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Using Data as a Strategic Advantage

Iowa HFMA Spring Meeting

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Agenda

- Why / State of the Union / Industry
- Base understanding of Why Digital
- Case Studies How Data is Utilized
- Concluding Thoughts



How are Business Decisions Being Made?



- Gut feel
- Wind direction of the day
- Influence

- DATA
- Financial Information
- Operational KPI's



Modern Challenges & Environmental Headwinds

- Staffing
- Rising Costs / Decreasing Revenue
- Disparate Systems with Siloed Data
- Complicated Rev Cycle
- Significant Lag in Trusted Reporting
- Data Overload
- Digital Vendor Confusion
- Covid Change Management
- Ever Changing Technology



“No Margin No Mission”

What is Digital?

Using business intelligence, data engineering, and data science to help you make data driven decisions.

Business Intelligence

BI combines data visualization, data tools and infrastructure, and best practices to help organizations make more data-driven decisions. Anything from general data analytics consulting, to developing user friendly dashboards, to re-engineering how an organization measures itself to use KPI's better.

Data Engineering

The process of using technology and automation to make raw data usable. Think Integration, Automation, Data Cleansing, Custom Development, usually as a means to a larger endpoint.

Data Science

Data science helps us use data to **predict** what is going to happen. Predictive Analytics, Machine Learning, artificial intelligence all fall under this purview. Here we answer the question "What is your data telling you?" AND "What to do about it?"



What is the Cost of Not Getting the Most Out of Your Data?

Problem?



Result?



“No Margin No Mission”



What do you predict for your organization over the next 1-3 years?

Successful and growing with healthy margins

Seeking partner(s) to create synergies so better able to survive and thrive

Will need to make strategic, operational and tactical modifications to survive the headwinds

Stable – with very few must change for us to be successful

I don't know – there are too many variables at play to predict

What best describes your fiscal performance in FYE 2022?

Net profit of 1-5%

Net profit over 5%

Net loss 1-5%

Net loss over 5%

What best describes your predicted fiscal performance in FYE 2023?

I have great confidence we will have a healthy
margin

We will likely have an unfavorable and
unsustainable margin

Not able to predict our future due to the multiple
variables and the economic headwinds we are facing

What are the greatest impacts to your financial performance? (select all that apply)

Staffing challenges and associated expenses

Supply Chain (Costs / Access)

Revenue Cycle (Reimbursement challenges with Payors, Denials, Bad Debt)

Physician/APP turnover, retirements, departures, inability to recruit?

Lower Patient Care Volume due to limited staffing to meet demand

Loss of market share

What are the greatest impacts to your financial performance? (select all that apply)

- Staffing challenges and associated expenses
- Supply Chain (Costs / Access)
- Revenue Cycle (Reimbursement challenges with Payors, Denials, Bad Debt)
- Physician/APP turnover, retirements, departures, inability to recruit?
- Lower Patient Care Volume due to limited staffing to meet demand
- Loss of market share



Are there capital expenditures your organizations need to make ?

1-3% of net revenue

4-6% of net revenue

More than 7% of net revenue

I'm not sure

Our financial position will not allow for significant capital investment in the next few years

Do you have a dashboard that tracks leading KPI's for your operation/business?

Yes – But it takes a lot of time to build and it lags real-time operational results

Yes – It provides exactly what we want and when we want it

No – But it would be great maximize operational decision making

No – We don't need a dashboard to maximize operational decision making

Are you able to track your daily and weekly operational and financial performance?

We have data from multiple systems but it is difficult to roll up to a dashboard.

We don't have capability to track operational or financial KPI's on a daily or weekly basis.

We track operational KIP's and Financial KPI's on a daily and weekly basis with efficiency and accuracy.

What dashboard KPI's would be most impactful to operational efficiency and financial success? (Select all that apply)

Volume by modality

Volume by site

Productivity by provider

Encounters by tech / by modality

Expense breakdown (location)

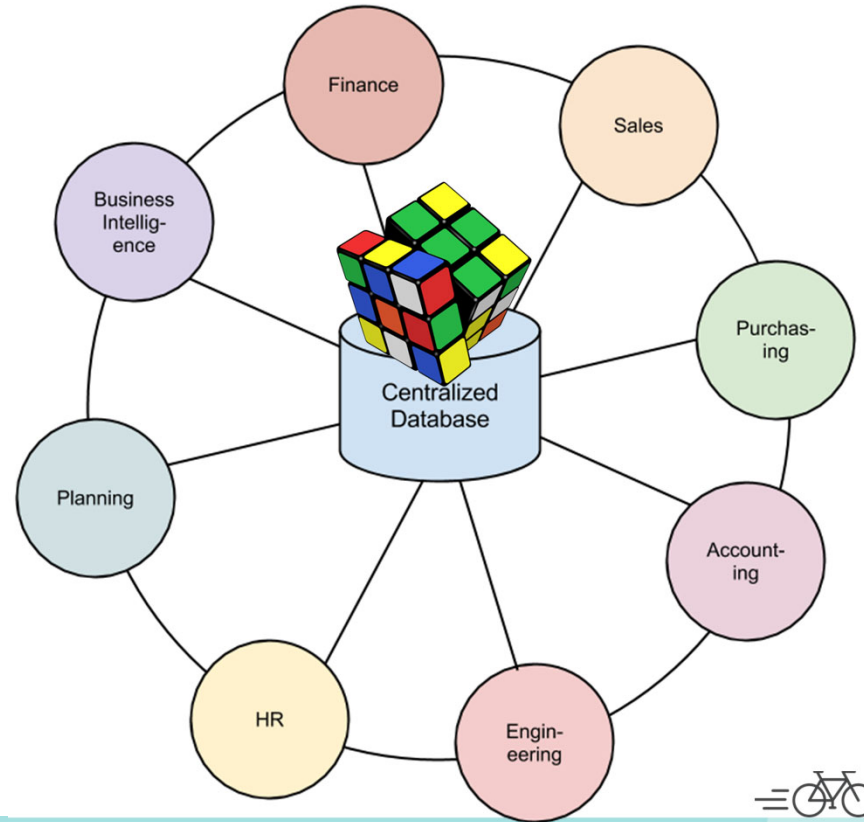
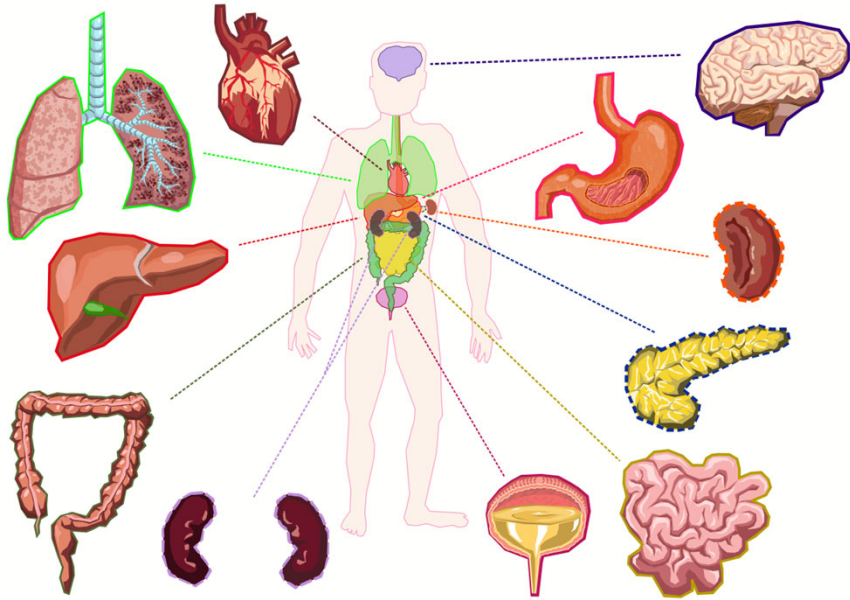
Schedule (% by modality / by site / by provider)

