HSG

Evolution of Key Performance Indicators (KPIs)

While measuring your organization's performance through data is key, it's more important to make sure you are measuring the right data. By effectively identifying your Key Performance Indicators, it allows executives and leadership teams to comprehensively understand the current state of their employed network, anticipate unexpected changes and highlight any areas that may require additional investigation. **HSG can support your team in identifying the right KPIs based on your organizational objectives. Once proper measurement criteria for each KPI is defined, our experts build dashboards so that your team has insight to meaningful data to support ongoing KPI measurement.**

Throughout the growth of your physician enterprise, KPIs for your organization will evolve. Our team of experts recommends eight categories that provide high impact information as you measure performance and determine opportunities for revenue growth or expense reduction. Several dashboard examples are included to help illustrate several priority KPIs.

1 | NETWORK INTEGRITY

This measure of patient retention and leakage is crucial if your group is going to effectively coordinate care. HSG's preferred measure is **Patient Share of Care**™. It measures patients who have a relationship with an employed primary care provider and the capture of revenue from that patient's healthcare encounters.

2 | SUBSIDY OF THE NETWORK

Every organization is measuring this; the change will be making it more visible to the organization by incorporating it into your dashboard of KPIs.

BENCHMARK MEDIAN NET INCOME (LOSS)

	Actual Loss	Per Provider Custom Benchmark	Per wRVU Custom Benchmark
2018	($3.46M)	($3.8M)	($3.13M)
2019	($3.98M)	($4.28M)	($3.65M)
2020	($3.98M)	($4.35M)	($3.70M)

This dashboard is an example of the importance in measuring net income loss in multiple ways to reveal critical insights.

3 | PERFORMANCE ON CONTRACT RISKS

This KPI has two core elements: spending on patient care vs. target (medical loss ratio in insurance terms) and performance on quality indicators that are hurdles to receiving incentive payments. The measure for the spending is a percent of the target.

4 | PATIENT ACCESS

Your network should establish standards by specialty regarding how long it takes to get an appointment, and report exceptions and compliance. Third next available appointment by appointment type, by provider, and by practice is frequently used to reliably measure **patient access**.

5 | QUALITY GOALS

Your network should have annual clinical quality improvement goals, often related to your efforts to improve population health or risk contract performance.

6 | PATIENT EXPERIENCE

Patient surveys remain the best measure of this issue. The performance of the physician practices must be measured, reported, and actively addressed.

7 | VOLUME

Your KPIs should include primary care panel sizes or numbers of encounters – total or by type. These metrics highlight volumes at the beginning of the care process, with associated implications for downstream revenue.

This dashboard example depicts the variation of patient encounters over time.
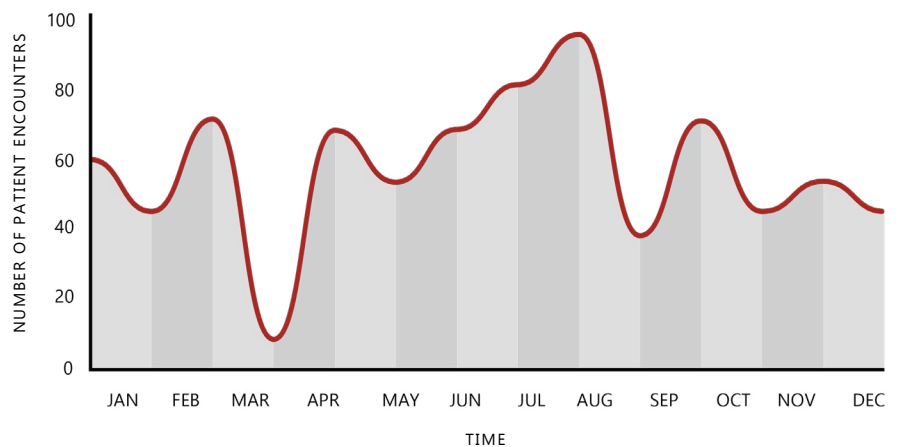
8 | PHYSICIAN MANPOWER

If you have done your planning correctly, you have defined the number and types of physicians / advanced practice providers (APPs) needed to serve your community and implement your strategic plan. To measure the completeness of your network, the percent of target recruitment numbers for primary care, surgical specialists, medical specialists, and hospital-based specialties, is recommended.

This is an example of a manpower recruitment plan for an oncology service line for the next four years.

2021–2025 ONCOLOGY SERVICE LINE MANPOWER PLANNING

Grouping	Specialty Roll-Up	Incremental Providers				Incremental Providers TOTAL	Succession Planning Providers
		YEAR 1	YEAR 2	YEAR 3	YEAR 4		
Cancer	Gynecological Oncology		1			1	
	Hematology/ Oncology	1	1	1	1	4	2
	Radiation Oncology	1	1	1	1	4	
	Surgical Oncology	1				1	
	Cancer Total	**10**					**2**

The issue of KPIs and dashboards is given a more thorough treatment in Chapter 11 of our book, **Employed Physician Networks: A Guide to Building Strategic Advantage, Value, and Financial Sustainability** and our whitepaper, **A CEO's Guide to Developing Physician Capabilities for the Future**.

Contact David Miller to talk about setting up your KPI dashboard tailored towards your employed physician network.

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