EBOOK

NET HEALTH THERAPY

Top 6 KPIs to Understand and Optimize Your Rehab Therapy Revenue Funnel

Maximize your revenue while delivering high quality care

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Running a successful rehab therapy clinic revolves around providing the highest level of care for our patients. But providing these effective and efficient levels of care is only possible when we have the resources to support our teams and our operations. The quality and availability of these resources are positively correlated with the strength of our revenue streams.

In other words, maximizing our bottom line not only protects the longevity of our businesses, but it empowers us to deliver the best care possible to the ones who need us the most.

A powerfully effective and proven method of increasing our bottom line is to create a deliberate and intentional revenue funnel. Instead of piecemealing each step of the process, a coordinated effort from start to finish can help ensure we're maximizing revenues while delivering the highest levels of care possible.

In this ebook, we'll examine 6 KPIs that can help you build a revenue funnel to success:

- Total number of referrals
- Total number of evaluations performed
- Total number of completed visits
- Total billable units
- Completed visits per episode of care (ratio)
- Billable units per visit (ratio)

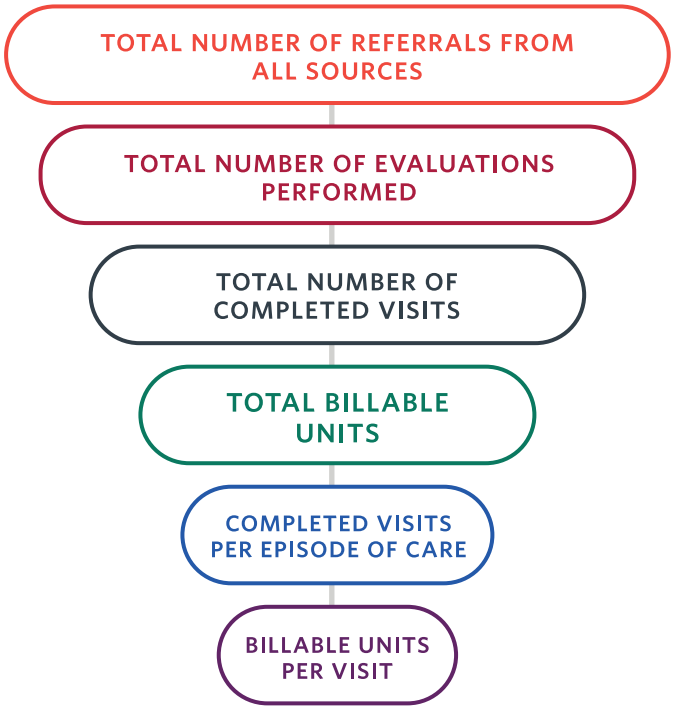
A Look at the Rehab Therapy Revenue Funnel

In rehab therapy, our revenue funnel starts with referrals and follows those patients through the evaluation process and finally through the completion of treatment. As we naturally expect not to convert 100% of people through each step, the process, when viewed through a macro lens, begins to narrow, which gives it the funnel shape.

The most successful rehab therapy revenue funnels are the ones that can:

- Drive more referrals and leads into the top of the funnel. Net Health offers digital marketing services to help rehab therapy practices drive more leads and referrals.
- Minimize drop-off between steps by maximizing conversions throughout the process
- Maximize revenue through methods that simultaneously increase the quality of care
- Collect enough data to benchmark against the industry as well as measure success internally against previous periods and over time to identify trends

How do we go about implementing a successful revenue funnel in our rehab therapy practice? It starts and ends with understanding and effectively employing data. What gets measured can be managed. By looking at six Key Performance Indicators (KPIs) throughout each step of the revenue funnel, we can better train our people, more efficiently employ our resources, and make stronger decisions that simultaneously drive revenue and increase quality of care.



1 Total Number of Referrals from All Sources

The success of a rehab therapy funnel starts with the number of people that enter the funnel—our referrals and leads. By tracking not only the total number of referrals we receive but also the quality and diversification of those inbound sources of revenue, we can really start our revenue funnel off on the right foot.