The Power of Data and Digital Transformation

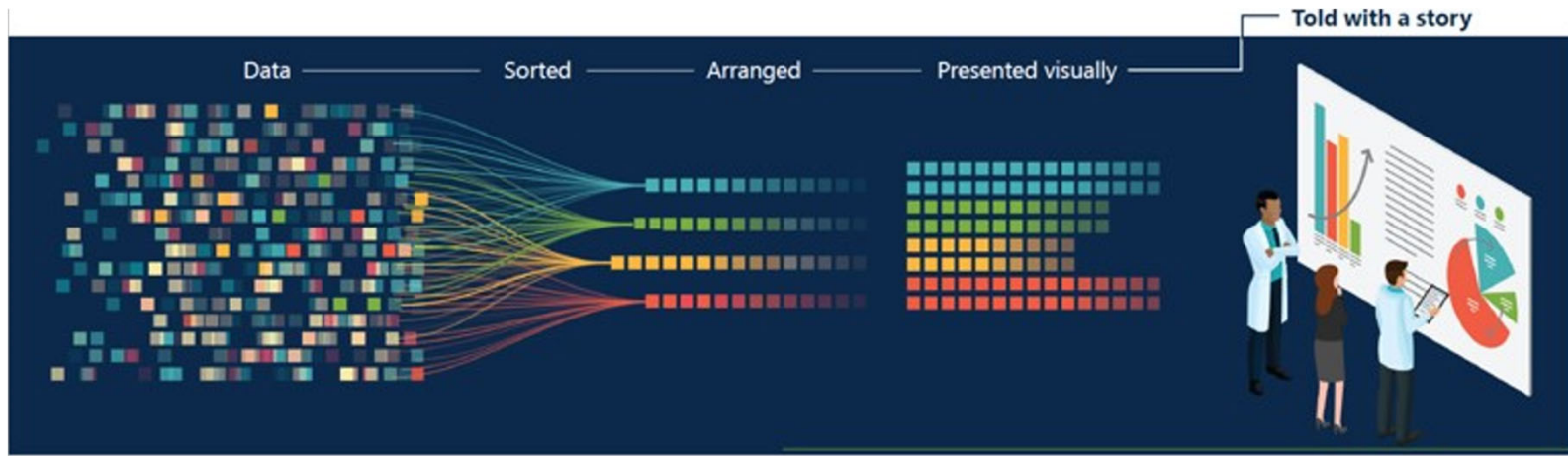
- Daily Life
- Clinical Applications
- Business
- Empowers & Guides Direction
- Creates Confidence
- Strategy
- Operations
- Efficiency



To Thrive – Systems – Need to Work Together



Building Confidence to Take Necessary Business Actions - Powered by Data:



Silo Systems Full of
Unorganized Data

Things you can do:

1. Organize Data into Information
2. Identify range of options and model outcomes?
3. Prioritize Actions to Proceed with Confidence



Data – Information – Decisions – Actions



Why & How: Disparate Systems

What Can You Do :

Take a load off the your plate:

“We do what we can ... so you can do what only you can do”

- Aggregate Data from disparate systems to help make **IMPORTANT** business decisions
- Convert a mountain of data into meaningful nuggets of information
- Dashboards (Power BI = How did we do today?)
- Build Confidence / Trust (verify data)
- Make quicker business and more informed decisions
- Data Continuity (comparing yesterday to today & predicting tomorrow)
- Comparison (How are we doing compared to others?)
- Efficiency

