Key Performance Indicators
in a General Practice

What is a Key Performance Indicator?

A Key Performance Indicator (KPI) is a type of performance measurement used to monitor the success of targets in set categories within your business, which in turn calculates the performance and success of the activities and the business.

Why have Key Performance Indicators?

Your KPIs should be linked with your key goals and strategic priorities. By evaluating the data gained from the KPIs it will lead to an understanding of the general practice's position, identify irregularities and guide future decisions. KPIs can help to:

- Focus on continuing improvement
- Ensure that practice activities are linked to overall strategies
- Provide an early indication of emerging issues that may require remedial action
- Plan for the future
- Ensure staff know the direction and expectations of the practice and work towards those goals

What should your practice measure?

Every general practice is different and will have different priorities. Priorities should be linked to the practice's goals and strategies and should be relevant measures that can, over time, provide evidence or demonstrate performance results.

Where to start?

There are no right or wrong KPIs for medical practices, as they should reflect the individual practice's goals. However, all KPIs should be clear, focused, relevant and measureable in order to be comparable over time.

There are four basic methods used for measuring performance:

- **Costs** – eg doctor's service fees, support staff wages, practice expenses, administrative expenses.
- **Profits** – eg the amount in surplus after all expenses are paid.
- **Quality** – eg the aspect of meeting patients' expectations.
- **Time** – eg efficiencies relating to the number of patients seen per hour/session/day, etc.

A good starting point is to establish processes to record figures. Most information required may be extracted from your practice software. Figures could be extracted daily or weekly for practices with multiple doctors, while smaller practices and solo doctor practices may prefer to use a monthly system.

The information gained can be recorded and charted by tables, graphs and/or reports and used as a tool to plot trends and identify anomalies.

Examples of Key Performance Indicators for a general practice

Areas that could be relevant for general practice KPIs are:

- **Financial performance** – eg cash flow, return on investment, expenses, cost of keeping the practice open, percentage of claims denied by Medicare, fees generated per doctor per year, fees per doctor per hour, total expenses per doctor per annum, average cost per hour of opening the practice, revenue generated by each doctor, total patient revenue, average patient revenue, break-even number of patients per day, ratio of private to bulk billing.
- **Patients** – eg patient satisfaction, new patient numbers, total patient numbers, cancellations and appointment no-shows, number of patients that do not attend follow-up appointments, percentage of time spent per patient on consultation.
- **Employees** – eg employee satisfaction, employee performance, number of patients seen per period/per doctor.
- **Medical data and patient services** – eg percentage of diabetes/asthma patients, patient response to recalls.
- **Expenses** – eg monitoring individual expenses will give a better understanding of expenses and ways to manage them.

Examples of how to calculate a KPI

The practice wants to know how much each visit, on average, contributes in financial terms to the practice.

1. To calculate, take the total revenue for the period you are working on, and divide it by the total visits for the period.

2. The average visit value will indicate how much revenue is generated by each patient, and will aid in determining policies such as discounted consultations.

3. Compare how many patients each doctor consults, and work out the productivity in terms of financial gain. By knowing this information you can investigate if there are any problems in inefficiency, a mismanaged schedule or if there is a clear decline in appointment requests.

4. Track missed appointments and cancellations by utilising a simple graph for each doctor. It is wise to track missed appointments, as it can cost the practice a lot of money in missed revenue over time. The remedy may simply be improving schedule patterns or adjusting staff processes.

5. You may wish to determine if your patients are satisfied with the services, doctors and experience within the practice. A means of gaining this information could be through a patient questionnaire, eg by asking 'Would you recommend this practice to others?' Use a scale of 1 as the lowest score and 5 as the highest, and calculate the overall score. Also ask the reasoning behind their answer.

All results should be analysed and action taken where necessary, or in the case of encouraging feedback, used as positive reinforcement that the practice is meeting their goals.