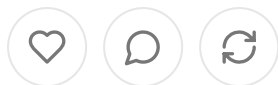


Comprehensive KPI Checklist for Revenue Cycle Management in Large Health Systems

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In today's healthcare landscape, successful Revenue Cycle Management (RCM) is essential to maintaining a healthy bottom line and supporting the mission of delivering quality patient care. The complexity of RCM in large health systems demands a robust set of Key Performance Indicators (KPIs) that offer insight into performance at every step of the revenue cycle. Here's an extensive list of KPIs that RCM teams should consider to drive data-informed decisions and improve financial health. Tracking these metrics in real-time enables us to spot trends, optimize processes, and ultimately ensure sustainability for the health system.

Front-End Metrics

- **Patient Registration Accuracy Rate:** Measures the accuracy of patient demographic and insurance data collected during registration.
- **Eligibility Verification Rate:** Percentage of patients whose insurance is verified before service.
- **Prior Authorization Rate:** Tracks the percentage of services that received prior authorization when required.
- **Point-of-Service Collection Rate:** Measures the percentage of payments collected at the time of service.
- **Patient Financial Clearance Rate:** Percentage of patients fully financially cleared before service.

- **Scheduling to Registration Lag Time:** Measures the time between scheduling registration, identifying potential workflow bottlenecks.

Claims Metrics

- **Clean Claim Rate:** Percentage of claims submitted without errors or need for follow-up.
- **First Pass Resolution Rate:** Measures the percentage of claims paid on the first submission.
- **Claim Submission Lag Time:** Time between patient encounter and claim submission.
- **Denial Rate by Type:** Percentage of claims denied categorized by type (authorization, medical necessity, coding).
- **Days to Final Bill (DNFB):** Time taken from the end of service to billing finalization.
- **Underpayment Rate:** Measures the percentage of claims underpaid by payer against the contracted amount.
- **Top Payer Denials by Volume and Value:** Identifies specific payers and denial types driving the highest volumes and financial impacts.

Accounts Receivable (A/R) Metrics

- **Gross A/R Days:** Measures the average time it takes to collect payments.
- **A/R Over 90 Days:** Percentage of accounts receivable aged over 90 days.
- **A/R Aging by Payer:** Breaks down A/R into aging buckets (0-30, 31-60, 61-90 days) by payer.
- **Bad Debt Percentage:** Measures the portion of A/R written off as bad debt.
- **Net Collection Rate:** Percentage of collectible dollars collected.
- **Self-Pay A/R Days:** Measures average collection time for self-pay balances.

- Average A/R Days by Service Line: Breaks down A/R days by specific service to identify variability.

Denial Management Metrics

- Overall Denial Rate: Percentage of claims denied initially by payers.
- Denial Recovery Rate: Percentage of denied claims successfully overturned.
- Top Denial Reasons: Tracks the most common reasons for claim denials.
- Cost to Appeal Denied Claims: Measures the cost incurred in appealing and resolving denials.
- Percentage of Claims Requiring Resubmission: Tracks how many claims need resubmission after initial denial or error.
- Denial Write-off Rate: Percentage of denied claims ultimately written off.

Payment Posting & Follow-Up Metrics

- Remittance Lag Time: Measures the time from payment receipt to posting in system.
- Insurance Follow-Up Productivity: Number of accounts worked by follow-up teams daily or weekly.
- Write-Off Rate by Reason: Measures the rate of write-offs categorized by reason (e.g., denials, uncollectibles).
- Percentage of Paid Claims Requiring Rework: Measures claims that need adjustments after payment.

Patient Collections Metrics

- Self-Pay Collection Rate: Percentage of collectible self-pay balances collected.
- Average Self-Pay Balance at Time of Service: Measures the average out-of-pocket balance due at time of service.

- Patient Payment Plan Adherence Rate: Percentage of patients adhering to their payment plans.
- Bad Debt Collection Rate: Measures the success rate of collections on accounts with bad debt.
- Patient Satisfaction with Billing: Patient feedback on their billing experience, a leading indicator for engagement and collection likelihood.

Revenue Integrity & Compliance Metrics

- Charge Capture Rate: Percentage of eligible charges successfully captured.
- Coding Accuracy Rate: Measures coding accuracy by coding specialists, reducing the likelihood of denials.
- Audit Findings by Error Type: Tracks audit findings and identifies common issues, ensuring compliance.
- Clinical Documentation Improvement (CDI) Impact Rate: Measures the percentage improvement in claims based on CDI efforts.
- Under-Coding and Over-Coding Rates: Tracks coding errors leading to lost revenue or compliance risks.
- Charge Lag Time: Time taken from service to charge posting, impacting cash flow and A/R days.

Overall Financial Performance Metrics

- Net Revenue Realization Rate: Measures the percentage of expected net revenue collected.
- Total Cost to Collect: Overall cost of RCM activities as a percentage of net revenue.
- Revenue per Encounter: Average revenue generated per patient encounter.
- Revenue Leakage by Source: Tracks lost revenue sources due to missing charges, coding errors, or denials.

- **Expense per Encounter by Service Line:** Tracks expenses to identify variance and profitability across service lines.

While this list may seem extensive, each metric provides valuable insights that collectively strengthen a health system's financial resilience. By taking a data-driven approach to track and optimize each of these KPIs, RCM departments can transform financial performance, improve patient satisfaction, and ensure resources are allocated effectively.

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