Physician Advisor Program Metrics
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The success of Physician Advisor (PA) programs in quality improvement, margin protection and regulatory risk reduction has led to the identification of measureable metrics to evaluate and monitor a PA program. This article will provide an overview and examples of how to measure success and how to use metrics to sustain improvements.

Overview

Hospital margins are shrinking and the regulatory environment has intensified leaving hospitals struggling to maintain positive bottom lines and meet regulatory requirements. To survive, hospitals are working to improve rapidly systems to reduce risk of denials and improve billing compliance.

The role of a PA is well recognized as a clinical resource to improve margins and compliance. Successful hospitals also focus on the role of the PA in the revenue cycle to ensure revenue integrity (see Figure 1). The PA role can integrate activities across hospital functions, thus linking finance to clinical staff. Resources in Care Management and Physician Advisors shift the focus from back end rework to front end revenue integrity to prevent errors. The front-end engagement with physicians and clinical staff provides concurrent oversight of compliance and reduces denials from medical necessity and documentation errors.

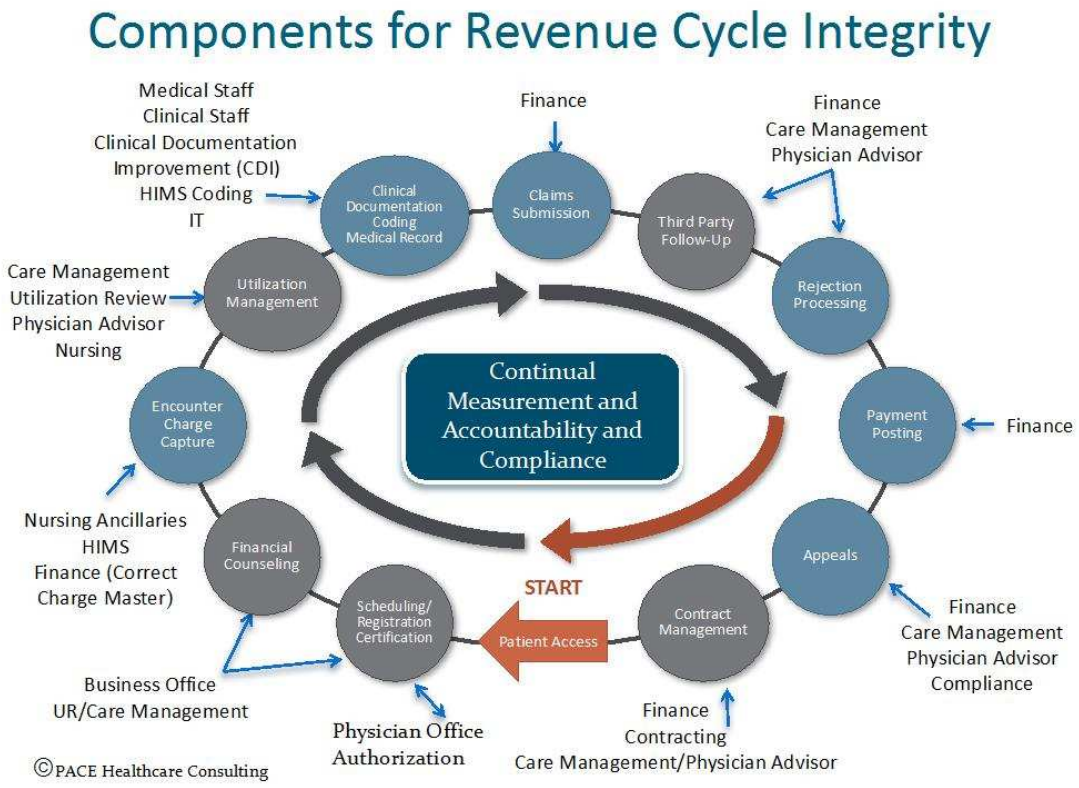

Figure 1. Revenue Integrity Wheel

Indicators and Scorecards

The first step to establishing a successful PA program is a solid job description (Access ACPA Job Description at www.acpadvisors.org/Careers. There are many varieties of Physician Advisor from part time second level medical necessity reviews to corporate Chief Physician Advisor roles. Once the role is defined and agreed upon, key performance indicators (KPIs) are required to measure effectiveness.

The PA KPIs often overlap with Case Management and finance. Therefore, in conjunction with a PA scorecard, each facility should have an overall utilization scorecard that is reported to the Utilization Management Committee. Reporting mechanisms help ensure accountability and meaningful discussion about and analysis of performance.

Performance indicators for a PA program can be broken down into two categories with the necessary sister scorecard from utilization management forming the third critical leg of the stool:

- Process indicators
- Outcome indicators
- Utilization scorecard

Examples for each category are presented below. These indicators are not all inclusive, but meant to provide guidance in development of an organization's specific indicators.

Process Indicators

Process indicators provide feedback and structure to the PA job. They allow comparisons and development of best practices, and provide the opportunity for efficiency improvements.