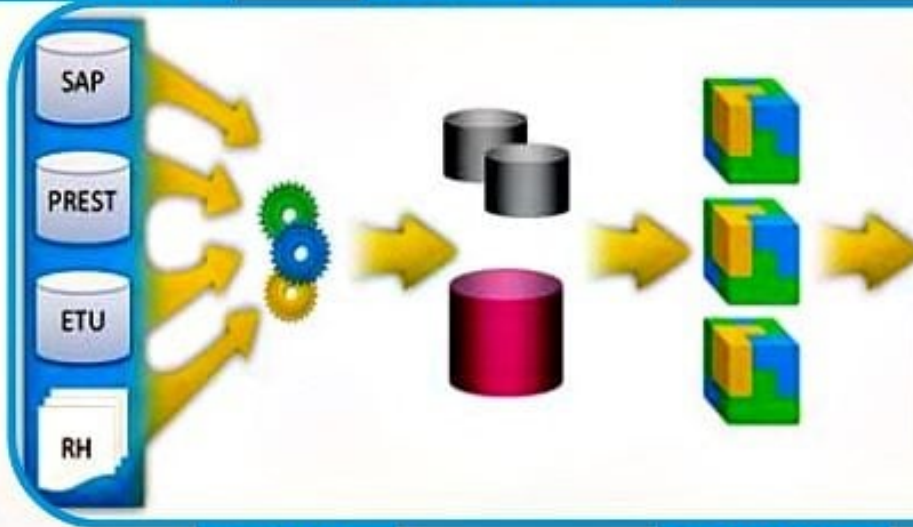


BUSINESS INTELLIGENCE (BI)

Heterogeneous data sources

Data Warehouse/
Data Marts

Visualizations/
Reports



Extract,
Transform
&
Load

OLAP/Cubes

Dashboards/
Scorecards



When Does it Make Sense to Explore Enhanced Digital Solutions?

Symptoms:

- Building key reports via manual data extraction
- Then dumping into Excel or some other Db
- Outgrown current systems (accounting, budgeting, scheduling, rev cycle, etc.)
- Disparate Software Systems that don't talk to each other
- Challenged by the Digital Transformation journey
- No Data Strategy in place today
- In your everyday work - **“there has to be a better way”**

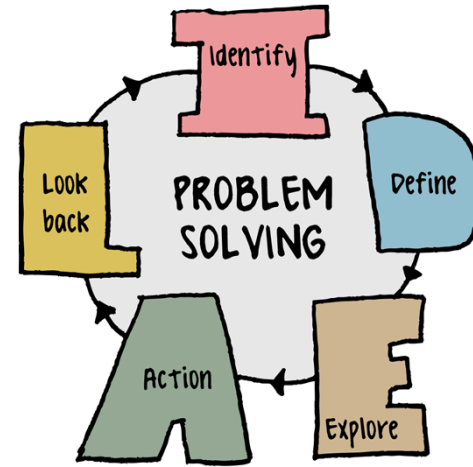
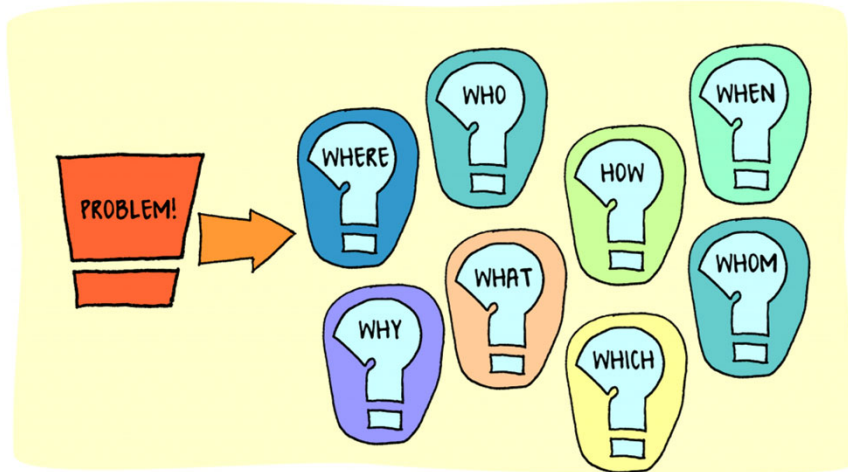


