

Health Care KPIs

KPI	Formula	Definition
Average Patient Wait Time	(Adding up all wait time for patients/number of patients)	For measuring and tracking business objectives around patient satisfaction and capacity management. Patient wait time can be calculated by finding the average amount of time a patient must wait from the moment they walk in to a hospital or healthcare clinic until the time they are able to be seen by a healthcare professional.
Bed Occupancy Rate	Total number of bed-days during the year / (Number of beds available * 365 days) * 100	Measures the proportion of hospital beds in use at any one time. Bed occupancy is a good indication of a hospital's ability to provide safe and effective treatments to patients. Therefore, bed occupancy is a great KPI for measuring operational and capacity objectives.
Staff to Patient Ratio	Amount of staff: amount of patients	The amount of staff resource present to attend to the patients in a hospital over a certain period of time. This KPI may require different ratios for different periods of time, such as morning shift v night shift, and should be broken up accordingly. Staff-to-patient ratio is a good indicator for business objectives that aim to improve the quality of patient care, as well as improving workforce sustainability.
Days in A/R	((Total Receivable-All credits received)/(Total Gross Charges/365 days))	The Average number of days it takes a practice to get paid. This can provide insight into the efficiency of your revenue cycle. Typically in this industry you should stay below 50 days minimum, however 30-40 days is more desirable.
Average Hospital Stay	Total number of days stayed by all inpatients during a year/number of admissions of discharges)	The average number of days that patients spend in hospital.
Claims Denial Rate (Industry Average= 5% to 10%)	(Total dollar amount of claims denied by payers within a given time period/ total dollar amount of claims submitted within the given time period)	The denial rate represents the percentage of claims denied by payers during a given period. This metric quantifies the effectiveness of your revenue cycle management processes. A low denial rate indicates cash flow is healthy, and fewer staff members are needed to maintain that cash flow.
Average Reimbursement Rate (Industry Average= 35% to 40%)	(Sum of Total Payments/Sum of Submitted Charges or Claims)	The average amount your practice collects from the total claims submitted. When tracked over time and compared with historical practice results, it provides an accurate picture of your practice's financial health. It also helps determine if your practice could realistically bring in more revenue. Claim-specific negotiated discounts, payment bundling, and bad debt can adversely affect average reimbursement rate.
Average Reimbursement Per Encounter	(Total Reimbursement/Number of Encounters in a Time Period)	The average amount your practice collects from the total claims submitted per encounter/patient.

Average Cost per Claim (Health Insurance)	$(\text{Total cost incurred to date}/\text{number of claims filed})$	Measures how much your organization pays out for each claim filed by your customers. With this KPI (as with other insurance KPIs), it's important to categorize based on the type of claim, since each type of claim will differ in cost. The purpose of this KPI is to help your organization to properly assess the risk associated with each type of policy and adjust policy pricing accordingly. (This is more for Health Care Insurance)
Percentage of Visitors (Patients) Who Leave without Being Seen	$(\text{Total of Patients who leave without being seen}/\text{Total number of patients in a given time period}) * 100$	Indicates the percentage of people who were unwilling to wait to see a physician. This may help determine if more beds or staff are needed to handle the number of patients coming in.
Hospital Readmission Rate	$(\text{Total Readmissions in a period}/\text{Total Admissions in the same period}) * 100$	The Hospital Readmission Rate provides information on the number of patients that return to the hospital within a short period of time after being released. It is one of the most important healthcare metrics as it provides a great insight on the quality of care administered in the facility concerned — but cannot be used as a stand-alone quality indicator. Readmission rates can also shed the light on other flaws the hospital management is subjected to (lack of staff or appropriate material, overloaded staff neglecting details, units with special need ...), and may help in a better cost control as it aims to decrease expensive and unnecessary readmissions.
Cost per Patient	$(\text{Total cost of operating health care company}/\text{Total number of patients seen})$	The average cost of seeing 1 patient by having your health care company operating. This gives you a better understanding of what your breakeven point would be to perform a procedure on a patient.
Appointments per Day	$\text{Total amount of appointments fulfilled}/\text{Total Days open for service}$	The average amount of appointments that are fulfilled per day.
Gross Profit by Provider (Physician)	$(\text{Total Revenue generated by Provider} - \text{Total Cost of Provider}) / \text{Total Revenue generated by Provider}$	The profit contribution of each Provider toward the overall business profitability
Gross Profit by Service	$(\text{Total Revenue generated by Service} - \text{Total Cost of Service}) / \text{Total Revenue generated by Service}$	The profit contribution of each Service toward the overall business profitability
Bad Debt Ratio	$\text{Uncollectible Accounts Receivable} / \text{Total Sales for the period}$	Demonstrates the percentage of the business' total sales that are written off as bad debt

For a review of your KPIs, [contact us](#) for a free consultation!