



SYNERGY BILLING

Benchmarking your FQHC Using UDS Data

Understanding and benchmarking your FQHC's financial performance



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Introduction

In today's healthcare landscape, data-driven decision-making is essential for Federally Qualified Health Centers (FQHCs) striving for financial sustainability and operational excellence. HRSA's Uniform Data System (UDS) Table 9D serves as a vital benchmarking tool, offering insights into revenue trends, payer mix, and financial adjustments. By leveraging this data effectively, FQHCs can evaluate their performance, identify areas for improvement, and compare financial metrics with peer organizations at the state level.

This whitepaper explores how Table 9D can be used to assess financial health, enhance revenue cycle management, and support strategic planning. Understanding the nuances of collections, adjustments, and sliding fee discounts across payer sources can help FQHCs optimize financial performance while continuing to provide high-quality care to underserved populations.



1. Key Sections of Table 9D

- **Payer Mix and Collections:** Table 9D shows gross charges, collections, and adjustments by payer type, including Medicaid, Medicare, CHIP, private insurance, and self-pay.
- **Adjustments and Sliding Fee Discounts:** This table also includes data on contractual adjustments, which can help you understand the financial impact of payer-specific agreements and discounts. It reflects how much you are writing off as contractual adjustments and sliding fee discounts.

2. Steps to Benchmarking Your FQHC

- **Gather State-Level UDS Data:** You can obtain state-level UDS data from the HRSA Health Center Data webpage, where you can filter by state and access Table 9D data for all FQHCs in your area.
- **Compare Key Financial Metrics:**
 - **Gross Charges per Patient/Visit:** This metric helps you understand your average billing amount per patient or visit. Compare it to the state averages to see if you are billing higher or lower than peers.
 - **Collections as a Percentage of Gross Charges:** This metric indicates how much of your billed charges are actually collected. A lower percentage may indicate issues with revenue cycle management or patient collections.
 - **Payer Mix Comparison:** Review the proportion of revenue from each payer type. This helps you see if your patient base and revenue sources align with other FQHCs or if you're overly reliant on one payer.
 - **Sliding Fee Discount Ratio:** Compare your sliding fee discounts against state averages. A higher sliding fee discount ratio may indicate a larger uninsured or underinsured patient base.

3. Key Ratios and Metrics for Deeper Insights

- **Net Collection Rate:** This rate shows collections as a percentage of collectible charges, which excludes contractual adjustments. It's a useful metric for assessing the effectiveness of your collections processes.
- **Self-Pay Collection Rate:** Since self-pay collection is often challenging, you can measure your performance here against the state average to see if you're optimizing collections from uninsured patients.
- **Contractual Adjustment Rate:** This is the percentage of adjustments made due to payer agreements. A lower rate compared to other FQHCs may indicate better-negotiated payer contracts.

4. Analyze Trends Over Time

- Review trends across years within your FQHC and in comparison to the state average. If your payer mix or collection rates are shifting over time, this could indicate changes in your patient demographics or reimbursement dynamics with payers.

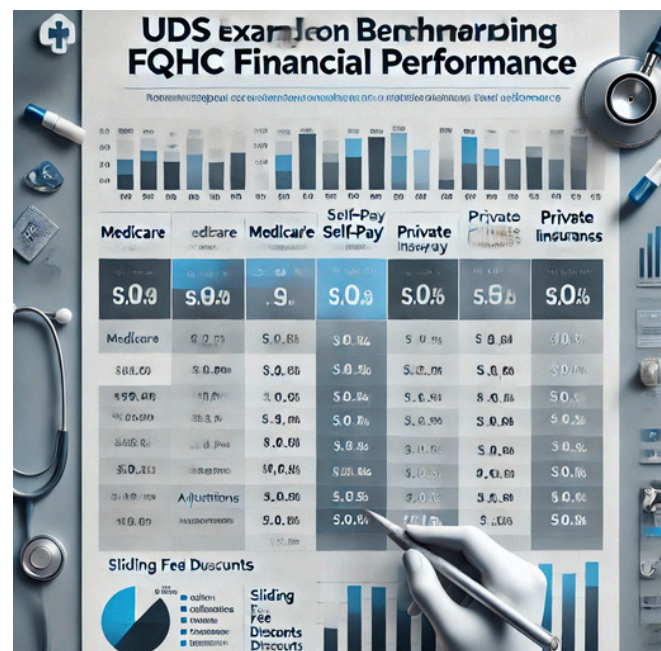
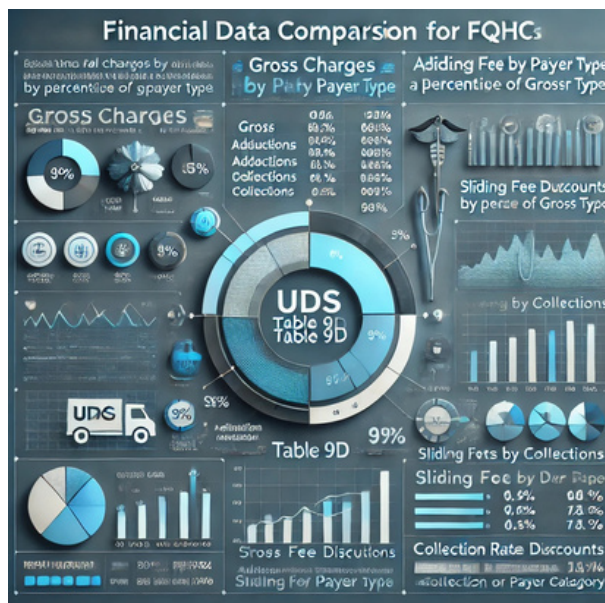
5. Set Goals Based on Benchmarking