*“Necessity
is the
Mother of
all
Invention”*

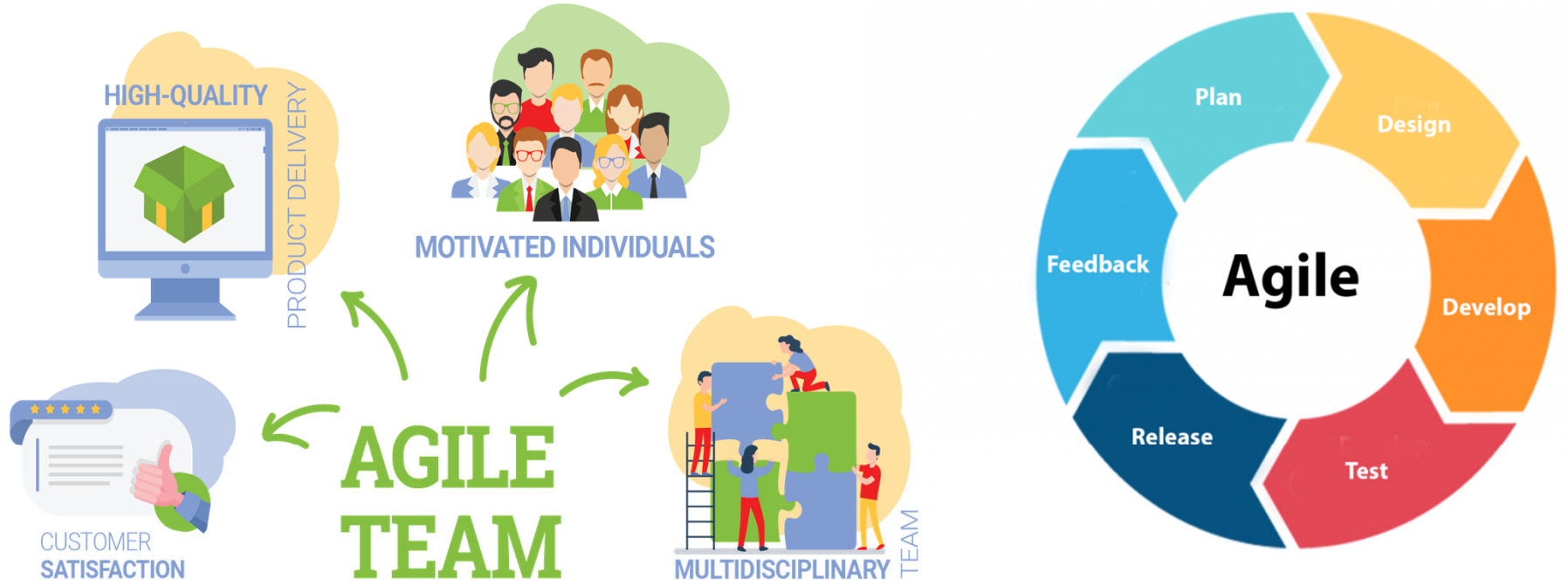


Start with a Digital Readiness Assessment

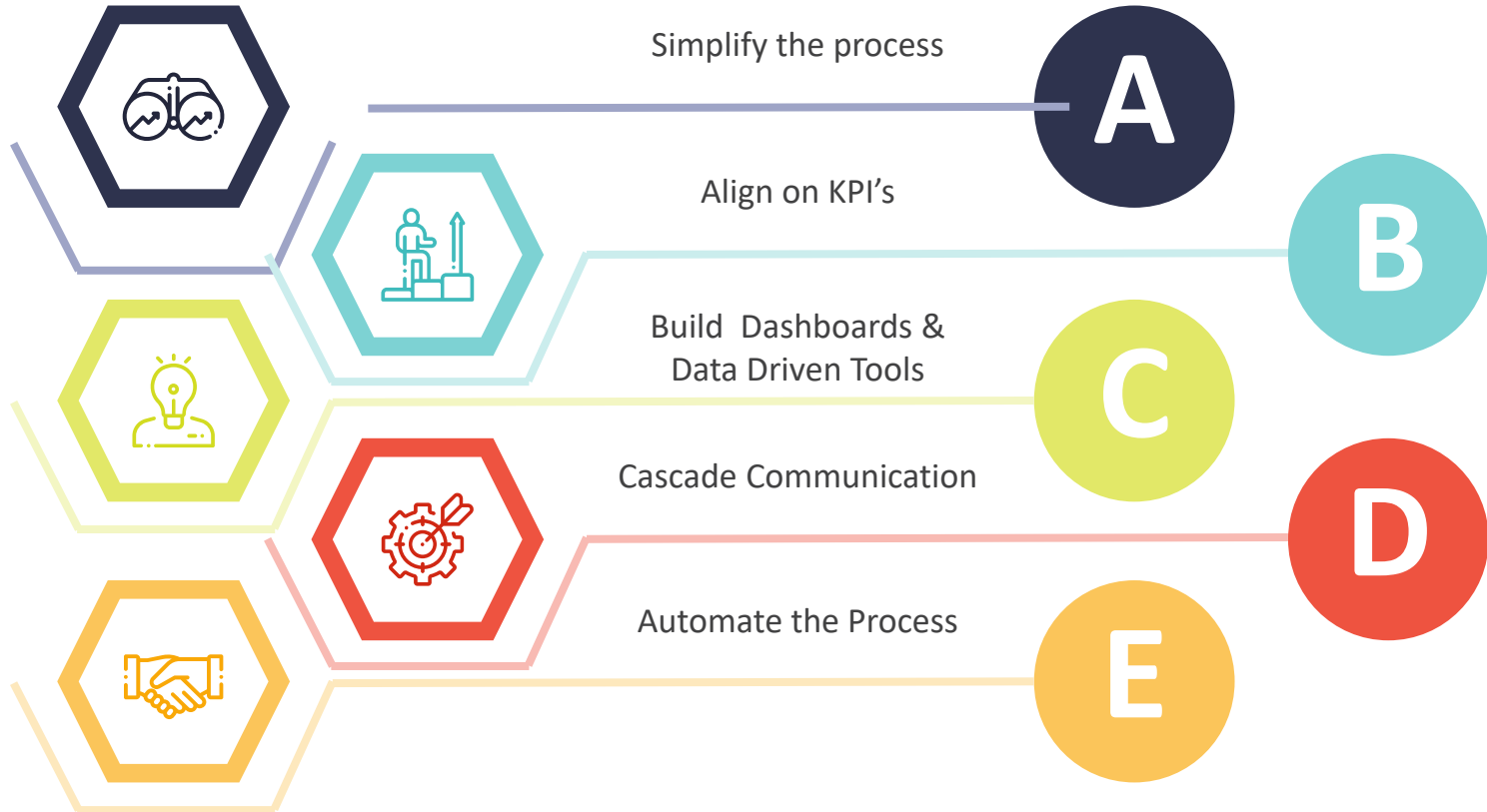
- Determine where you are
- Where you'd like to be
- Prioritized digital roadmap to bridge the gap



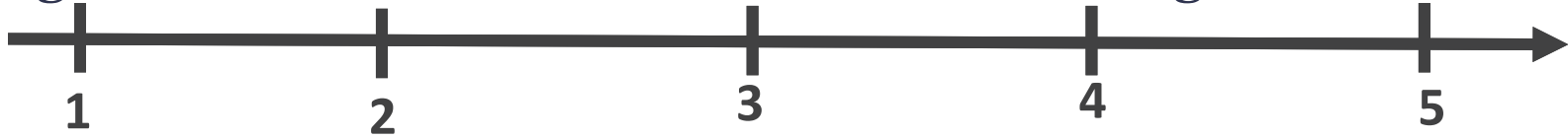
Courage and Curiosity to Launch the Digital Journey



One Organized Step at a Time



Digital Evolution Scale: Where Does Your Organization Rank?