REAL-WORLD EXAMPLE

Let's say we're getting a good number of referrals that are driving quality revenue opportunities into the funnel. While this might look great on the surface, what happens if we dig a little deeper into the data and realize that 60% of those leads are coming from one doctor?

While it's great that we're working with such a rock star, it leaves our practice exposed to a higher level of risk if that doctor ever leaves. Identifying these instances can help us to focus on diversification, as well as better allocating our resources to stronger performers.

ACTIONABLE STEPS TO IMPROVE

Net Health's Digital Marketing Solutions (DMS) is geared towards driving quality and diversified leads by leveraging the unique opportunities available in your area. If you're noticing lower volume, reduced quality, or a lack of diversification with the people entering your revenue funnel, this could be a great next step to turbocharge the start of the process.

TOTAL NUMBER OF REFERRALS FROM ALL SOURCES

2 Total Number of Evaluations Performed

For the purposes of our revenue funnel discussion, an evaluation is the first scheduled visit with a patient where plan of care is established. As the proverbial "tip of the spear" of the revenue funnel, this is the most important KPI when it comes to better understanding the actual revenue we can count on within our volume projections.

When looking at this KPI, there are several quantitative and qualitative questions we need to ask:

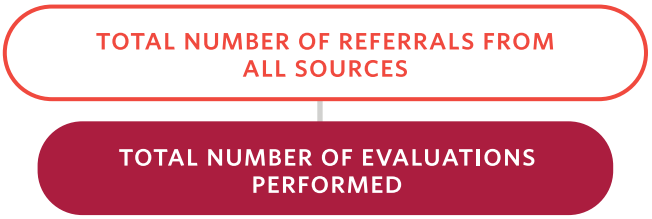
- How many referrals are we converting to evaluations?
- What's the drop-off percentage for converting referrals to evaluations?
- If there is a drop-off, what are the causes?

REAL-WORLD EXAMPLE

In most situations, this KPI makes it easy to identify a drop-off from referrals to evaluations. Let's say that our business normally sees a high number of evaluations compared to referrals, but that number significantly drops after we hire new front-end reception staff. This could be a sign that the staff might not be properly managing the schedule to minimize wait times or that the staff might not be trained as well as they could be on having value-based conversations.

ACTIONABLE STEPS TO IMPROVE

- Work to increase access by minimizing the wait time between referral and evaluation as much as possible
- Train front-end staff on how to have value-based conversations with inbound referrals and leads that call in by phone



3 Total Number of Completed Visits

The total number of completed visits is the metric that shows how many times we're seeing a patient for treatment after evaluation through the end of their treatment. Alone, this metric isn't very helpful in drawing conclusions. However, when we start to benchmark externally across our peers, we can glean a lot of helpful information.

REAL-WORLD EXAMPLE

Let's say that we see that our total number of completed visits is significantly lower than the industry average. This can signal that we need to start asking some important questions:

- Are we too targeted in on one patient population that doesn't need as much care?
- Should we look into diversifying into a more medically complex patient mix?
- Are we effectively managing our load forecasting based on this data?

ACTIONABLE STEPS TO IMPROVE

The best way to capitalize on this KPI is through effective benchmarking. A helpful tool that gives us instant access to a database of results across the industry is Focus on Therapeutic Outcomes (FOTO). The company has logged data (including the total number of completed visits) for over 26 million patient assessments, which makes it one of the most powerful tools on the market for external benchmarking in the rehab therapy.



4 Total Billable Units

Billable units are simply the smallest divisible unit of revenue. Generally, this is a 15-minute unit of time but may be slightly different based on payer contracts. At a macro-level, though, the concepts are the same. The value added from this KPI for rehab therapy companies is two-fold—the ability to see laser-focused trends as they develop and the ability to better analyze the composition of care.