- Revenue Cycle Goals: Based on your findings, you may set goals to improve collection rates or reduce contractual adjustments in specific payer categories.
- Operational Adjustments: If your sliding fee discount ratio is high, you might look for community resources or grants to support your uninsured population further.

6. Using Data Visualization

Consider creating graphs for easy comparison of your FQHC data to state averages for key metrics, like:

- Gross charges, collections, and adjustments by payer type
- Sliding fee discounts as a percentage of gross charges
- Collection rates by payer category
- To perform specific calculations and create visualizations using UDS Table 9D data, let's focus on a few fundamental metrics that can give a clear picture of how your FQHC compares to others in the state.



Benchmarking your FQHC Using UDS Data

To perform specific calculations and create visualizations using UDS Table 9D data, let's focus on a few fundamental metrics that can give a clear picture of how your FQHC compares to others in the state. Here's a step-by-step approach to calculating and visualizing the following metrics:

1. Gross Charges per Patient/Visit

- Purpose: This metric indicates the average billing amount per patient or visit.
- Calculation:
 - $\text{Gross Charges per Patient} = \text{Total Gross Charges} / \text{Total Patients}$
 - $\text{Gross Charges per Visit} = \text{Total Gross Charges} / \text{Total Visits}$
- Visualization: Create a bar chart comparing your FQHC's gross charges per patient or per visit against the state average for each payer type (Medicaid, Medicare, Self-Pay, Private Insurance, etc.).

2. Collection Rate

- Purpose: To measure how effectively your FQHC is collecting the amounts billed after adjustments.
- Calculation:
 - $\text{Collection Rate} = (\text{Total Collections} / (\text{Total Gross Charges} - \text{Total Adjustments})) \times 100$
- Visualization: Use a line or bar chart to compare your FQHC's collection rate with the state average for each payer category.

3. Payer Mix

- Purpose: To understand the percentage of your revenue coming from each payer source and how it compares to state averages.
- Calculation:
 - $\text{Payer Mix for Each Category} = (\text{Gross Charges by Payer} / \text{Total Gross Charges}) \times 100$
- Visualization: Create a pie chart or stacked bar chart showing the distribution of revenue by payer type for your FQHC alongside the state average.

4. Sliding Fee Discount Ratio

- Purpose: This ratio shows the portion of gross charges discounted for low-income, uninsured, or underinsured patients.
- Calculation:
 - $\text{Sliding Fee Discount Ratio} = (\text{Sliding Fee Discounts} / \text{Total Gross Charges}) \times 100$

Visualization: Use a bar chart to compare your sliding fee discount ratio against the state average. This will help assess if your sliding fee discounts are higher, indicating potentially higher uncompensated care.

5. Contractual Adjustment Rate

- Purpose: This metric shows the percentage of revenue adjusted due to payer agreements.
- Calculation:
 - $\text{Contractual Adjustment Rate} = (\text{Total Contractual Adjustments} / \text{Total Gross Charges}) \times 100$
- Visualization: A bar chart comparing your contractual adjustment rate by payer type against state averages can help reveal if certain payer contracts are affecting your revenue.