Pre Digital

Transitional

Digital



Disjointed / Inefficient :

Siloed Systems
MS Excel combinations
Human effort
Static reporting

Seamless / Effective

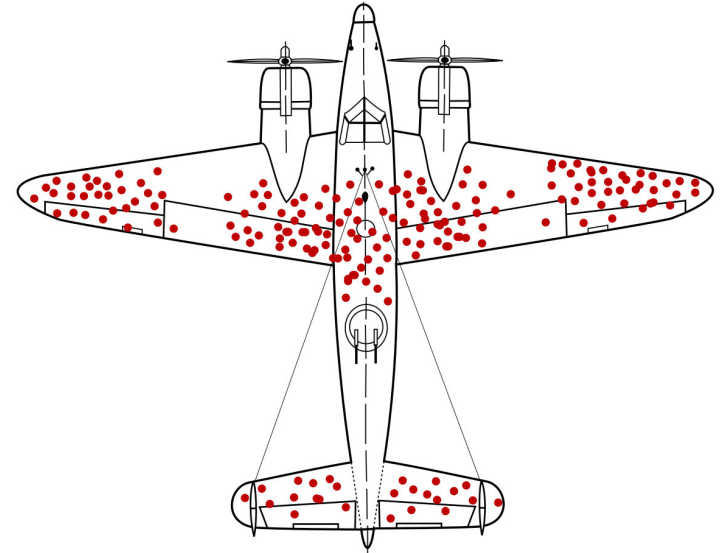
Integrated Systems
Automated Dashboards
Updated continuously
Machine Learning / AI



Why is Industry Knowledge Important?

The dots on the right are an example of where returning planes were getting shot

- Do you want to increase armor on the spots with or without bullet holes?



We Believe...

...the current environment poses great threats and potential opportunities

...strong financial indicators are becoming more critical by the day

...understanding where you have been is critical in determining where you are going

...organizations create their own financial success



**Quicker &
Better
Decisions**

**Drive
Consensus**

**Create a path
to financial
success**

Financial Empowerment



**Ease of
Use**

**Actionable
Financial
Intelligence**

Why Product Line Analysis?

Transform Data into Insights and Focus of Action!

- Organizations either are **overwhelmed with too much data** and/or **don't have any actionable data**
- Goal is to keep **internal resources low** while providing the necessary information to integrate with our decision-making tools
- Pinpointing gaps in financial performance to focus improvement efforts
- Helping decision makers **connect the dots**





An Approach to Service Line Analytics

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Pro Forma Costing Breakdown

	2021	
	% of Net	Amount \$
Net Revenue	100%	\$126,021,637
▢ Direct Expenses	75%	\$95,076,874
Capital Expenses	2%	\$3,091,219
Labor	26%	\$32,642,150
MD Fees	22%	\$27,525,087
Supplies	25%	\$31,818,418
Contribution Margin	25%	\$30,944,763
▢ Indirect Expenses	25%	\$31,715,806
Capital Expenses	1%	\$800,485
Other Expenses	25%	\$30,915,321
Operating Margin	-1%	(\$771,043)

Net Revenue by Payer

PayorClass	2021
Other Commercial	\$31,060,153
Commercial1	\$27,598,716
Medicare	\$27,227,933
Medicare Replacement	\$21,261,729
Medicaid HMO	\$10,893,029
Other Government	\$2,419,364
Self Pay	\$1,435,735
Medicaid	\$1,206,791
Workers Comp	\$1,079,316
Auto/Liability	\$729,400
Business Self Pay	\$572,157
Tricare	\$393,071
Total	\$126,021,637

Net Revenue by Patient Type

patient_type	2021
OP	\$59,705,932
Clinic Visit	\$27,618,474
IP Acute	\$22,046,371
ED	\$9,287,270
Observation	\$3,322,537
Psych	\$2,605,701
Interpretation by Physician	\$672,498
Non Patient	\$398,544
On Location Visit	\$364,310
Total	\$126,021,637

