Veterinary Hospital Managers Association

INSIDERS' INSIGHTS

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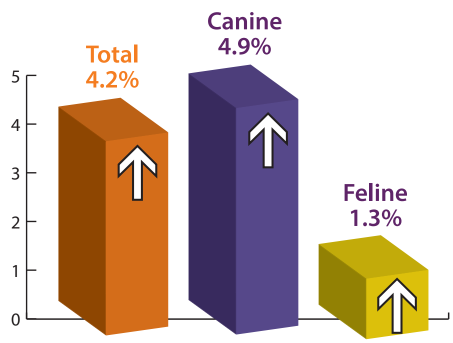
The Insider's Insight Benchmark Report is a publication provided by the Veterinary Hospital Managers Association (VHMA). The report tracks key economic indicators to determine how VHMA member practices are performing, as well as results from VHMA surveys on issues impacting the profession. There are approximately 600 VHMA member practices who contribute to the data for the key economic indicators. Data is representative of companion animal practices only.

August, 2018 vs. August, 2017

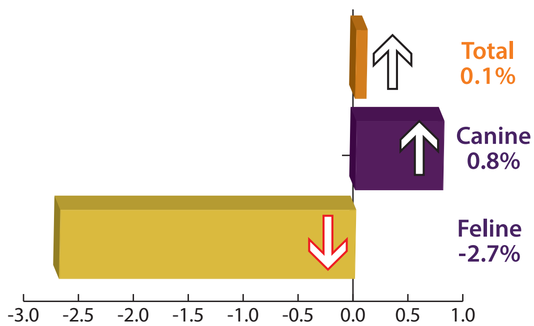
Revenue Growth
August, 2018 compared to August, 2017



Revenue Growth

Companion animal practice revenue for the 591 VHMA practices included in this month's study showed total growth of 4.2% from August, 2017 to August, 2018; both months had the same number of work days in them so that wasn't an influence. Canine revenue growth was 4.9% and feline revenue actually grew as well by 1.3%. Year to date growth for 2018 is 3.8%; this is lower than total 2017 growth of 5.1%.

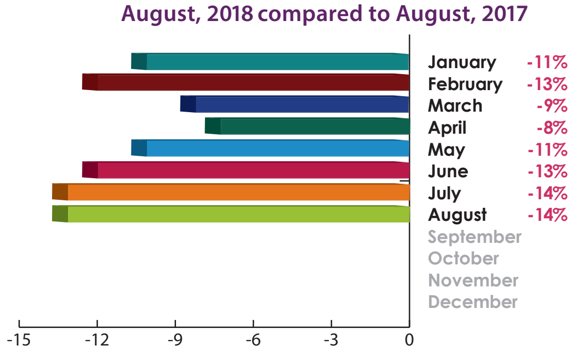
Patient Visits
August, 2018 compared to August, 2017



Patient Visits

Total unique patient visits were essentially flat in August, 2018 compared to August, 2017; total growth was just 0.1%. Canine visits grew by 0.8% but this growth was offset by a large decline (2.7%) in feline visits. As noted above, the number of workdays in August of each year was the same so this isn't a factor in the decline. Year to date visits for 2018 have declined by 0.2% compared to total 2017 growth of 1.3%. (Note that the term "visits" is defined as unique purchases of either products or services for an individual pet.)

New Client Growth
August, 2018 compared to August, 2017



New Client Growth

New client numbers in August, 2018 compared to August, 2017 declined by 14%. This continues to be a discouraging trend as these numbers have declined almost every month of the last three years. Total new client numbers for year-to-date 2018 have declined by 11.7%.

Remember that the above figures represent averages across all the practices in the study; in order to understand what is going on in YOUR practice, you need to look not only at what your revenue growth was during these months (and going forward) but also at the drivers of growth in YOUR practice such as changes in invoices, visits, ATC, fee increases, new clients and client retention. This will give you the information to make intelligent decisions about where to focus your time and efforts to increase growth.

