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FROM NUMBERS TO INSIGHT: MASTERING REVENUE CYCLE KPI DATA

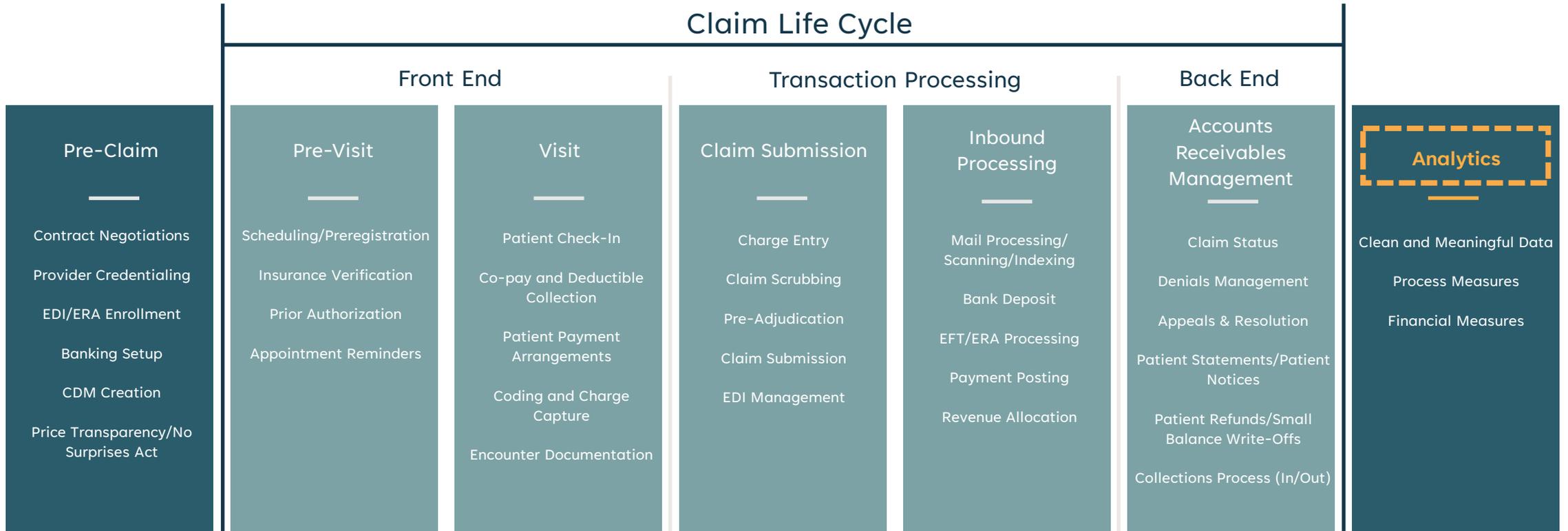March 24, 2026

THE BASICS

What is a KPI?

REVENUE CYCLE MANAGEMENT

Claim Life Cycle

Front End

Pre-Claim

- Contract Negotiations
- Provider Credentialing
- EDI/ERA Enrollment
- Banking Setup
- CDM Creation
- Price Transparency/No Surprises Act

Pre-Visit

- Scheduling/Preregistration
- Insurance Verification
- Prior Authorization
- Appointment Reminders

Visit

- Patient Check-In
- Co-pay and Deductible Collection
- Patient Payment Arrangements
- Coding and Charge Capture
- Encounter Documentation

Transaction Processing

Claim Submission

- Charge Entry
- Claim Scrubbing
- Pre-Adjudication
- Claim Submission
- EDI Management

Inbound Processing

- Mail Processing/Scanning/Indexing
- Bank Deposit
- EFT/ERA Processing
- Payment Posting
- Revenue Allocation

Back End

Accounts Receivables Management

- Claim Status
- Denials Management
- Appeals & Resolution
- Patient Statements/Patient Notices
- Patient Refunds/Small Balance Write-Offs
- Collections Process (In/Out)

Analytics

- Clean and Meaningful Data
- Process Measures
- Financial Measures

Claim Life Cycle

- Month-End Closing
- Cost Reporting
- Compliance
- Performance Management
- IT & Quality

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WHAT IS A KPI?