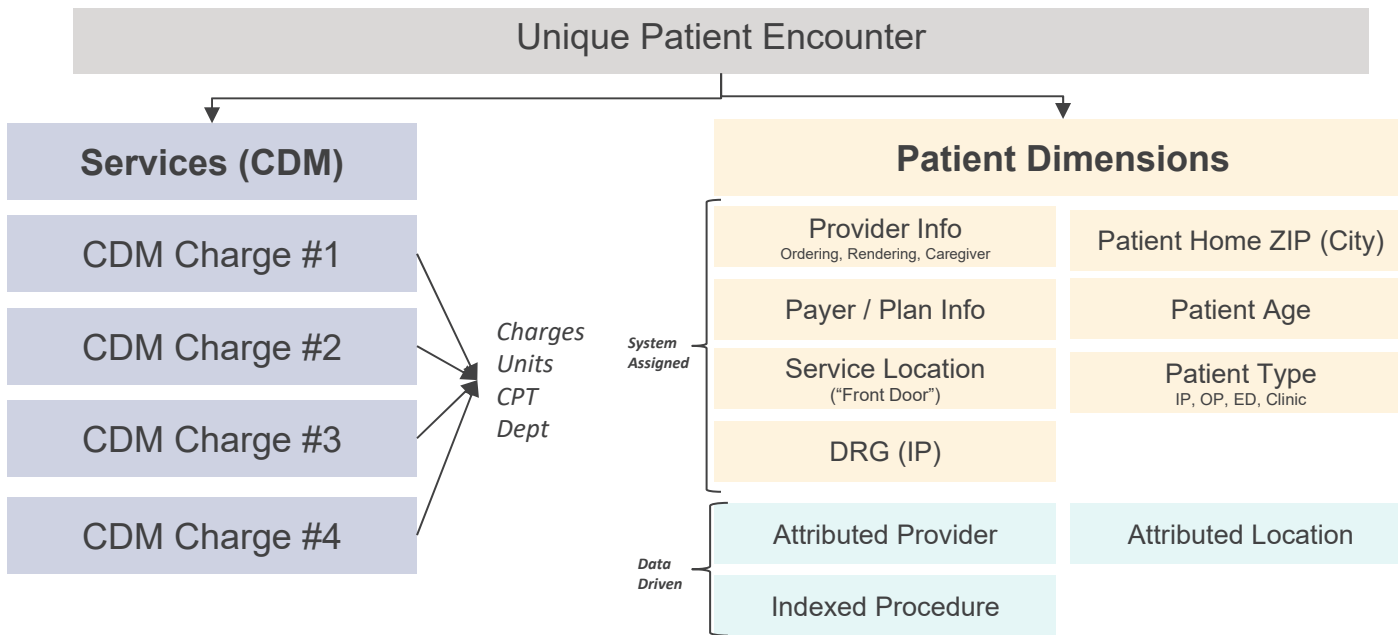
Net Revenue by Service Code

service_code	2021
General Medicine	\$16,740,324
Chemotherapy Series	\$15,277,172
Emergency Room	\$9,285,591
Orthopedics	\$7,514,655
Radiation Oncology	\$5,517,279
CV Family Medicine Main	\$4,350,989
Surgery	\$4,065,105
GYN Surgery	\$3,452,515
Same Day Surgery	\$3,432,871
CV Internal Medicine	\$2,855,110
OB Delivered	\$2,770,972
Physical Therapy	\$2,634,071
Psych	\$2,605,701
CV Ophthalmology	\$2,482,558
CV Walk In Clinic	\$2,422,243
MRI	\$2,301,388
Ophthalmology	\$2,218,706
Interventional Radiology	\$2,167,663
Total	\$126,021,637

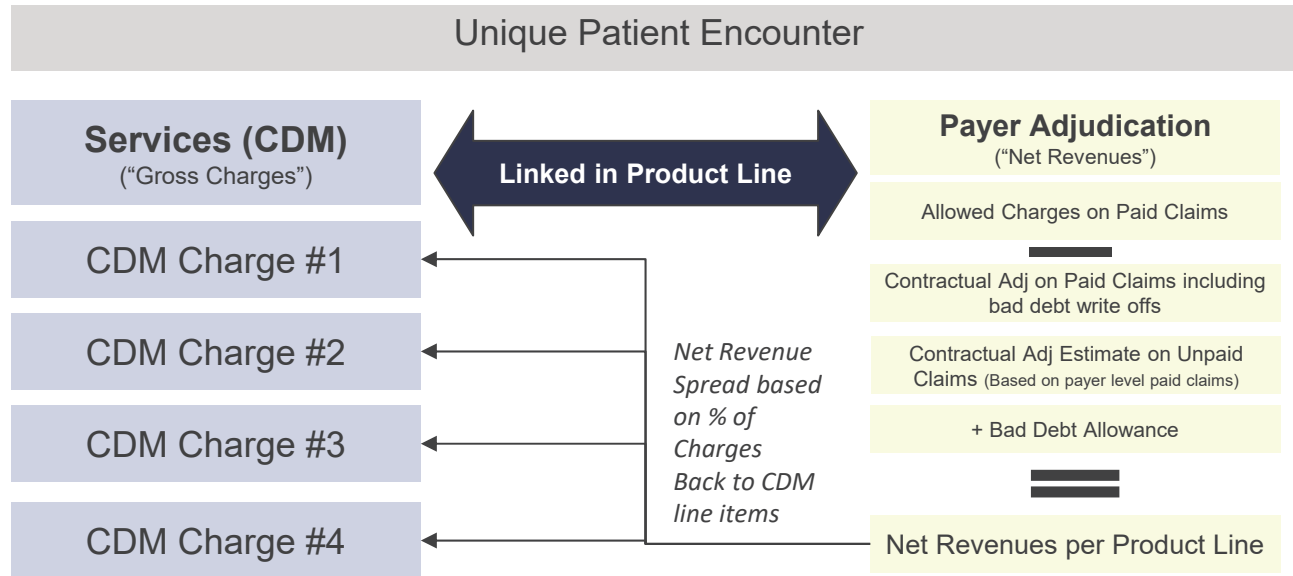
Yield



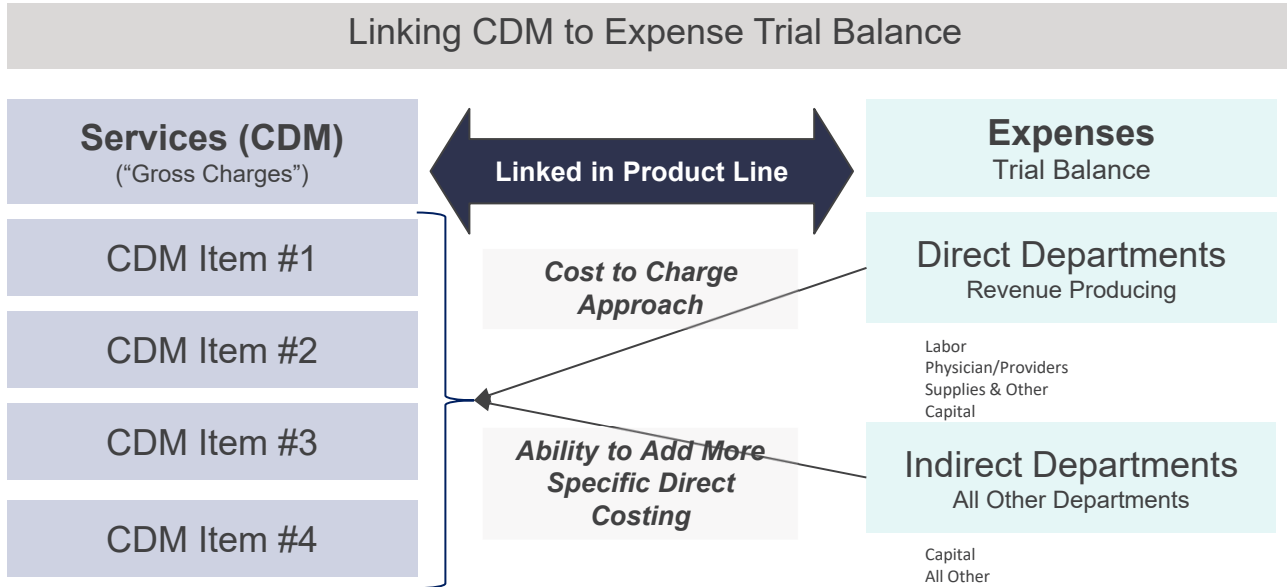
Data Model: Patient Encounter Dimensions



