

Effectively Managing Physician Practices



Challenge

Administrators at a large hospital in the Midwest wanted to evaluate the performance of a practice. They knew the practice was not being run efficiently, but because only partial data was available, they were unable to identify the specific inefficiencies within the practice.

Solution

An income statement dashboard was created in **Physician Analyzer**, displaying the fully allocated performance for their physician groups. **Physician Analyzer** breaks down physician economics and helps health care organizations understand how to optimize physician performance. Physician Analyzer uses practice billing, payroll and financial data to evaluate performance.

The client wanted to understand how well the practice was performing, however, they did not have a detailed income statement. Income statements were available from the finance department, but they could not

allocate indirect expenses and did not have an effective distribution method.

As a result of Physician Analyzer, doctors now receive a fully loaded income statement on a monthly basis via a report automation system that shows how they are truly performing compared to the targets that were set by hospital administrators.

Results

The client was previously unable to evaluate the true performance of the physician practice because the existing practice income statement made it impossible to determine cost allocation and individual performance. **Physician Analyzer** created a platform to capture those performance measures and allowed the client to easily evaluate and distribute performance reports on a monthly basis. The client's physicians were astonished when they learned that the fully allocated loss for employed physician practices was \$3 million greater than previous estimates.