

Data You Must Know to Manage Your Practice

Annually, you must know:

- Break Even Point (BEP) – collections needed to pay total costs of operating the practice. Remember, ONLY collected dollars can be spent. (See included article *Calculation of the Break Even Point for Your Practice*)
- Dr.'s (Drs.) compensation including wages (draw), taxes, and benefits
- Net profit goal
- Budget – based on projected collections for the year minus write offs and refunds (net collections) and projected expenses (See included article *How to Write a Budget*)

Annually and Monthly, you must know:

- Comparisons month-to-month; year-to-date (YTD) to last-year-to-date (LYTD)
- Production annually, monthly, daily, and hourly
- Collections annually, monthly, daily, and hourly
- Collection % YTD (collections ÷ production) – 97% minimum goal
- Number days worked; number hours worked
- Expenses in dollars and in % of collections
- New patients, not including single visit emergencies who never return for a comprehensive examination
- Number of inactivated patients
- Recare system effectiveness – goal - 70% to 80% of patients regularly returning for Recare
- Treatment acceptance ratio when compared to case presentation (treatment delivered ÷ treatment recommended) – goal - 85% to 90%
- Show rate - % of kept appointments (appts. kept as made ÷ appts. scheduled) Average is 80% - 85%; goal is 85% to 90%.
- Aged accounts receivable – maximum is 1 to 1½ months' gross production
- Accuracy of budgeted projections for production, collections, and expenses; analysis and justification for over-spending and under-spending

Daily, you must know:

- Production
- Collections – over-the-counter plus mail – goal 35% to 50% of that day's charges
- Bank deposit
- Adjustments and write offs
- Total number of patients scheduled
- Total number of patients seen
- % of patients seen (show rate)
- Referrals made or received
- Total number of broken or cancelled-not-rescheduled appointments (BA and CA)
- Total number of BAs and CAs rescheduled

Four items on Dr.'s desk daily:

- That day's schedule with all broken and cancelled appointments, emergencies, and walk-ins noted with copy of sign-in sheet attached if one is used
- Day sheet with production, collections, including electronic or mail receipts, and patient account balances noted
- Daily Activities Form with number patients scheduled for treatment and for hygiene, show rate for treatment and for hygiene, % of production attributed to treatment and to hygiene, number of BAs and CAs rescheduled
- Bank deposit