

## Vital Signs: Use Benchmarking to Monitor Your Practice's Health

In medicine, benchmarks are frequently used by physicians to accurately gauge the vital signs of their patients and properly treat them when the situation dictates it.

Similarly, practice management benchmarks can help you monitor the vitals of your ophthalmology practice and inform a treatment plan when areas of your business don't fall within normal limits.

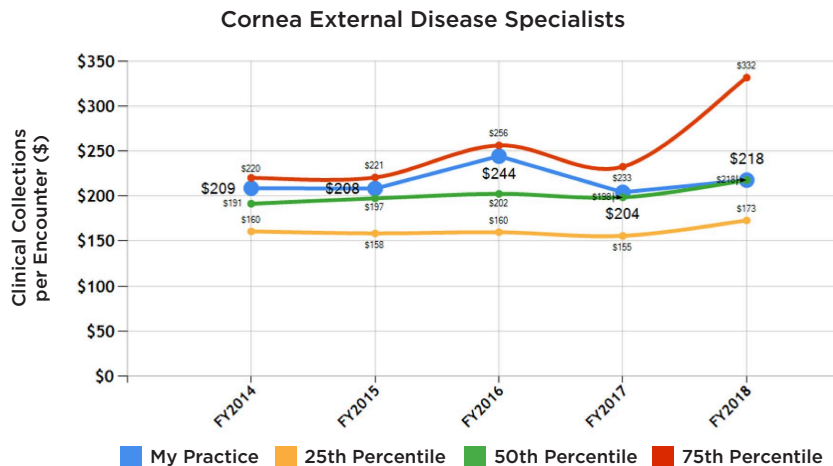
### Know the Vital Signs of Practice Management

The Academy, in conjunction with the American Academy of Ophthalmic Executives (AAOE), provides a benchmarking tool called AcadeMetrics. Its ophthalmology-specific benchmarks enable practices to compare their financial and patient flow indicators—in other words, their vital signs—against similar practices.

#### AcadeMetrics has 78 benchmarks.

You can use AcadeMetrics to monitor dozens of metrics, including the following:

- **Overhead ratio**, which judges how efficient a practice is in converting collections into cash for the owners
- **Physician productivity ratios by subspecialty**, which gauge whether a practice's providers are seeing a typical number of patients and generating normal revenues
- **Employee productivity ratios**, which help you to understand whether



**GAIN SOME PERSPECTIVE.** Compare your numbers on dozens of metrics—such as collections data (shown above)—against benchmarks based on similar practices.

the staffing levels are appropriate in various areas of the practice

- **Accounts receivable ratios**, which monitor billing staff's effectiveness in collecting money owed to the practice
- **Optical ratios**, which analyze the profitability of a practice's optical operations (if it has an optical shop)

#### An ophthalmology-specific resource.

Many of the 78 benchmarks are unique to the AcadeMetrics and are not published anywhere else. They will provide focused insight into your practice's health.

### Benchmarking Your Practice With AcadeMetrics

To access the benchmarks, you must first share your data. The resulting

benchmarks and comparative reports will be available only to the practices that complete at least 50% of the AcadeMetrics Survey; the data won't be available for purchase by nonparticipants.

**To access the benchmarks, fill out the survey.** Each spring, ophthalmology practices start entering their data from the previous fiscal year into the AcadeMetrics Survey. This year, practices could start entering their data in mid-April and must finish doing so by July 31.

**New to AcadeMetrics?** New practices can register at [https://academetrics.aao.org/academetrics\\_signup.aspx](https://academetrics.aao.org/academetrics_signup.aspx).

**Already using AcadeMetrics?** Past AcadeMetrics Survey participants don't need to sign up again; they can use the same login that they used in previous years at <https://academetrics.aao.org/>.

**Make the most of AcadeMetrics.** Once you submit your data, you will be

able to start comparing your practice's performance against the latest benchmarks. By participating in the AcadeMetrics Survey, you'll be able to access detailed comparison reports that will help identify the specific strengths and weaknesses of your practice.

**Maintain the data's integrity.** When you fill out the survey, it's essential to enter the data accurately, as poor data diminish the value of the benchmarking information.

