
Total Operations	goal = 13%	12%	972,742.62
Net Ordinary Income	goal = 14%	20%	1,625,314.24

GO TO DETAILED P&L IN JODI'S PLAYBOOK

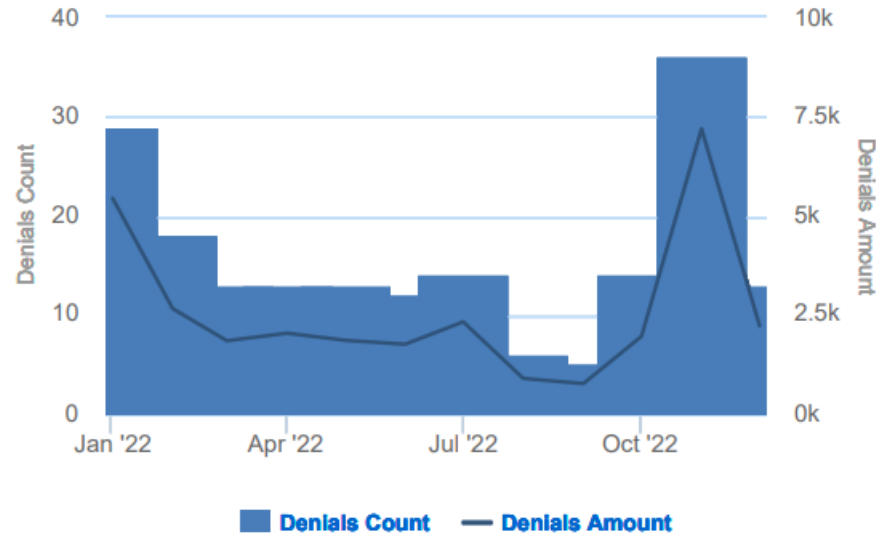
2023	\$ AR Gross/ \$ Gross Rev	AR Spreadsheet					TOTAL	Spread > 60	A/R Days	BAD DEBT
Month	GOAL <65%	0 -30	31-60	61-90	91-120	120+		GOAL <20%	GOAL <27	GOAL <2%
Jan	68%	\$320,832.75	\$54,285.00	\$29,037.75	\$22,303.05	\$52,887.45	\$479,346.00	22%	23	\$9,059.31
		67%	11%	6%	5%	11%				1.8%
Feb	70%	\$471,337.65	\$59,791.20	\$29,440.95	\$19,111.05	\$50,477.70	\$630,158.55	16%	26	\$5,869.93
		75%	9%	5%	3%	8%				1%
Mar	65%	\$386,456.70	\$63,756.00	\$28,888.65	\$19,391.40	\$55,688.85	\$554,181.60	19%	20	\$6,647.94
		70%	12%	5%	3%	10%				0.9%

2022 PUC DENIALS REPORT

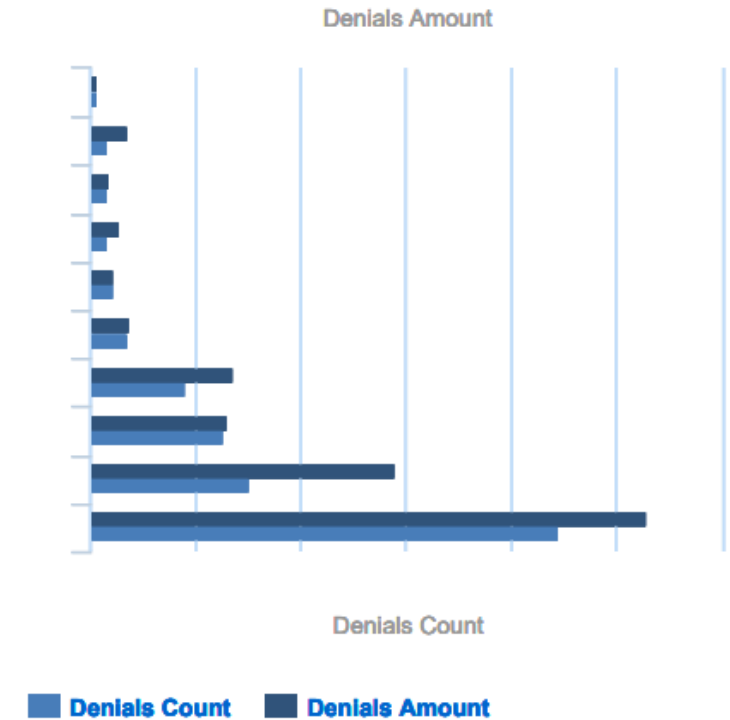
DENIALS BY CATEGORY



DENIALS BY MONTH



DENIALS BY PAYER



DENIALS BY LOCATION

LOCATION NAME	DENIALS	DENIALS AMOUNT
Location 1	84	\$13,258.14
Location 2	51	\$8,421.24
Location 3	28	\$4,072.89
Location 4	27	\$5,001.02

