Introduction and Episode Overview

Today we're diving into a topic that separates thriving practices from those that drift. The key metrics that don't just describe your practice, but actually predict its future.

If you've ever felt like your practice is reactive rather than proactive, this episode is for you. You might be tracking revenue and visit volume, but unless you're watching the right signals, the ones that truly forecast performance, you are flying blind.

By the end of today's show, You'll know the 7 metrics that matter most, how they work, industry benchmarks where available, why they matter, and how often you should be reviewing them.

Welcome to Medical Money Matters, the podcast where you can find experts, answers, and resources so that you achieve mastery over the financial and business aspects of your practice.

Hello everyone, I'm your host, Jill Arena. I began my career in accounting and finance, and I have more than 30 years of experience running medical groups.

In 2020, I co-founded the Physician Leadership Project, and in 2025, released Physicians Edge, the first of its kind, CME-accredited online business education for physicians.

My passion is to increase financial and business literacy for Physicians.

Work RVUs and Net Collection Rate

Episode 167 The Seven Metrics That Predict Your Practice's Future Welcome back to Medical Money Matters. Today we're diving into a topic that separates thriving practices from those that drift.

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Let's get started. You've probably heard the phrase, measure what matters. But in medical practice management, that's easier said than done. There are hundreds of numbers you could look at.

Claims, denials, phone calls, referral turnaround, days to bill, but some have real predictive power. We'll go through the seven most predictive ones today and even give you two extra credit metrics for when your group is ready to level up.

Let us begin at the top. Number one, Work Relative Value Units or WRVUs. This is a standardized way of quantifying clinical work and productivity. It's not perfect, but it's widely used in compensation models and financial planning because it correlates to revenue potential and provider output.

Days in AR and No-Show Rate

A family medicine physician might produce around 4,700 to 5,000 work RVUs annually, while surgical specialties like orthopedics often average about 9 to 10, 000 work-RVUs a year, according to national benchmark data.

Why it matters. Work RVUs tell you whether your providers are generating enough service volume and complexity to support financial health. Comparing your provider's to relevant specialty benchmarks helps you spot productivity gaps before they become profit problems.

What it predicts. Future revenue potential, provider engagement, and whether current staffing aligns with demand. Frequency of review. Monthly review with quarterly benchmarking against specialty norms.

Number two, net collection rate. This isn't gross revenue, it's what you realistically collect after contractual adjustments, write-offs, and denials.

A strong net-collection rate is generally 95% or higher for large practices, while 90 to 94% is good but improvable. Falling below 90% on this metric typically signals leakage that must be addressed.

Why it matters. This metric measures how effectively your revenue cycle process converts services rendered into collected revenue. As in, show me the money.

What it predicts, overall financial health and the strength of your Revenue Cycle Management. Frequency, monthly with breakdowns by payer type, quarterly.

Number three, days in accounts receivable, or AR. This is the average number of days it takes to collect payments. So, if you see a patient today, how many days from now will you get paid?

Best practice benchmarks aim for around 30 days or less, although this can vary with payer mix and claim complexity. Why it matters. The longer your revenue sits uncollected, the greater your cash flow risk.

Throughput and Overhead Percentage

what it predicts, cash flow stability and revenue cycle efficiency. Frequency, monthly trending over time to catch slowdowns early. Number four, no-show rate.

This one doesn't always get the attention it deserves, but it has huge operational and financial implications. Historical data from MGMA surveys suggest average no show rates across practices hover around five to 7%, but real world results vary by specialty and locale.

Some practices see double digit no shows rates, which quietly erode productivity and revenue. Why it matters. Missed appointments are not just empty chairs in the waiting room.

They represent wasted staff time, lost revenue, and disrupted schedules. What it predicts. Patient engagement, access issues, operational inefficiency.

Frequency. Weekly or monthly, with proactive action plans when rates spike. Number five, patient throughput or visit volume per full-time equivalent clinician.

This captures how many visits each provider is generating relative to their FTE status and should be normalized for specialty and visit type. While benchmarks aren't universally published in a single dataset, productivity tools suggest that typical ambulatory practices will see a daily range that corresponds with specialty norms, for example, somewhere between roughly 7 to 17 visits per provider per day.