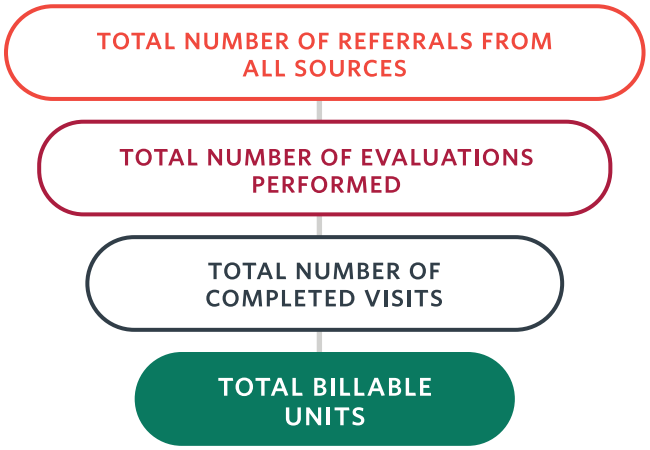
REAL-WORLD EXAMPLE

How this KPI relates to each of our businesses will vary greatly, but the real-world questions we should be asking are similar:

- Are our total billable units trending upward or downward?
- Is the majority of our billed care mostly modality-based care or hands-on care?
- Are we utilizing more group therapy, concurrent therapy, or one-on-one treatment?

ACTIONABLE STEPS TO IMPROVE

Start by analyzing the trends in total billable units and how those trends relate to your composition of care. Net Health's therapy solutions for private practices and hospitals can help by providing detailed reports, powerful business analytics, and the resources you need to better analyze this KPI and make reactive and proactive decisions.



5 Completed Visits Per Episode of Care

An important KPI ratio that takes the total number of completed visits a step further is completed visits per episode of care. The ratio looks at how many times we see an individual patient during their episode of care. Where the total number of visits helps us to see bigger trends across all patient types, this metric allows us to better analyze the data by specific patient type or service provided.

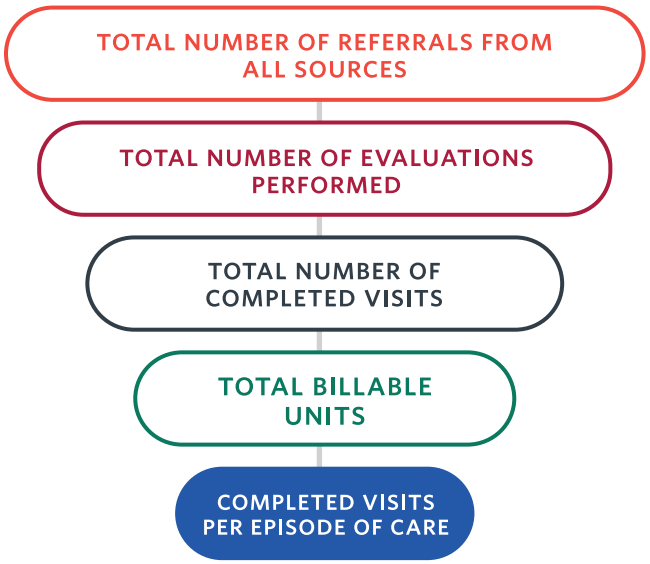
REAL-WORLD EXAMPLE

If we notice that our number of completed visits for a particular patient type is much lower than the industry average, it can be a helpful signal to investigate further.

- Are we having higher cancellation rates or self-discharging from certain types of patients?
- Do we need to diversify and analyze our patient mix further into smaller subgroups?

ACTIONABLE STEPS TO IMPROVE

As mentioned, our FOTO outcomes management system is an incredible asset that can help us drill down to the smallest level and benchmark across the industry. It's impossible to know how you're performing relative to the industry without this kind of access to data.



6 Billable Units Per Visit

Not only can you look at billable units across the board, but breaking them down on a per-visit basis can further help. This KPI allows us to drill down into our utilization of time, proper coding, and other revenue factors as it paints a clearer picture of the time invested with each patient.

