Announcing the 2013 Medical Group Benchmarking Initiative

Analyzing Performance for Integrated Medical Groups

From Aggregate Information to Detailed Comparisons

Sample Metrics from the Council’s Survey

Direct Medical Group Practice Expenses
- Occupancy Costs
- Compensation
- Benefits
- Malpractice Insurance

Direct Medical Group Practice Revenues
- Medical Revenues
- Ancillary Revenues
- Payer Mix
- Total wRVU Production

Medical Group Administrative Overhead
- Management Compensation
- Information Technology Costs
- Health System Overhead Allocation

Medical Group Staffing
- Executive Suite Composition
- Physician Leadership Roles
- Advanced Practice Provider Staffing Levels
- Physician Employment Trends

Council analysis will provide detailed comparisons of the expenses under the medical group’s immediate control, providing groups actionable insights to improve performance.

In order to allow for accurate comparisons across groups, the Council plans to utilize various means of assessing performance at the physician-level, including by FTE, as well as by wRVU.

Health system overhead allocated to medical groups remains a black box at many institutions. Council benchmarking will collect total system overhead to help medical groups communicate about their costs to the broader health system.

Calculating Investment-per-Physician Benchmarks

Note that the survey does not ask directly for per-physician investment costs—a key benchmark of interest for Council members. After conducting extensive research on how medical groups typically calculate this metric, the Council found that, while the general framework is similar across groups, detailed calculation methodologies differ widely. As a result, the Council will ask members only for relevant inputs, then calculate investment per physician for each group, using a standard methodology to ensure comparability.

Source: Medical Group Strategy Council interviews and analysis.
What do members receive from the Medical Group Strategy Council Benchmarking Initiative?

This initiative will allow members to benchmark their own data against others within the Council cohort—a set of peers that includes some of the most high-performing, integrated medical groups in the country. In addition to membership-wide reporting, each Council member will receive a custom report highlighting their own performance against the rest of the cohort.

The Council can also accommodate requests for custom benchmarking cohorts for special analysis. These analyses will allow medical groups to compare their performance against a subset of peers, with sub-cohorts designed around whichever characteristics are most important to the group’s current needs.

### Medical Group Staffing Ratios

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<th>MMG</th>
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<td>Medical Group Staffing Ratios</td>
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### Medical Group Overhead Analysis

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### Financial Performance

#### Per Physician Financials of High Performing Groups

<table>
<thead>
<tr>
<th></th>
<th>Thousands of $</th>
<th>25th Percentile</th>
<th>50th Percentile</th>
<th>75th Percentile</th>
<th>Mumford’s Percentile Rank</th>
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</thead>
<tbody>
<tr>
<td>Medical Group Revenue</td>
<td>150</td>
<td>180</td>
<td>230</td>
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<td>62nd</td>
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<tr>
<td>Direct Expenses</td>
<td>(225)</td>
<td>(200)</td>
<td>(190)</td>
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<td>70th</td>
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<tr>
<td>Medical Group Overhead</td>
<td>(55)</td>
<td>(40)</td>
<td>(30)</td>
<td></td>
<td>30th</td>
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<tr>
<td>Health System Overhead</td>
<td>(110)</td>
<td>(80)</td>
<td>(40)</td>
<td></td>
<td>55th</td>
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<tr>
<td>Investment per Physician</td>
<td>(240)</td>
<td>(180)</td>
<td>(30)</td>
<td></td>
<td>47th</td>
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High medical group overhead keeps otherwise reasonable investment below median

#### Correlation of RVUs to Cash Collections per Physician

- Potential for significant improvement

Source: Medical Group Strategy Council interviews and analysis.

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