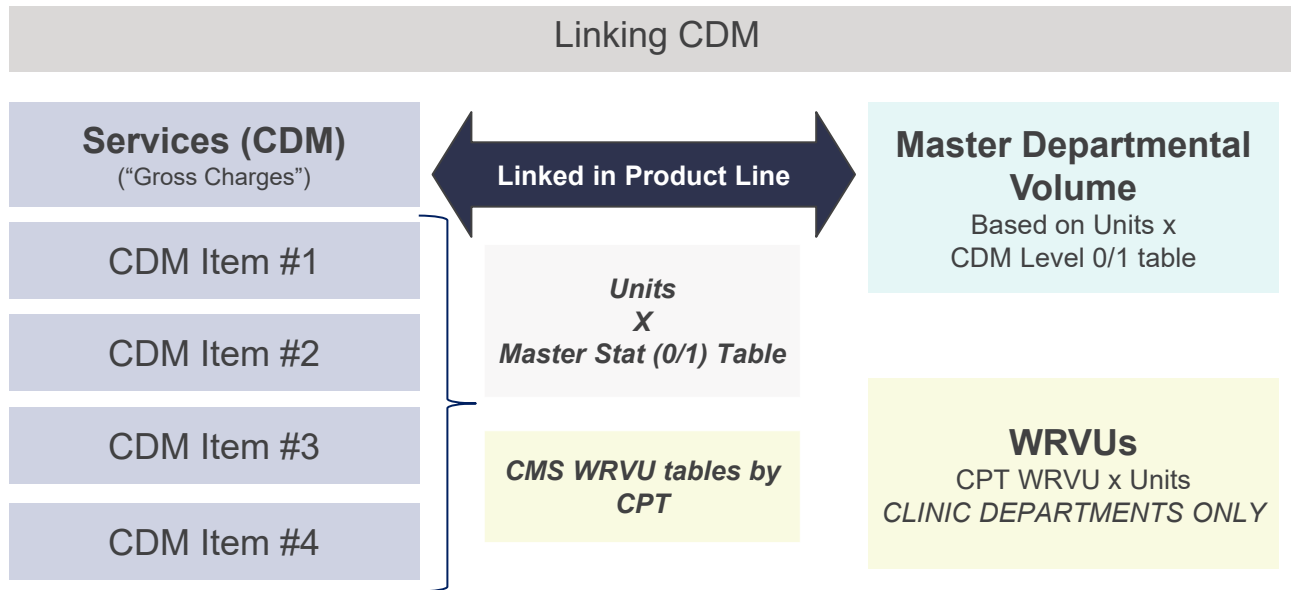
Data Model: Net Revenue Data Model



Data Model: Expense Linkages



Data Model: Additional Statistics

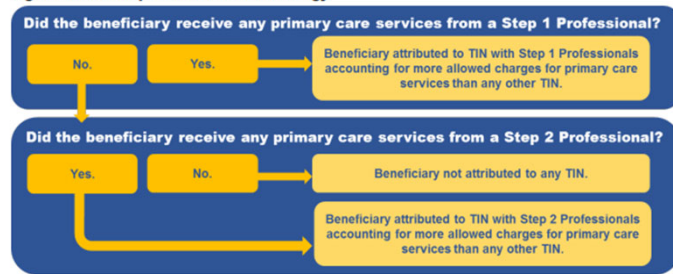


“Attributed Provider” Logic

Based on CMS logic used for QRURs and Value Modifiers

Process

Figure 1. Two-step attribution methodology



Attributed Provider = All services to individual MRNs assigned to the Rendering provider the most Primary Care Professional Charges between 10/1/2018 and 9/30/2020.

Applicable Codes

Primary Care Professional Charges

Table 3. Healthcare Common Procedure Coding System (HCPCS) primary care service codes

HCPCS codes	Brief description
99201–99205	New patient, office, or other outpatient visit
99211–99215	Established patient, office, or other outpatient visit
99304–99306	New patient, nursing facility care
99307–99310	Established patient, nursing facility care
99315–99316	Established patient, discharge day management service
99318	Established patient, other nursing facility service
99324–99328	New patient, domiciliary or rest home visit
99334–99337	Established patient, domiciliary or rest home visit
99339–99340	Established patient, physician supervision of patient (patient not present) in home, domiciliary, or rest home
99341–99345	New patient, home visit
99347–99350	Established patient, home visit
G0402	Initial Medicare visit
G0438	Annual wellness visit, initial
G0439	Annual wellness visit, subsequent
G0463	Hospital outpatient clinic visit (Electing Teaching Amendment hospitals only)



Product Line Report Definitions

Direct Expenses

Operating expenses in revenue producing cost centers
Allocated from departments to CDM lines based on gross charges

Indirect Expenses

All other operating expenses.
Allocated to direct departments based on Medicare cost report allocation methods

Contribution Margin

Net Revenues – Direct Expenses

Contribution Margin %

$$\frac{[\text{Net Revenues} - \text{Direct Expenses}]}{\text{Net Revenues}}$$

Operating Margin

Net Revenues – Direct Expenses – Indirect Expenses

Operating Margin % of Rev

$$\frac{[\text{Net Revenues} - \text{Direct Expenses} - \text{Indirect Expenses}]}{\text{Net Revenues}}$$

Yield %

$$\frac{\text{Net Revenues}}{\text{Estimated Net Revenues at Medicare FFS Payment Rates}}$$





Case Study: Specific Clinic Analysis

Overall Profitability

Situation: You are looking for areas of financial improvement

- Do you understand where you make money?
- Do you know what services are losing money?
- Do you understand the magnitude of your subsidies?