Example Walkthrough

Let's use an example dataset. Assume the following data for your FQHC and state averages:

Metric	Medicaid	Medicare	Self-Pay	Private Insurance
Total Gross Charges	\$1,000,000	\$500,000	\$300,000	\$200,000
Total Collections	\$700,000	\$350,000	\$150,000	\$160,000
Total Adjustments	\$250,000	\$100,000	\$50,000	\$30,000
Sliding Fee Discounts	\$20,000	\$5,000	\$80,000	\$10,000
Total Patients	2,000	1,000	800	600
Total Visits	6,000	3,000	2,400	1,200

Gross Charges per Patient

- Medicaid: $\$1,000,000 / 2,000 = \500 per patient
- Medicare: $\$500,000 / 1,000 = \500 per patient
- Self-Pay: $\$300,000 / 800 = \375 per patient
- Private Insurance: $\$200,000 / 600 = \333 per patient

Collection Rate

- Medicaid Collection Rate = $(\$700,000 / (\$1,000,000 - \$250,000)) \times 100 \approx 93.33\%$
- Medicare Collection Rate = $(\$350,000 / (\$500,000 - \$100,000)) \times 100 = 87.5\%$
- Self-Pay Collection Rate = $(\$150,000 / (\$300,000 - \$50,000)) \times 100 = 66.67\%$
- Private Insurance Collection Rate = $(\$160,000 / (\$200,000 - \$30,000)) \times 100 \approx 94.12\%$

Benchmarking your FQHC Using UDS Data

Sliding Fee Discount Ratio

- Self-Pay Sliding Fee Discount Ratio = $(\$80,000 / \$300,000) \times 100 = 26.67\%$

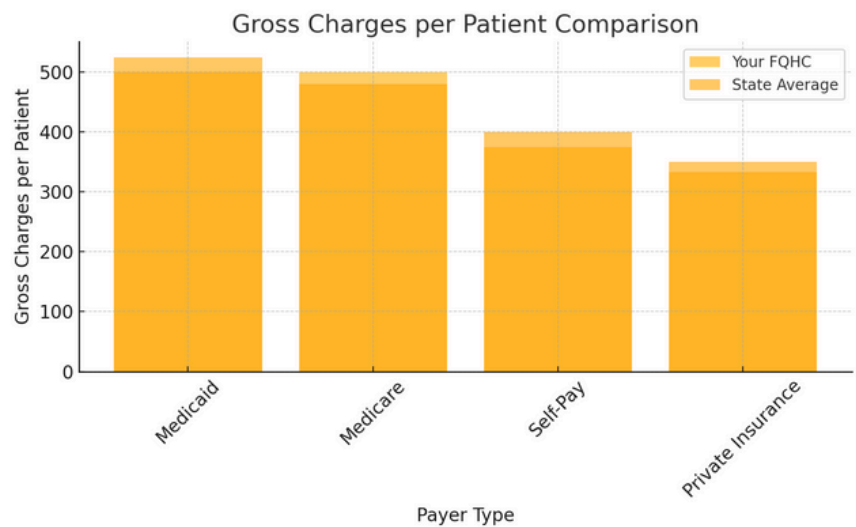
Contractual Adjustment Rate

- Medicaid Contractual Adjustment Rate = $(\$250,000 / \$1,000,000) \times 100 = 25\%$
- Medicare Contractual Adjustment Rate = $(\$100,000 / \$500,000) \times 100 = 20\%$

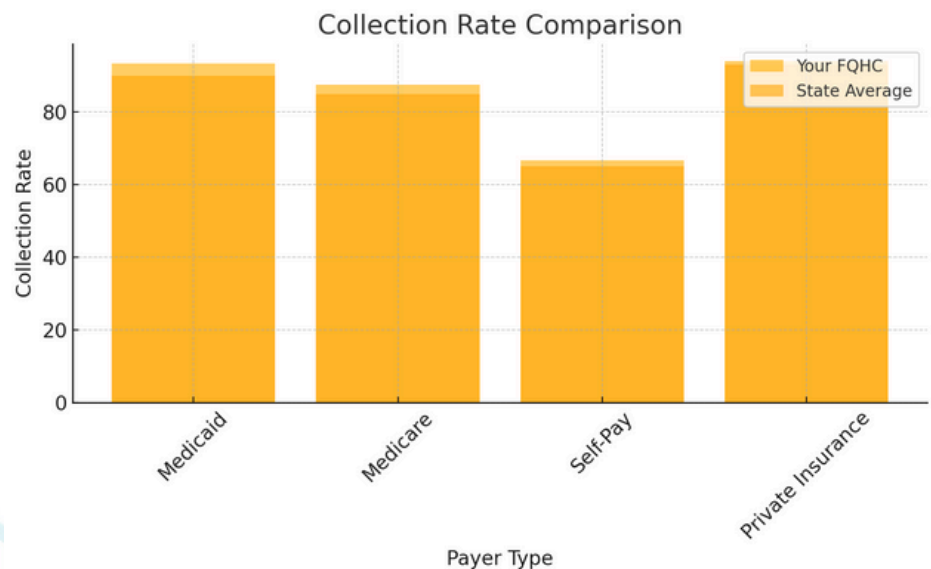
Visualization Creation

I'll prepare these example calculations as visualizations to showcase how they can help you benchmark against state averages.