This can flex as high as 15 to 30 visits per provider per day, depending on specialty and workflow. Why it matters. Throughput ties together clinical capacity, patient access, and operational efficiency.

What it predicts. Staffing needs, capacity strain, growth opportunities.

RVUs per Visit and Extra Credit Metrics

Frequency, monthly, trended, segmented by provider. You're listening to Medical Money Matters, a weekly podcast brought to you by Healthy Practices, A healthcare consulting and revenue cycle company dedicated to keeping our clients independent.

If you're looking for more ways to strengthen your business skills, check out Physicians Edge, our mini MBA online course designed to help physicians master the financial side of their practice.

You can find that and more about how we support practices like yours at healtheps.com. That's www.healtheps dot com. And don't forget to follow or subscribe so you never miss a new episode.

Every financially sound practice must monitor their overhead percentage, which are non-provider operating expenses as a percentage of revenue. While there's variation across specialties, most groups operate with a 60-70% overhead percent.

Be sure to verify that your provider expenses are excluded, including those of employed clinicians. Why it matters. Overhead percentage directly reflects your margins.

Strong revenue with weak expense control still leads to poor financial outcomes. What it predicts. Sustainability, scalability and risk tolerance. Frequency.

Monthly with quarterly strategic review. Now, our seventh core metric, RVUs per visit. This metric is one of my favorites because it measures how much work value your practice is generating on a per-visit basis.

It balances volume with intensity. Practices with too low RVU per visits may be under-coding or seeing too many simple visits, while extremely high averages can signal potential compliance or coding risk.

Why it matters, it gives context to pure volume numbers and can flag issues with coding practice or care complexity. What it predicts, documentation integrity, billing risk, and true provider productivity.

frequency, monthly, and always calibrated against specialty norms. A special note here, as we've said in previous episodes, approximately 83% of visits are undercoded relative to the complexity that the clinician actually delivers.

Using Dashboards and Benchmarking

Once documented properly and coded well, your practice will likely be above quote-unquote industry averages, which have been irreparably skewed due to the chronic undercoating in the industry.

Those are your seven core predictors. And for practices that have mastered these, we have two extra credit metrics that will elevate your strategic insight.

First, patient acquisition cost. This is how much it costs to bring one new patient into your practice when you include marketing, outreach, and onboarding efforts.

Tracking this quarterly gives you insight into marketing return on investment and growth efficiency. Second is First Available Appointment, which measures how long a patient must wait for an appointment.

Cutting that lag improves access, increases retention, and often correlates with improved satisfaction and revenue capture. So now you have all the metrics, but knowing numbers isn't enough.

Knowing how to act on them separates leaders from laggards. Best practice means building dashboards that trend these metrics over time, segmenting by provider and service line, and benchmarking against national norms like MGMA data dive, where available.

Avoid the common mistake of reacting to a single spike or dip. Always look at trends over several months and consider root causes before you overhaul workflows.

Let's recap. Work RVUs show productivity. Net collection rate reveals revenue capture strength. Days in accounts receivable reflects billing efficiency.

No-show rate uncovers patient engagement risks. Throughput shows operational flow. Overhead percentage indicates margin health, and RVU's per visit balances volume with value.

And for advanced practices, patient acquisition cost, and first available appointment, refine growth and access performance. If you're not measuring these, or if you are but lack clarity on how to act, it's time to recalibrate.

These metrics, reviewed consistently, will help you look around the corner of your practice's future with confidence.

Closing Remarks and Resources

And if like an objective look at them, reach out to us at Healthy Practices. Metrics and dashboards are some of our favorite things. Thanks for joining us on Medical Money Matters.

Be sure to subscribe so you don't miss future episodes that translate data into decision power for your practice leadership. Until next time. You can find more information online at medicalmoneymatterspodcast.com and you can sign up to be notified when enrollment opens for the Medical Money Matters eLearning program for a mini-MBA physician style, which will carry CME credits and will be released in upcoming months.

In that, we'll do an even deeper dive so you can understand dynamic budgeting strategies, cash flow forecasting, and other more esoteric financial concepts.

We've included those links in the show notes. As I like to close out these podcasts, congratulations on taking the next step in your professional development and for making the commitment to learn about the financial and business aspects of your practice.

I look forward to being on this journey with you and send you my heartfelt gratitude for all that you do for your patients all day, every day.