- Key Performance Indicator (KPI) is a measure of a specific item or objective over time
- Measures financial health, stability, and trajectory and gives value for further decision-making
- Metric tied to at least one business goal
- Actionable, directional, accurate, and measurable

Monthly

Legend: ■ January ■ February ■ March
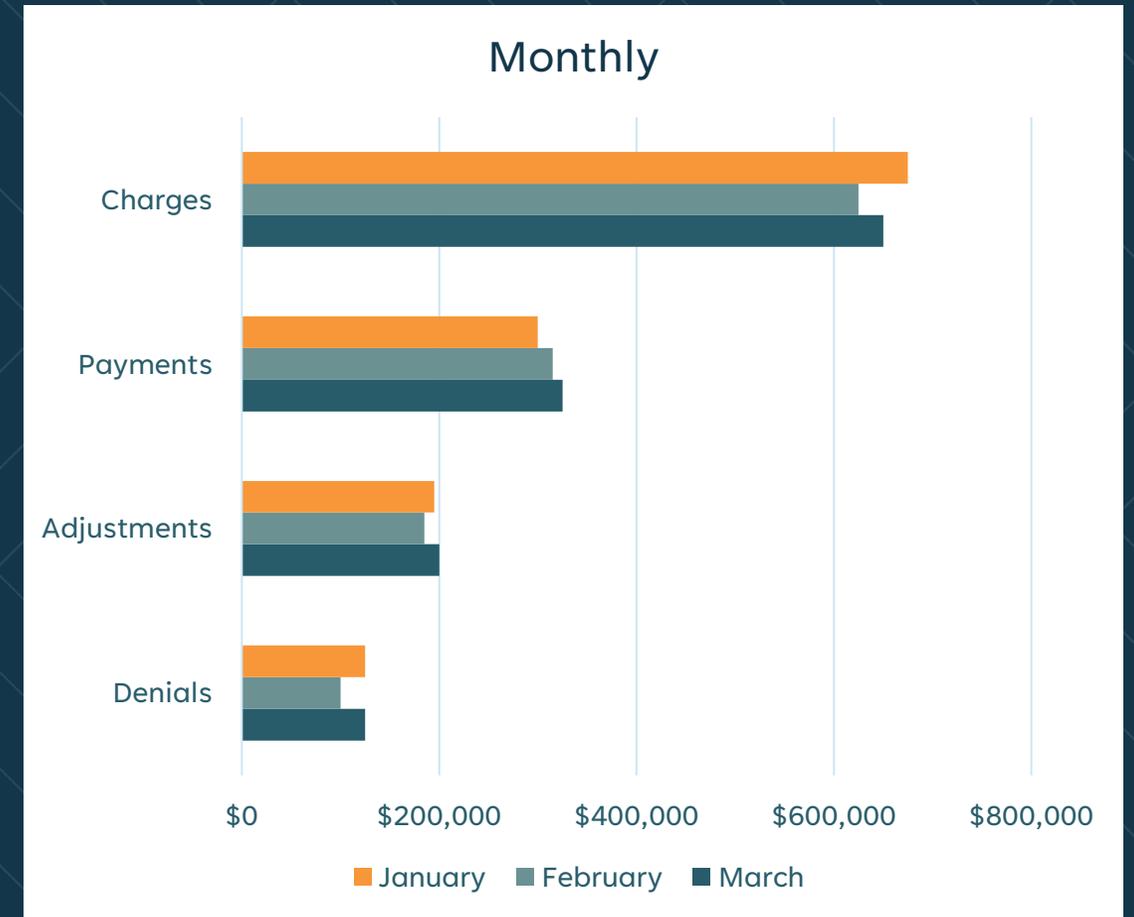
WHAT IS THE PURPOSE OF KPIS?

» Trend internal processes to show improvement or opportunity

» Create targets for teams to strive for and milestones to gauge progress

» Help leaders across the organization make better decisions backed by data

» Recognize process breakdowns or opportunities for improvement

THE POWER OF KPIS

Root Cause Analysis/Trend Identification

Payer Relations and Communication

First Line of Defense/Protect the AR

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DEVELOP A MULTI-DISCIPLINARY APPROACH TO CREATING KPIS

Involve Clinical

Medical Necessity, non-covered and payer policy

Involve Patient Access

Registration, eligibility, patient collections

Involve IT

System changes, updates, workflow decisions

Involve Finance

Impact of bad debt, write-offs, AR changes

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KPI EXAMPLES

IMPLEMENT A KPI DASHBOARD

» Track what matters

» Evaluate denial types, service lines, and payers

» Establish areas of concern

» Agree on key areas to prioritize

Clean Claims Analysis

	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Total Claims for the period	5,712	5,998	6,297	6,612	5,290	4,232
Clean Claims	4,823	5,102	5,400	5,408	4,200	3,360
Clean Claim %	**84.4%**	**85.1%**	**85.7%**	**81.8%**	**79.4%**	**79.4%**
Denials	502	530	550	590	593	420
Denial %	**8.8%**	**8.8%**	**8.7%**	**8.9%**	**11.2%**	**9.9%**