Data review and commentary is provided by Karen E. Felsted, CPA, MS, DVM, CVPM, CVA of PantheraT Veterinary Management Consulting, www.PantheraT.com - September 2018

PIMS Data: What is Most Important to You?

by ***Karen E. Felsted,*** *CPA, MS, DVM, CVPM, CVA PantheraT Veterinary Management Consulting*

Almost all practices are computerized these days and the Practice Information Management System (PIMS) has an enormous amount of data that can be used in better managing the practice.

The first question this month asks: ***"Of the following practice information management software (PIMS) reports, please select the reports you feel are most helpful in managing the hospital. Check all that apply."***

End of Day /Daily Transactions	84.21%
New Client	72.11%
Production by Veterinarian or Other Provider	71.58%
Revenue/Transactions/Visit/ATC Reports for a particular period	69.47%
Inventory On-Hand	56.84%
Total Accounts Receivable	54.74%
Revenue by Profit Center/Income Category	54.21%
Open Invoice	52.11%
Deposit	48.42%
Patients Overdue for Services	47.89%
Aged Accounts Receivable	46.32%
Controlled Substance	44.21%
Discounts	41.05%
Active Client	37.37%
Top 50 Services Sold	37.37%
Top 50 Products Sold	35.26%
Detailed Provider Report (list of all individual transactions for each doctor or other provider)	33.68%
Audit Trail	33.16%
Sales Tax	31.05%
Patients Without Reminders	30.53%
Referral	28.42%
Inventory Order	26.84%
Revenue by Treatment	26.32%
Compliance	26.32%
Transaction Journal	26.32%
Inactive Client	23.68%
Refunds	21.05%
Patients by Species	17.89%
Treatments administered by date, patient, client and staff member who administered	14.74%
Clients by Zip Code	14.74%
Payment Types	14.21%
Declined Services	12.11%

Eight reports were selected as "most helpful" by over 50% of the respondents. These are all important reports needed for successful management of a practice. Perhaps the biggest question is why didn't more people select these as important? There are also a number of very useful reports that significantly less than 50% of the respondents selected. It is important to note, however, that there is little consistency amongst PIMS in the names used for their reports or data points or the combination of information included in a particular report; so practices may be pulling some of this info but it is called something different in their system.

The second question asks: ***"What other reports not listed in Question #1 do you find useful?"***

Some of the reports listed in the answers to this question contain essentially the same information as included in Question #1 but the reports or the data points go by a different name. A few of the reports listed by respondents (budget, payroll expense) aren't available in most PIMS; this information is usually pulled from the practice accounting system when not included in the PIMS. Other reports not included in Question #1 that practices found useful include:

- Forward booking percentage report
- Products used in-house
- Inventory reports such as count sheets, expired items, gross margins
- Account write-offs
- "Who got" reports for microchips and various medications and services
- Appointment activity by hour, # of actual appointments compared to goal, wait time, no shows
- Patient census report
- Time card info—hours worked, OT
- Various product sales reports—by client, by provider

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The next question asks ***"How often do you run these transaction reports?"***
(These are the reports included in Question #1.)

