HME Dashboard Essentials

HME software systems offer many dashboard options to help providers monitor metrics. What performance indicators should be on your executive instrument cluster?

By Joseph Duffy

A dashboard view is a user interface that visually displays current metrics and key performance indicators (KPIs) of a company. Just like the instrument panel of a car, the dashboard is used to monitor the major functions at a glance to tell what is going right and what may be going wrong. And it turns out that many HME software systems offer providers a range of KPIs they can oversee.

"A dashboard can apply to a company's performance as a whole, or to more focused areas of company performance, such as intake and workflow, customer service, claims handling, billing and A/R," says Adam Goldammer, business intelligence product owner at Computers Unlimited. "Dashboards are definitely an important business intelligence tool and should be included in any HME business software package. Dashboards are becoming increasingly present in HME business software, and that is a trend likely to continue."

In many cases, dashboards offer some level of customization, such as filtering, metrics, and visualizations, to the company and end user.

"Almost all dashboards come with some default presets, and some have customizable dashboards," says Esther Apter, CEO of Medforce Technologies Inc. "But it's not customization that is the most important attribute. The most important attribute is the ability to drill down on the dashboard and easily see what is driving the results. If you get a dashboard view that tells you that there are thousands of outstanding orders and there is no easy way to dive into what is feeding those numbers, who is responsible, and where in the process a problem is happening, the dashboard is pretty useless. Just having the dashboard numbers alone doesn't do you very much good."

Rob Boeye, executive vice president of home medical equipment at Brightree LLC, says the ideal business management solution offers an executive dashboard and a business scorecard.

"An executive dashboard provides trending data over an extended period of time, over a few months or an entire year," he says. "A business scorecard is updated daily and provides a snapshot of where the business stands at that moment. Providers should seek out solutions that offer dashboards and scorecards that can be configured to best represent their business model."

What Should You Measure?

When it comes to the KPIs that HME providers should be monitoring on their dashboards, Apter says, strategically, executives should follow the metrics that drive cash flow, efficiency and growth. "If you're not monitoring these three things, you won't have a finger on the pulse of your profitability," she says.

And while actual KPIs depend on the company and the department, Apter suggests that most HMEs will want to monitor:

- Days Sales Outstanding (DSO)
- Number of incoming referrals
- Incoming orders by referral source
- Time to process an order
- Time to collect an order
- Employee performance (reflected by task completion compared with others)

"While a few metrics are universal, such as how many claims can be followed up on in an hour, most metrics are personal to each company," she says. "One company may decide that 10 referrals in a day are ideal and another will be happy with one or two. Establishing a baseline first is important in determining what your target metrics should be. This underlines the importance of tracking progress month-to-month and having the insights needed to make proper process refinements that will fuel your goals."

Goldammer says KPIs and whether a measurement signals something is good or bad are always relative to the company goals. With that said, Goldammer suggested various KPIs that HMEs should consider monitoring through their dashboards (see Figure 1, on page 27).

Bruce Lombardi, president and co-founder of 4tellSoftware, says the KPIs that HME providers should monitor also include cash flow, expenses, direct and in-direct labor, new patients, ineligible payments, receivables, volume, customer satisfaction, and inventory turnover.

"You need to clearly understand the most profitable products or services," he says, "and which products consume the most resources."

Dashboard Shopping

What should an HME provider look for when shopping for a dashboard?

"Providers should be looking for a software solution that lets them view their dashboard or scorecard on the go," says Boeye. "As people more frequently work remotely or travel, quick visibility into business information is key to keeping the business running and performing optimally. Providers should also consider a technology partner that offers industry benchmarking data, which allows the provider to measure themselves against their peers."

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Figure 1: HME KPIs from Computers Unlimited's Adam Goldammer

KPIs to Monitor	Defining company goals
Open orders — If orders aren't getting posted, then my company isn't making revenue.	No more than X% of all open orders.
Order/sales volume — It's important to know what sales look like in terms of demand (counts) and dollars (revenue). For example, is my company growing or declining? Are certain product lines growing or declining?	Should always be at or above budget.
Held claims — I need to know how many claims are held on validation and the corresponding dollar amount. How does that compare to my total volume of claims? Claims held on validation equate to held revenue.	No more than X% of my submitted claims.
Claim submit volume — I need to monitor what our volume of claim submits looks like. If we are submitting fewer claims, then we're getting paid less (or at least slower).	Good is always at or above budget.
Denials — Denials slow down (or even prevent) revenue collection. They also indicate potential process issues, whether they are on the front end or back end.	No more than X% of my submitted claims.
DSO — I need to know how long it typically takes to be paid (collect revenue). DSO is a great indicator of this.	For my company, my goal is to never exceed X days.
Cash collection — Obviously, cash flow is vital to any business.	Should always be at or above budget.
A/R over X days — A/R that is long overdue is in danger of being lost. I need to monitor this and make sure that it doesn't become too large relative to total A/R.	No more than X% of my total A/R.
A/R write-offs — If I'm writing off A/R, I'm not getting paid. It's also helpful to be able to distinguish regular contractual write-offs vs. those for bad debt. My company can't necessarily avoid the contractual write-offs, but bad debt is within the company's control.	Never want to exceed X% of my total sales.

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Apter says that the overall visual layout is important, but providers shouldn't get too enticed by slick designs if the content isn't helpful. Don't waste your time with dashboard elements you aren't going to use or are not relevant to your corporate strategy, she says.

"Dashboards are supposed to be summaries of underlying data, so avoid cluttered and difficult to read graphics," she says. "Ensure that the data reflects performance within an appropriate context and gives you the usability you need to make informed decisions."

Goldammer says you have to consider job function when looking at dashboards.

"Dashboard relevance and content often varies by job function," he says. "All of the above KPIs I mentioned are very important for HME companies, but job function will almost certainly affect how (breakdowns by business entities like payer,

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branch and product) and when (frequency) the end user wants to view the KPIs. In the end, a dashboard is just one of the tools in the BI toolbox, and a complete BI suite should also offer standard core reports for HME companies and also advanced analytics and data mining. Full, easy, and secure access to business data is vital." ■

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Dashboard Tips

Experts from our article offer their top tips for employing an HME dashboard for business success:

Boeye
- Monitoring must be consistent. It's important to have a dashboard(s) at the helm of your business, using data to make important, informed business decisions. Dashboards and scorecards highlight the areas that need attention, letting you take action to alleviate problem areas quickly.
- Partner with a technology company that not only understands your business, but is consistently looking at ways to add value to your business, and the industry as a whole. A company that offers more than just billing software lets you seamlessly manage all aspects of their business.
- Develop clear business goals. Monitoring a dashboard doesn't do a whole lot of good if there are no clear end goals to measure your success against.

Apter
- Identify your company's strategic priorities and ensure they (or the drivers behind them) are captured in the dashboard.

- Do not spend too much time on dashboards that you aren't going to be doing anything with. Try to focus on what really matters and avoid information for information's sake.
- Incorporate dashboards into your daily routine. They are about providing real-time data, so you need to reflect on them often. Monitor regularly so you can easily identify problems when they crop up.

Goldammer
- Determine viable/realistic goals and frequently monitor performance relative to those goals.
- Establish a plan of action for when dashboards reveal poor performance; who is responsible for addressing the performance issue and what are the actionable steps that can be taken for improvement?
- Don't lose sight of the overall picture and consider all the KPIs and how they interact. (e.g., If you're too focused on up-front performance, you might not notice bottlenecks in back-end processes/billing).

Lombardi
- Link KPIs directly to the business strategy.
- Make sure that your KPIs are balanced across departments and function.
- Don't monitor too many KPIs.