

Course Description: Key metrics are analytical data that helps measure how well a business is operating. This lecture will discuss common key metrics in eye care and how they can be utilized to positively impact practice success. Real world practice examples will emphasize relevance.

Course Objectives:

1. Discuss foundational key metrics that often occur in eye care business.
2. Describe key metrics to track productivity and focus on business margins.
3. Describe advantages for effectively utilizing key metrics to improve practice success.

Why Key Metrics are Important and How to Start Using Them

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1. What are key metrics?
 - a. What they are
 - b. How they can be utilized
 - c. How they impact an eye care practice
2. Common Key Metrics in Eye Care
 - i. Operating Costs per Week Day
 1. Includes payroll, rent/mortgage, bills, etc
 2. Assess minimal daily income needed to “break-even”
 3. Baseline analysis to assess growth and impact of adding staff, services, and products
 - ii. Gross revenue per exam
 1. Include comprehensive/annual eye exams only
 2. Calculation: divide gross receipts by # of comprehensive exams
 3. Reflection of the *internal* processes of the practice
 4. Measure monthly
 5. Median: \$346 (Top \$512, Low \$197)
 6. Variables
 - a. Above/below average professional fees, retail prices
 - b. Capture rate (~44%)
 - c. Types of products
 - d. Multiple pair sale ratios
 7. Strategy to Improve
 - a. Doctors Rx from the chair
 - b. Multiple pair sales
 - c. Inventory assessment
 - d. Add-On’s
 - e. Capture Rate
 - f. Optos capture rate

- g. CL annual supply
 - h. Exam Fee assessment
- iii. Exams per OD hour
 - 1. Represents revenue produced per each OD hour
 - 2. Average 1.19 exams, Top 2.18 exams
 - 3. Full schedules
 - 4. New vs Established patients
 - 5. Variables
 - a. Patient base
 - b. Exam process proficiency
 - c. Recall effectiveness
 - d. Effective use of staff: delegation of work tasks
 - e. Effective appointment scheduling
- iv. Gross revenue per staff hour
 - 1. Reflects how efficiency patients are managed by staff
 - 2. Helpful in identifying under/overstaffed
 - 3. Calculation: divide gross revenue by total # of non-lab staff hours
 - 4. Median revenue per staff hour: \$87
 - 5. Average ratio 1doc: 4 staff
 - 6. Variables
 - a. # of staff members
 - b. Exams performed per hour
 - c. Gross revenue per hour
- v. Gross revenue per square foot of office space
 - 1. Reflects efficiency of space utilization, control of facility overhead, and foot traffic
 - 2. Useful if construction/expanding
- vi. Expense ratio ranges
 - 1. Net Income: amount of money left after all expenses
 - 2. Compare expense ratios to practices of compatible size
 - 3. Expense categories
 - a. COGS, Staff Salaries/Benefits, Equipment, Occupancy, marketing, Interest, Insurance
 - 4. Chair cost per exam
 - 5. Accounts Receivable
 - 6. Aging of Uncollected Amounts
- vii. Annual gross revenue per active patient
- viii. Capture Rates
 - 1. Optical
 - a. Glasses
 - b. 2nd Pair
 - c. Annual Supply Contact Lens

- 2. Services
 - a. Optos
 - b. In-Office Dry Eye Treatments
 - ix. Gross revenue per square foot of office space
 - x. Payment Sources
 - 1. Insurance Types
 - 2. Credit Card Vs Cash Vs Insurance
 - xi. New vs Established patients
 - 1. Patient Retention
 - 2. Advertising
- b.
- 3. Applying metrics to your practice
 - a. Applying metrics to your practice
 - i. Start tracking
 - 1. Reports from Electronic Health Records
 - 2. Excel
 - 3. Software
 - ii. Calculate current performance
 - iii. How often should reports be run
 - iv. Identify areas of deficiency
 - v. Set goals and track progress
 - vi. Compare year to year