Denial Write off Analysis

Denial Code	Category	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	6 month Trend Low	6 month Trend High
CD	Coding	1.79%	1.80%	1.68%	1.69%	1.58%	1.59%	1.58%	1.80%
DC	Duplicate Claim	0.25%	0.25%	0.25%	0.25%	0.24%	0.24%	0.24%	0.25%
MN	Medical Necessity	1.06%	1.07%	1.00%	1.00%	0.94%	0.94%	0.94%	1.07%
NC	Non-covered	2.49%	2.50%	2.34%	2.35%	2.36%	2.38%	2.34%	2.50%
OT	Other	0.30%	0.30%	0.30%	0.30%	0.31%	0.31%	0.30%	0.31%
PA	Prior Authorization	2.60%	2.61%	2.63%	2.46%	2.47%	2.31%	2.31%	2.63%
Total		**8.49%**	**8.53%**	**8.20%**	**8.06%**	**7.89%**	**7.76%**	**7.71%**	**8.55%**

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KPI DASHBOARD

» Data populated monthly

» Red/yellow/green indicators of progress towards goal

» KPIs and goals established and published for the entire team to view

» Agreement on key areas to prioritize

Sample Hospital Name

	Goal	Jan-23	Feb-23	Mar-23	Apr-23	May-23
Number of days in period		**31**	**28**	**31**	**30**	**31**
Cash Goal	100% of 3 mo pr net rev	$ 1,521,459	$ 1,642,907	$ 1,538,282	$ 1,391,683	$ 1,465,778
Cash Collections		$ 1,680,392	$ 1,489,575	$ 1,750,692	$ 883,753	$ 1,213,412
% of Cash Goal	100%	🟢 110%	🟡 91%	🟢 114%	🟡 64%	🟡 83%
Self- Pay Collections		$ 41,056	$ 30,111	$ 36,793	$ 38,555	$ 41,232
Total POS Cash Collections		$ 2,742	$ 8,920	$ 6,581	$ 7,256	$ 8,024
% of Total Self- Pay Collections	>15%	🟡 7%	🟢 30%	🟢 18%	🟢 19%	🟢 19%
Gross Patient Revenue		$ 14,227,967	$ 14,392,383	$ 15,564,350	$ 10,363,172	$ 12,582,223
Average Daily Revenue		$ 458,967	$ 514,014	$ 502,076	$ 345,439	$ 405,878
Total A/R (including inhouse and credit balances)		$ 26,355,787	$ 24,585,783	$ 20,033,445	$ 27,324,085	$ 24,631,255
Days in A/R - Gross	< 40	🔴 57.42	🟡 47.83	🟢 39.90	🔴 79.10	🔴 60.69
Insurance A/R $ > 90 Days		$ 5,109,800	$ 6,068,690	$ 2,826,451	$ 3,092,112	$ 3,109,442
% of Total A/R	< 15-20 %	🟡 19%	🔴 25%	🟢 14%	🟢 11%	🟢 13%
All A/R $ >90 days (includes Self-Pay)		$ 8,689,922	$ 8,710,464	$ 9,386,715		
% of Total A/R	< 20-25 %	🔴 33%	🔴 35%	🟢 47%	🟢 0%	🟢 0%
DNFB	< 5 Days	🟡 8.42	🟡 6.32	🟢 4.97	🔴 9.00	🟡 5.08
DNFC	< 3 Days	🔴 7.58	🟡 4.45	🟢 2.75	🟢 3.00	🟢 2.87
Gross Denials $ written off		$ 232,596	$ 97,506	$ 79,842	$ 65,525	$ 70,232
% of gross patient revenue	< 2%	🟢 2%	🟢 1%	🟢 1%	🟢 1%	🟢 1%
Bad Debt transfers		$ 789,093	$ 528,767	$ 759,585	$ 689,443	$ 712,357
% of bad debt gross patient revenue	< 8%	🟢 6%	🟢 4%	🟢 5%	🟢 7%	🟢 6%

KPI IMPLEMENTATION

SPOTTING TRENDS AND ANOMALIES

Ask questions

Who, What, When, Where, Why, How
> *Ask Why THREE times*

Look at the information differently

Aging buckets that are increasing or decreasing
> *Is there a specific payor that stands out?*
> *Is this an annual trend for the payor?*

Don't just focus on financial areas

Sometimes you need to look at the *entire* process to identify the root cause
> *Have there been operational changes?*

The first answer isn't the only answer

Multiple factors are at play which means there can be multiple answers

REPORTS TO MONITOR RCM KEY INDICATORS

Claim Life Cycle

Process Measures

> How is the **AR Process** performing?

Financial Measures

> How is the **AR p**erforming **Financially**?

General Ledger/P&L

CALL TO ACTION: **IN SUMMARY**

Develop and Monitor KPI Dashboards

Evaluate which high level RCM metric provide the greatest insight into financial risk

Leverage structured monthly KPI review to shift from reactive to proactive performance governance

Quantify the executive-level impact of disciplined KPI oversight (improved cash, reduced preventable denials)

Q&A

Real-world, mission-critical, actionable advisory services as you and your community navigate the dynamic risks of today's healthcare environment.

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