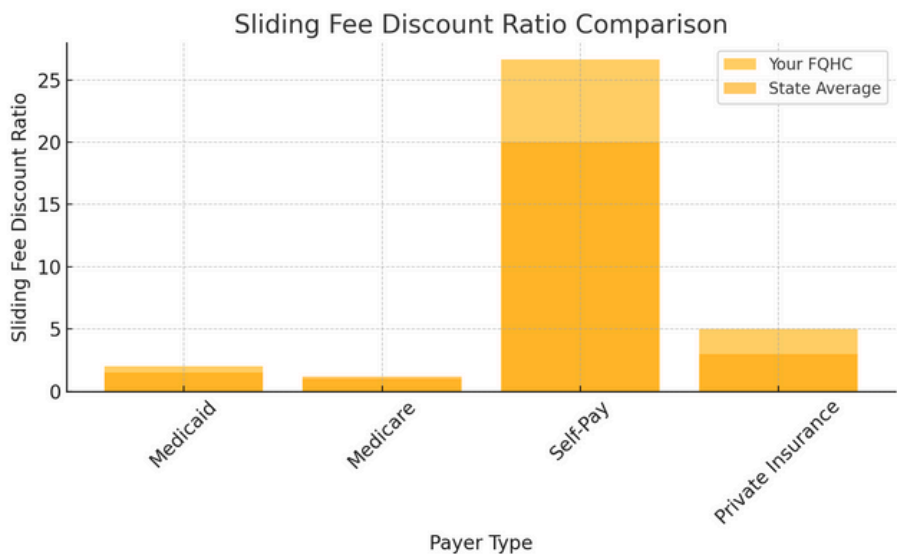
Gross Charges per Patient Comparison



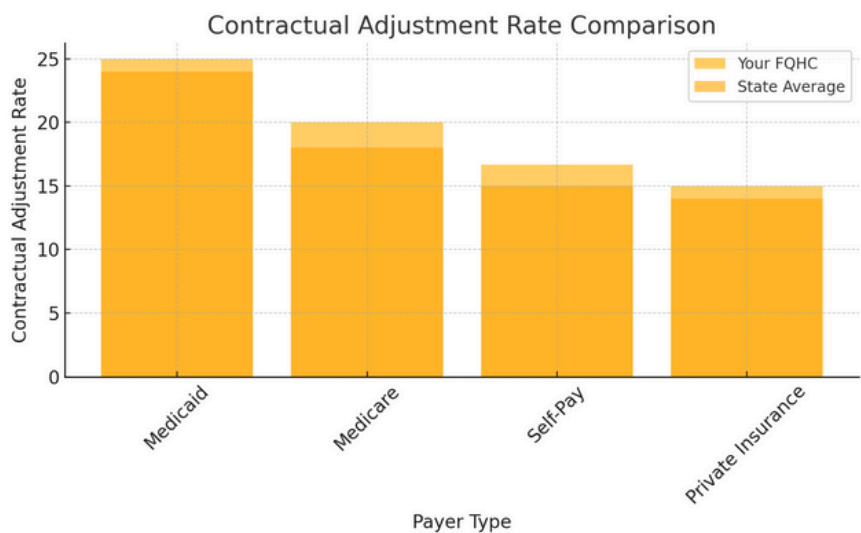
Collection Rate Comparison



Sliding Fee Discount Ratio Comparison



Contractual Adjustment Rate Comparison



Conclusion

Benchmarking your FQHC’s financial performance using UDS Table 9D is a strategic approach to ensuring long-term sustainability and efficiency. By analyzing revenue streams, payer mixes, and financial adjustments, FQHCs gain a clearer picture of their financial standing compared to others in their state. This data empowers leadership teams to make informed decisions, improve operational efficiencies, and enhance financial viability.

Ultimately, using UDS data for benchmarking is not just about numbers—it’s about improving patient access, optimizing resource allocation, and reinforcing the mission of delivering high-quality, affordable care to the communities that need it most. By integrating these insights into financial planning and performance evaluation, FQHCs can strengthen their impact and continue to thrive in an evolving healthcare environment.

The Synergy Billing Solution

Synergy Billing specializes in serving FQHCs, providing tailored RCM solutions that transform billing activities into clear, positive outcomes. By leveraging our expertise, technology, and dedicated focus, we help FQHCs overcome their billing challenges.

Synergy Billing's expertise and dedicated focus on FQHCs ensure that the noise of billing activities is eliminated, allowing for clear, measurable, and positive outcomes.

Outsourcing billing operations to a trusted RCM company like Synergy Billing can transform the financial landscape of your community health center, allowing you focus on their core mission of providing high-quality healthcare to underserved communities.

For more information on how Synergy Billing can help your FQHC achieve these outcomes, contact us today 386.679.4709 or visit www.synergybilling.com.

Additional resources are available here: <https://synergybilling.com/news/insights>



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