	Daily	Weekly	Bi-weekly	Monthly	Quarterly	Annually	Randomly	Never
End of Day/ Daily Transactions	92.0%	2.1%	0.0%	3.2%	0.0%	0.0%	2.7%	0.0%
Deposit	83.2%	8.7%	1.6%	0.5%	0.0%	0.0%	0.5%	5.4%
Total Accounts Receivable	7.1%	12.0%	6.0%	68.5%	2.2%	0.0%	2.2%	2.2%
Aged Accounts Receivable	1.6%	8.6%	6.4%	72.7%	2.1%	0.5%	3.2%	4.8%
Open Invoice	20.5%	28.1%	10.8%	31.9%	1.1%	0.0%	4.3%	3.2%
Revenue/Transactions/Visit/ATC Reports for a particular period	13.9%	12.3%	5.4%	55.6%	4.8%	0.5%	4.3%	3.2%
New Client	7.6%	9.8%	2.7%	63.6%	1.6%	1.1%	6.0%	7.6%
Active Client	1.1%	2.2%	2.8%	43.7%	14.4%	8.8%	17.7%	9.4%
Inactive Client	0.0%	1.7%	1.7%	30.9%	14.4%	9.4%	23.8%	18.2%
Controlled Substance	8.7%	29.7%	7.6%	29.2%	6.0%	2.2%	8.1%	8.7%
Treatments administered by date, patient, client and staff member who administered	9.7%	4.6%	4.6%	18.3%	2.3%	1.7%	23.4%	35.4%
Production by Veterinarian or Other Provider	8.5%	5.8%	10.1%	58.7%	6.9%	1.1%	3.7%	5.3%
Detailed Provider Report (list of all individual transactions for each doctor or other provider)	9.2%	3.8%	5.4%	32.1%	4.9%	2.7%	19.0%	22.8%
Revenue by Profit Center/ Income Category	4.4%	5.5%	3.8%	51.9%	10.4%	2.2%	12.6%	9.3%
Revenue by Treatment	2.8%	3.9%	2.3%	37.6%	6.7%	4.5%	18.0%	24.2%
Compliance	1.1%	2.9%	6.3%	24.0%	10.9%	2.3%	22.3%	30.3%
Inventory On-Hand	6.0%	24.5%	7.6%	27.7%	10.9%	11.4%	6.5%	5.4%
Inventory Order	13.4%	43.0%	5.6%	6.2%	2.2%	2.2%	10.1%	17.3%
Referral	1.1%	5.1%	4.0%	40.3%	8.0%	3.4%	12.5%	25.6%
Transaction Journal	32.4%	5.0%	1.7%	15.6%	3.4%	1.1%	16.2%	24.6%
Top 50 Services Sold	0.6%	0.6%	0.6%	30.6%	14.2%	13.7%	20.8%	19.1%
Top 50 Products Sold	0.6%	0.6%	0.0%	30.1%	14.2%	13.1%	20.2%	21.3%
Declined Services	2.3%	0.6%	1.1%	7.4%	5.1%	4.0%	15.4%	64.0%
Patients Without Reminders	2.3%	2.3%	4.6%	25.1%	7.4%	6.3%	18.9%	33.1%
Patients Overdue for Services	3.3%	12.1%	6.6%	34.6%	8.2%	3.3%	13.2%	18.7%
Sales Tax	2.8%	1.7%	5.5%	59.7%	11.1%	3.3%	3.3%	12.7%
Audit Trail	19.0%	5.6%	1.1%	17.9%	2.8%	1.1%	30.2%	22.4%
Clients by Zip Code	0.6%	0.0%	0.6%	8.6%	6.3%	9.1%	34.3%	40.6%
Patients by Species	0.6%	0.6%	0.6%	16.9%	8.4%	5.6%	37.6%	29.8%
Payment Types	30.9%	3.9%	0.0%	7.3%	3.9%	2.8%	17.4%	33.7%
Discounts	14.8%	3.8%	6.0%	33.3%	5.5%	4.9%	19.7%	12.0%
Refunds	19.3%	5.5%	3.9%	18.8%	4.4%	0.6%	23.2%	24.3%
Other (please specify)								

As can be clearly seen here, there is a great deal of variation in how frequently reports are pulled from the PIMS. The comments included in the "other" reply generally indicated slightly different timeframes over which the reports were generated; for example, instead of monthly or quarterly, the responding practice pulled the reports every two months.