AR MONITOR BREAKDOWN

1. AR Gross/Gross Revenue Ratio	<i>How much money is out there?</i>
2. AR Spread >60	<i>Where is it?</i>
3. AR Days	<i>How long is it taking to receive?</i>
4. Bad Debt %	<i>How much is lost in uncollectable \$\$?</i>

CALCULATING AR DAYS:

$$1. \text{ Average Daily Revenue} = \frac{\text{Total Revenue x 3 months}}{\text{\# Days in period}}$$

$$2. \text{ Gross AR x GR-Net Ratio}^* = \text{Net AR}$$

$$3. \text{ AR Days} = \frac{\text{Net AR}}{\text{Average Daily Revenue}}$$

AR DAY CALCULATION EXAMPLE:

$$1. \text{ Average Daily Revenue} = \frac{\text{Total Revenue x 3 months}}{\text{\# Days in Period}} = \frac{\$2,455,588.00}{90} = \$27,284.31/\text{day}$$

$$2. \text{ Gross AR x GR-Net Ratio}^* = \text{Net AR} = \text{Gross AR } \$275,000 \times 0.67^* = \$184,250$$

$$3. \text{ AR Days} = \frac{\text{Net AR}}{\text{Average Daily Revenue}} = \frac{\$554,181.60}{\$27,284.31} = 20 \text{ days}$$

LAST WORD ON AR

CREDIT CARD ON HOLD

Between 2006 – 2016, enrollees' deductible payments have gone from **\$151 to \$417**

Current climate of payments:

Paypal 1998 – Global payments between merchants and consumers

Square 2009 – Mobil payments for small businesses

Venmo 2009 – Fast, safe, social payments between friends

Cashapp 2013

Zelle 2017 – Previously owned by Bank of America

Make it **mandatory**.