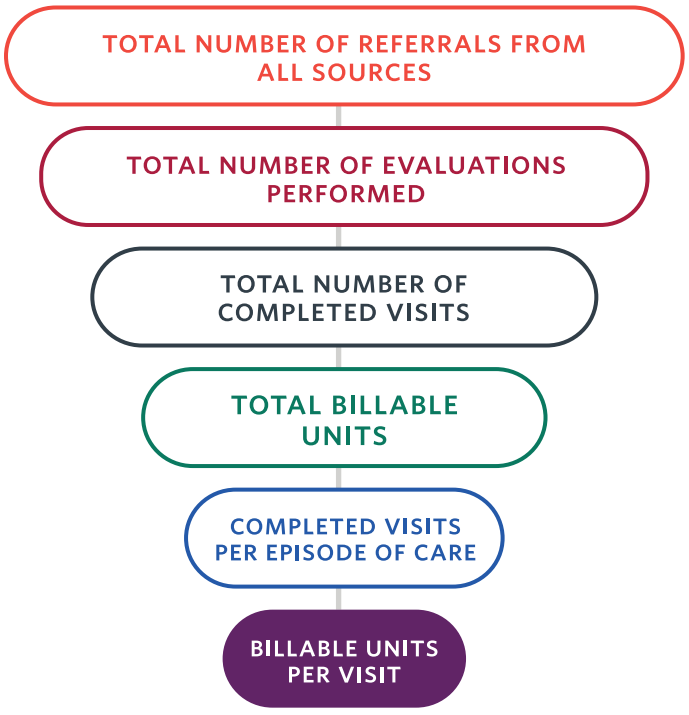
REAL-WORLD EXAMPLE

While there are a lot of factors at play, if we benchmark our total billable units against our peers and see a major discrepancy, it should raise questions.

- Do we have issues with under or over coding?
- Are there training deficits that need to be addressed?

ACTIONABLE STEPS TO IMPROVE

Often, the best way to identify areas of strength and areas that need improvement is by breaking down a process to the smallest level. Start by breaking down your total billable units as a whole, and then look to break it down further by patient-type, referral source, type of payment plan, and any other category that may reveal helpful information. This can empower your team to make better decisions about how you're utilizing your time with your patients, which ultimately results in a stronger bottom line and improved quality of care.



The power of well-documented data and real-time access to Key Performance Indicators at your fingertips can help your rehab therapy practice reach new heights.

Net Health Therapy, a specialized all-in-one EHR solution, offers managers, directors, and decision-makers the ability to boost efficiency, performance, and outcomes in real-time. This must-have resource suite offers in-depth metric tracking, trend analysis tools, critical documentation assistance, billing assets, and a multitude of essential reports that can help you build that revenue funnel to success.

If you're looking for a solution to assist in your overall practice management, revenue funnel building, scheduling, documentation, billing, productivity, MIPS reporting and more— Net Health Therapy for private practices and hospitals delivers delivers through easy-to-use dashboards and user-friendly integrations.

Net Health meets your team right where you're at and personally comes alongside you so we can build together.

Schedule a Demo





ABOUT TANNUS QUATRE, PT, MBA

Tannus is a business development specialist in outpatient PT practice and speaks nationally on the topics of entrepreneurship, marketing, and finance, and has written articles for numerous publications, including *PT in Motion, Impact Magazine,* and *Advance for Directors in Rehabilitation.* In addition, Tannus attended physical therapy school at UCSF and practiced as a physical therapist in outpatient, inpatient, and home health settings.

ABOUT NET HEALTH

Net Health is reuniting caregivers with their calling through cloud-based software for specialty medical providers across the continuum of care. Net Health's interoperable EHRs deliver end-to-end solutions that ensure compliance, improve outcomes, empower providers and inspire care. The company serves over 14,000 facilities, including 98 percent of the largest hospital chains, two-thirds of skilled nursing facilities and many leading hospice organizations and private practices. Net Health is a portfolio company of The Carlyle Group, Level Equity and Silversmith Capital Partners. www.nethealth.com

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