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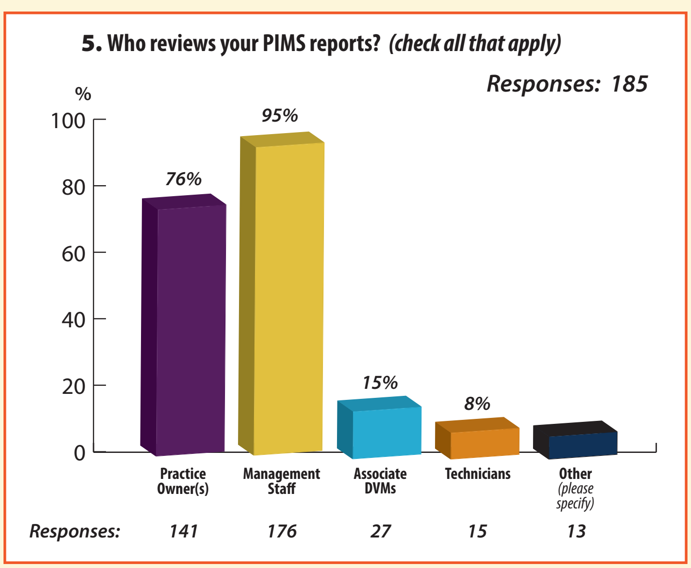
Question #4 asks: ***"What reports or information do you wish you had that don't exist on your current PIMS?"***

There was a lot of variation in these answers because there are so many PIMS out there and info that may be available in one system isn't in another. Answers fell into three categories. The first category included comments about accuracy or formatting improvements needed on reports already included in the PIMS and about difficulty in accessing this information. Another very small group of respondents noted that their PIMS allows them to search for any info needed and customize their reports; therefore they can get all the data desired. The third group of respondents listed specific information or reports they would like to be able to generate from their PIMS including the following:

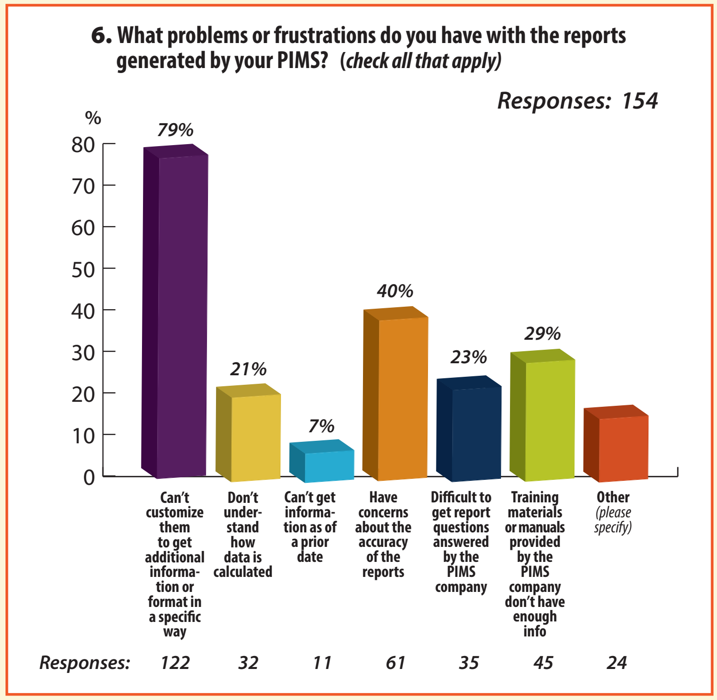
- Client retention
- Client compliance
- Refill notices
- Which employee entered charges into an invoice
- Number of visits by visit reason
- Dashboard style reporting
- ATC—this was a surprising comment because this is such a common metric but this respondent said they have to calculate it by hand
- Better and more inventory tracking and reports
- Reports showing # of clients/appointments by hour to see the busy times of the day
- Appointment fill rates, lists of no-show, cancelled and rescheduled appointments
- List of inactive clients
- Invoice items that are taxable vs. non-taxable
- Open invoice report
- More specific referral information such as which RDVMs refer to which specialists

The next question asked: ***"Who reviews your PIMS reports? Check all that apply."***



The "other" answers included: bookkeepers, the practice CPA or business consultant, and receptionists.