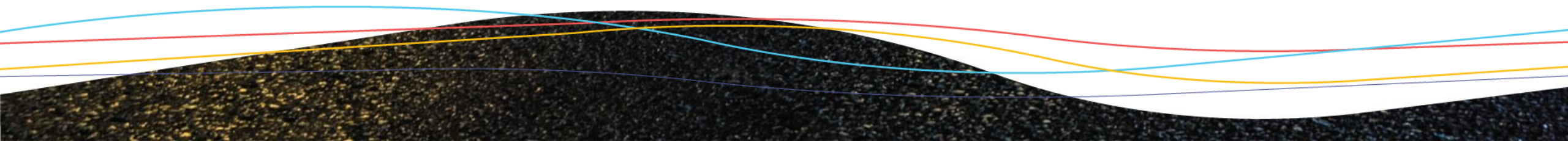
SETTING REVENUE GOALS

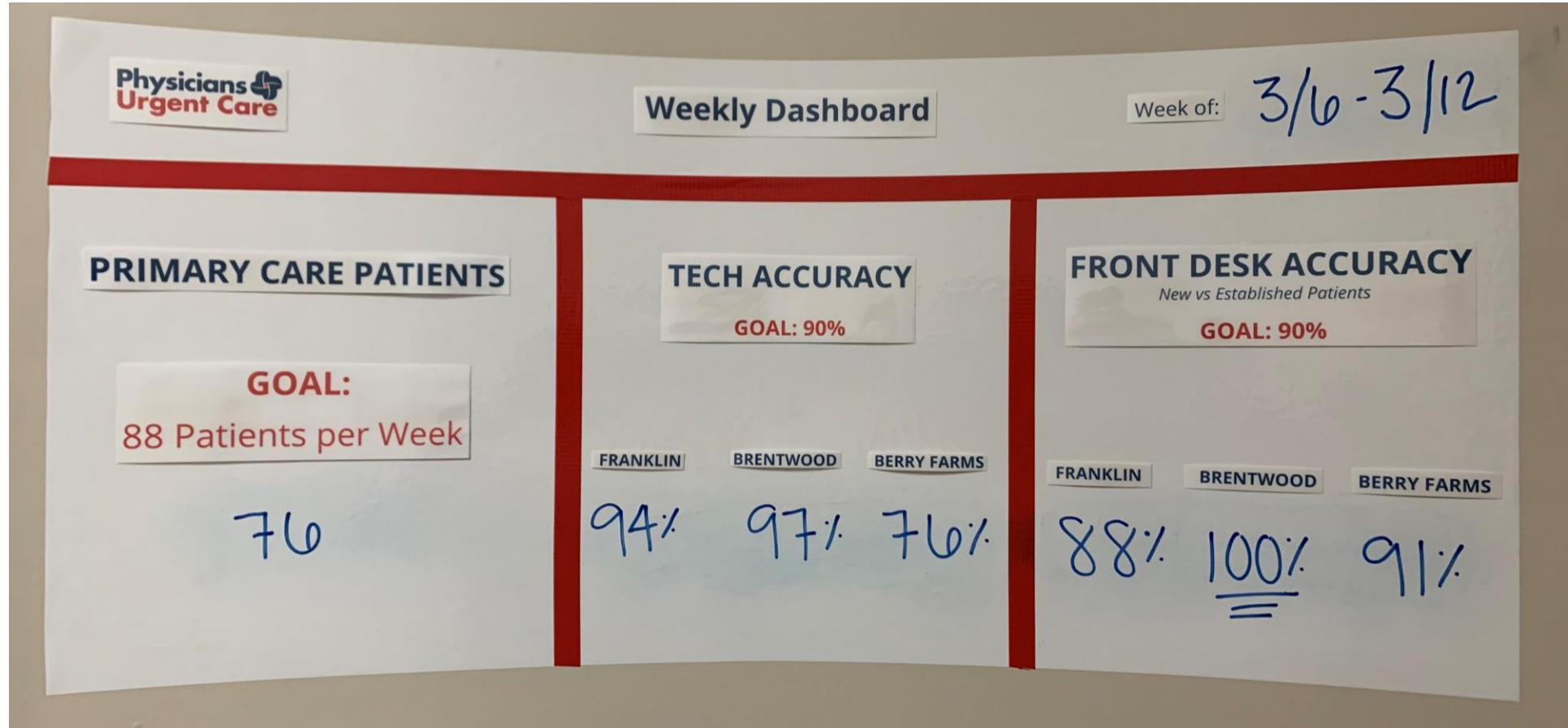
1. Set it by **clinic**
2. Start with **number of patients**
3. Choose your **increase** or **decrease**
4. Factor in **payer contract** changes
5. Multiply by the **charge**
6. Calculate the monthly revenue **against the charge**



TAKING ANY GOAL TO THE TEAM

Two things:
Tie it to **MONEY** and make it **VISIBLE**.





THE TWO MAIN BOOKS I REREAD EVERY TWO YEARS

The 7 Habits of Highly Effective People by Stephen Covey

How to Win Friends and Influence People by Dale Carnegie

THREE MORE GREAT BOOKS

Good to Great by Jim Collins (*you have to be liked to be persuasive*)

Start with Why by Simon Sinek (*how leaders inspire action*)

The Great Game of Business by Jack Stack

HOW TO MANAGE “ALL THE THINGS”

See Jodi's playbook

HR- labor is half of our expenses so we should do it well.

Use almost ALL objective data in evaluating HR, *not* subjective.

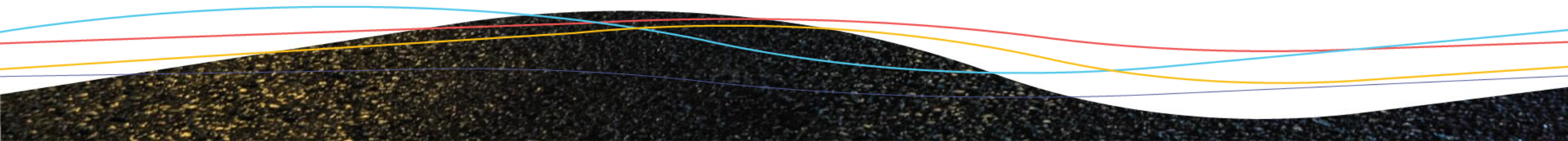
Before hiring: Behavioral Interviewing skills, how to do a reference check

For ALL staff: Peer Reviews, Small healthcare team rvws, Manager scoring

For Techs and FD: Staff Surveys, Peer Reviews, Chart Audits incl for 8 critical items

For Providers: Tardies/absences, missed provider gatherings, ER referrals, Chart completion time, Patient reviews and scores, Hours worked vs Hours scheduled, Coding trends, Cycle time, Solo shift visit times

Join me for a discussion on HR on April 27 at noon CST. Info will be on the UCA website!





OVERWHELMED? DATA AND DASHBOARDS FREE YOU TO MANAGE ALL THE THINGS!

- How a monthly P&L can help make business decisions
- You should have a simple method of setting revenue goals per clinic
- What are the KBIs that you need “at a glance”?
- The Playbook contains examples of items you can implement in your clinics immediately.

DRIVING **CHANGE2023**