**Your data are confidential.** Other AcadeMetrics participants will not see your data. Identifiers specific to your practice will be stripped from the final dataset, and the reporting tools will only display datasets that include a sample size with a minimum of 10 participant submissions. (This minimum applies to both complete aggregated datasets and any filtered dataset.)

**What does it cost?** AcadeMetrics is free for Academy and AAOE members.

## Benchmarking in Action: An Example

Knowing your key benchmarking figures and how they compare to similar practices is important in identifying issues, as shown in this hypothetical example.

**The problem.** The owners of ABC Eye Care felt they were making less-than-average income for ophthalmologists.

**Identifying the cause.** By comparing their practice data to the AcadeMetrics benchmarking data, they learned that their overhead ratio was too high. It also showed the leading cause of the high overhead ratio was that the physicians were generating collections well below the 25th percentile for their subspecialties. (Overhead ratio = total operating costs ÷ total collections.)

**Identifying a problem is the first step in solving it.** Since no comparative benchmarking had been done in the practice before, none of the physicians realized that they were bringing in much less revenue than their peers. And since they were unaware of the primary cause of their reduced income, they hadn't taken appropriate steps to address it. Consequently, their below-average revenue had prevented

## What About Clinical Benchmarking?

**Sign up for Verana Practice Insights.** In 2017, the Academy partnered with Verana Health to accelerate the analysis of deidentified data in the IRIS Registry (Intelligent Research in Sight). As part of that partnership, Verana Health has developed Verana Practice Insights to make data analytic tools available—at no charge—to U.S. Academy members who have integrated their electronic health record (EHR) system with the IRIS Registry ([aao.org/iris-registry](http://aao.org/iris-registry)).

**What are your cataract metrics?** The first four metrics developed by Verana Health relate to cataract surgery (diagnoses, visual acuity before and after surgery, Nd:YAG capsulotomies, and endophthalmitis). You can review your data based on yearlong, quarterly, or customized date ranges.

**Coming soon: Retina and other subspecialties.** Verana Health will soon add metrics for other subspecialties on Verana Practice Insights, starting with retina.

**Define the future of clinical benchmarking.** Verana Health seeks to support you as you navigate the many changes caused by the COVID-19 pandemic. Share your thoughts on what insights would be valuable as you move forward. Email [support@veranahealth.com](mailto:support@veranahealth.com) to participate in a feedback session.

**How to sign up.** Complete the form at [www.veranahealth.com/verana-practice-insights-signup](http://www.veranahealth.com/verana-practice-insights-signup). You will need your 10-digit National Provider Identifier (NPI). After Verana Health verifies that your data are accurate and complete, they will email you with your account information.

them from doing several important things, such as investing in the equipment needed to keep up to date and ensuring that their staff pay rates were competitive with the market.

**Benchmarking helps you to uncover problems early and limit the damage.**

As with silent medical conditions such as undetected hypertension, pernicious problems can, unknown to you, exist within your practice if you aren't checking its vital signs. On the other hand, knowing your AcadeMetrics benchmarking numbers can help you to discover and address such problems early. This can prevent a silent impairment that could show up years later, sometimes in irreversible ways, perhaps jeopardizing the financial health of your practice.

## Maintaining Practice Health

Be proactive by participating in the AcadeMetrics Survey. Comparing these data to your own performance will allow you to identify any underlying issues in your

practice and properly address them in a timely manner. The future health and success of your practice depend on it.

For more information, visit [aao.org/academetrics](http://aao.org/academetrics).

Mr. Davis is a principal and senior consultant, Ms. Cifers is a senior consultant, and Mr. Preece is a former executive consultant. All are with BSM Consulting, headquartered in Incline Village, Nev. Mr. Davis currently assists Academy staff with the AcadeMetrics benchmarking survey. *Financial disclosures: None.*

## What About COVID-19?

**Financial challenges.** In recent years, ophthalmology practices have been buffeted by a series of financial threats. These include cuts in payment for cataract surgery and a threatened overhaul of E/M payments that could short-change surgical specialties. Now, they're facing the dire disruption caused by the COVID-19.

**Bookmark the AAOE's coronavirus page.**

Go to [aao.org/coronavirus](http://aao.org/coronavirus) and click on "Practice Management."

**The importance of benchmarking.** Knowing your practice's past strengths and weaknesses will help you navigate the current crisis.