Physician Advisor Monthly Process Indicators			
Physician	**Indicator**	**Source of Data**	**Target**
	Average time from CM first level review to PA completed second level review.		
	Average time from referral to PA to completion of second level review		
	Number of second level reviews		
	Number of physician to physician discussions on bed status		
	Number of conversions from OBS to IP		
	Number of peer to peer meetings for appeals		
	Number of peer to peer meetings for authorization		
	Number of RAC appeal letters written/reviewed		
	Number of commercial appeal letters written/reviewed		
	Number of ALJ hearings attended		
	Number of education sessions taught to physicians		
	% UMC meeting attendance (Goal: 100%)		
	% Attendance of other assigned committees (Goal 100%)		

Outcome indicators

Outcome indicators are as critical as process indicators, which tell when a particular PA is performing efficiently, while another is not. However, the outcome indicators will demonstrate whether each PA is both effective and efficient, as both are necessary for a successful PA.

Physician Advisor Quarterly Outcome Indicators			
Physician	**Indicator**	**Source of Data**	**Target**
	Observation patient - average LOS in hours		
	Inpatient LOS		
	Number of OBS to IP conversion		
	Number of IP to OBS conversions		
	Number of Code 44s		
	Number of bill holds for lack of documentation (DNFB)		
	Number of self-denials		
	CMI		
	Readmissions		
	Authorization obtained for appropriate bed status after peer to peer		
	Overturned RAC denials on appeal		
	Number of CDI queries (tracked and trended for reduction based on physician education)		
	Total number (not dollars) of initial denials		
	Number of final denials		
	Dollars in final denials		
	Total number of overturned denials		
	Number of denials overturned after peer to peer		
	Number of successful appeals to ALJ		
	Cost per case (IP)		
	Cost per case (OBS)		

Utilization Score Card

The Utilization Management Scorecard measures the broader work of Utilization Management function in each facility.

Utilization Management Committee Scorecard		
Indicator	**Source of Data**	**Target**
Length of Stay (ALOS)		
All Payors		
1 Medicare		
2 Medicaid		
3 Commercial		
4 Medicare Advantage Plans		
5 Hospice		
6 Self Pay		
Medicine		
Surgery		
Outliers (ALOS)		

Utilization Management Committee Scorecard		
Indicator	**Source of Data**	**Target**
6-10 days, Cases		
6-10 days, ALOS		
11-15 days, Cases		
11-15 days, ALOS		
16-30 days, Cases		
16-30 days, ALOS		
31-100 days, Cases		
31-100 days, ALOS		
CMI		
All Payors		
1 Medicare		
2 Medicaid		
3 Commercial		
4 Medicare Advantage Plans		
5 Hospice		
6 Self Pay		
Medicine		
Surgery		
Length of Stay Case Mix Adj	**Calculated**	
All Payors		
1 Medicare (CMI Adj)		
2 Medicaid (CMI Adj)		
3 Commercial (CMI Adj)		
4 Medicare Advantage Plans		
5 Hospice (CMI Adj)		
6 Self Pay (CMI Adj)		
Medicine (CMI Adj)		
Surgery (CMI Adj)		
Medicare GMLOS		
All Payors		
1 Medicare		
2 Medicaid		
3 Commercial		
4 Medicare Advantage Plans		
5 Hospice		
6 Self Pay		
LOS/GMLOS	**Calculated**	
All Payors		
1 Medicare		
2 Medicaid		
3 Commercial		
4 Medicare Advantage Plans		
5 Hospice		
6 Self Pay		
Uncompensated Days	**CM**	

Utilization Management Committee Scorecard		
Indicator	**Source of Data**	**Target**
Potential Excess Days (ALOS vs GMLOS)		
Potential Excess Days % of Total Pt Days		
OP in a bed days		
Number of OPs in a bed		
One Day Stays		
Total IP Admissions		
Total IP Discharges		
Total Patient Days		
Number of Cases (1DS) excluding Deliveries		
Percent of Discharges		
Two and Three Day Stays		
Inpatient Discharges LOS 2 or 3 Days		
% of Discharges		
Observation Status		
Observation Total Days (Calculate Equivalent Days)		
Observation OP Days		
Observation LOS in Hours		
Observation OP Cases		
Observation Cases Converted to IP		
Observation IP conversion %		
Observation Patients Discharged Home %		
Observation Days % of Total Patient Days		
Observation OP Cases % of Admissions		
Cost Per Observation Patient		
Net Revenue Per Observation Patient		
Average Admission Time		
Average Discharge Time		

Conclusion

Physician Advisors are no longer a luxury but a necessity. With the right structure, process and people in place, the metrics and key performance indicators will demonstrate just how valuable PAs are to an organization. With measurement of metrics and key performance indicators, organizations will be able to create the most tailored and effective PA program possible. *Look for part two in July 2017 when we share a tool for PA program return on investment.*