Question #6 asked ***"What problems or frustrations do you have with the reports generated by your PIMS? Check all that apply."***



Many of the issues here were also mentioned in the "other" section of Question 4. It is very concerning that almost 40% of the respondents express concerns about the actual accuracy of the reports and that 80% find the lack of customization and poor formatting to be frustrating. A number of the "other" responses indicated no frustrations with their system while others mentioned the following kinds of problems:

- Default dates change when entering data
- Inventory issues
- Can't drill down on a number to see how/where it came from
- Difficult to even find the desired report or set up the initial search
- Takes too much time to generate a report
- Data is calculated differently across reports in the same software

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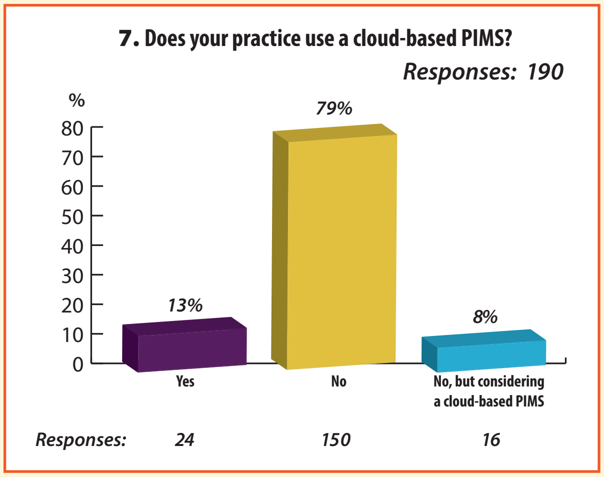
And the last question asked: ***"Does your practice use a cloud-based PIMS?"***



While most practices don't use a cloud-based system at this point, more and more cloud systems are becoming available and it is likely the wave of the future.

Getting the Most from Your PIMS

It is clear from the answers to this month's questions, that there is an enormous amount of information a practice can get from a PIMS and a lot of variation in the systems themselves and how they are used. What can you do to get the most out of your system from a data management perspective?

First of all, you need to know what you are trying to do. Most practices should have a regular list of metrics they review each month in order to gain an overall understanding (a baseline) of how well the practice is doing operationally and financially. Identifying these metrics is critical to effective use of the PIMS because that is where a great deal of the information will come from. This topic was discussed in-depth in the April, 2018 Insiders' Insights; see that report for more information about key metrics that should be monitored. In addition to the data the practice regularly reviews, there will be data the practice wants to pull on a less regular basis; for example, to measure the success of a new dental marketing campaign or to address a particular problem such as low doctor productivity.

Once you know what data you want and what you are trying to do with it, it is then necessary to understand what the PIMS can provide. Most PIMS have an extensive list of standard reports; identify those that relate to the metric you are interested in and review them. Make sure you understand what information is included in the report, the definitions of terms used, where that information comes from and how figures are generated or calculated. There is little consistency across systems in how figures are calculated or what terms mean. If your software company doesn't provide a glossary or other documentation explaining a particular report, call their help desk and get the answers you need.

Remember too, that PIMS data quality is based not only on good quality PIMS design but also on how the data is entered. If users of the system don't enter revenue correctly for each doctor or put the wrong product on the invoice, then the data that the system ultimately reports will not be useful. The concept of GIGO — garbage in-garbage out is critical here!

Not all software systems offer the most useful report formatting or offer flexibility in creating a customized report. Using Excel or another spreadsheet program isn't particularly time-consuming and can give the practice a greater ability to compare data across various time-periods, calculate useful ratios or easily compare to outside published benchmarks.

If your practice is considering changing to a new PIMS, spend time reviewing the reporting functions of the system and not just the invoicing and medical record modules. Some questions to ask include:

- What are the standard reports available?
- Is there a glossary of terms used in the reports?
- Are there report descriptions available explaining how the information is gathered or calculated?
- Does the software offer data mining? Are there limitations to what you can do? How easy is it to use?
- How customizable are the reports?
- What kind of tutorials, manuals or other training is available?
- What kind of software support is available and during what hours?

Don't forget to review the list of reports available, review the actual reports themselves, and try out a demo of the software as well in order to assess the ease of accessibility. If the PIMS system includes accounting software or integrates with an accounting program, look very closely at how this works and definitely ask for a demo version or extended opportunities to try out this function "live" to determine if it will give you the ease of usage, flexibility and reporting capabilities of a stand-alone accounting program.