Overall Profitability

Pro Forma Costing Breakdown			Net Revenue by Payer		Net Revenue by Service Code	
2021			PayorClass	2021	service_code	2021
	% of Net	Amount \$	Other Commercial	\$31,060,153	General Medicine	\$16,740,324
Net Revenue	100%	\$126,021,637	Commercial1	\$27,598,716	Chemotherapy Series	\$15,277,172
▣ Direct Expenses	75%	\$95,076,874	Medicare	\$27,227,933	Emergency Room	\$9,285,591
Capital Expenses	2%	\$3,091,219	Medicare Replacement	\$21,261,729	Orthopedics	\$7,514,655
Labor	26%	\$32,642,150	Medicaid HMO	\$10,893,029	Radiation Oncology	\$5,517,279
MD Fees	22%	\$27,525,087	Other Government	\$2,419,364	CV Family Medicine Main	\$4,350,989
Supplies	25%	\$31,818,418	Self Pay	\$1,435,735	Surgery	\$4,065,105
			Medicaid	\$1,206,791	GYN Surgery	\$3,452,515
			Workers Comp	\$1,079,316	Same Day Surgery	\$3,432,871
Contribution Margin	25%	\$30,944,763	Auto/Liability	\$729,400	CV Internal Medicine	\$2,855,110
			Business Self Pay	\$572,157	OB Delivered	\$2,770,972
▣ Indirect Expenses	25%	\$31,715,806	Total	\$126,021,637	Physical Therapy	\$2,634,071
Capital Expenses	1%	\$800,485			Psych	\$2,605,701
Other Expenses	25%	\$30,915,321	Net Revenue by Patient Type		CV Ophthalmology	\$2,482,558
			patient_type	2021	CV Walk In Clinic	\$2,422,243
Operating Margin	-1%	(\$771,043)	OP	\$59,705,932	MRI	\$2,301,388
			Clinic Visit	\$27,618,474	Ophthalmology	\$2,218,706
			IP Acute	\$22,046,371	Total	\$126,021,637
			ED	\$9,287,270		
			Observation	\$3,322,537		
			Psych	\$2,605,701		
			Interpretation by Physician	\$672,498		
			Non Patient	\$398,544		
			On Location Visit	\$364,310		
			Total	\$126,021,637		

Yield



Profitability by Department

Service Code		By Dept						
service_code	2021	Fiscal Year	2021					
		PL Department	Yield %	Net Revenue	Contribution Margin	CM % Net Rev	Operating Margin	Op Margin % of Rev
General Medicine	\$16,740,324	☐ Clinics	117%	\$27,525,290	\$1,442,122	5.2%	(\$4,258,768)	-15.5%
Chemotherapy Series	\$15,277,172	☐ Pharmacy	110%	\$19,095,895	(\$472,319)	-2.5%	(\$3,027,835)	-15.9%
Emergency Room	\$9,285,591	☐ Radiology	200%	\$18,467,020	\$9,993,315	54.1%	\$5,763,835	31.2%
Orthopedics	\$7,514,655	☐ Operating Rooms	154%	\$12,699,043	\$5,941,948	46.8%	\$3,435,096	27.1%
Radiation Oncology	\$5,517,279	☐ Laboratory	185%	\$11,277,874	\$3,978,573	35.3%	\$1,083,314	9.6%
CV Family Medicine Main	\$4,350,989	☐ Radiation Oncology	202%	\$5,569,933	\$5,569,933	100.0%	\$5,569,933	100.0%
Surgery	\$4,065,105	☐ Emergency Rooms	155%	\$5,207,192	\$52,738	1.0%	(\$1,241,992)	-23.9%
GYN Surgery	\$3,452,515	☐ Anesthesiology	185%	\$4,052,887	\$1,408,466	34.8%	\$758,562	18.7%
Same Day Surgery	\$3,432,871	☐ Medical/Surgical Floor	115%	\$3,509,892	(\$339,222)	-9.7%	(\$2,137,180)	-60.9%
CV Internal Medicine	\$2,855,110	☐ Physical Therapy	218%	\$2,857,785	\$670,956	23.5%	(\$1,065,334)	-37.3%
OB Delivered	\$2,770,972	☐ Psychiatric Unit	149%	\$1,946,630	(\$60,452)	-3.1%	(\$1,478,612)	-76.0%
Physical Therapy	\$2,634,071	☐ OB/Gyn/Pediatrics	179%	\$1,760,222	\$297,211	16.9%	(\$386,177)	-21.9%
Psych	\$2,605,701	☐ Same Day Surgery	247%	\$1,637,624	\$126,823	7.7%	(\$1,283,382)	-78.4%
CV Ophthalmology	\$2,482,558	☐ Recovery Rooms	167%	\$1,525,618	\$1,176,869	77.1%	\$851,090	55.8%
CV Walk In Clinic	\$2,422,243	☐ Respiratory Care	142%	\$1,421,070	\$787,452	55.4%	\$428,512	30.2%
MRI	\$2,301,388	☐ ICCU	116%	\$1,320,712	(\$111,759)	-8.5%	(\$898,735)	-68.0%
Ophthalmology	\$2,218,706	☐ Occupational Therapy	181%	\$1,179,308	\$207,153	17.6%	(\$61,552)	-5.2%
Interventional Radiology	\$2,167,663	☐ Supplies	127%	\$1,040,287	\$1,040,287	100.0%	\$1,040,287	100.0%
Ultrasound	\$1,874,869	☐ Speech Therapy	216%	\$1,022,706	\$413,570	40.4%	(\$317,825)	-31.1%
CT Scans	\$1,844,130	☐ EKG	109%	\$813,209	\$477,545	58.7%	\$477,545	58.7%
CV Orthopedics	\$1,774,041	☐ Hospitalist Program	132%	\$654,450	\$462,916	70.7%	\$325,705	49.8%
Laboratory Clinic	\$1,555,936	☐ Nursery	114%	\$631,779	(\$1,922,520)	-304.3%	(\$3,115,658)	-493.2%
Podiatry	\$1,431,476	☐ Cardiac Rehab	Infinity	\$422,386	\$251,272	59.5%	\$250,078	59.2%
CV Pediatrics	\$1,399,726	☐ 20/20 Optical	83%	\$82,371	(\$511,798)	-621.3%	(\$641,131)	-778.3%
CV OBGYN	\$1,285,284	Total	144%	\$126,021,637	\$30,944,763	24.6%	(\$771,043)	-0.6%
CV Dermatology	\$1,143,105							
Mammography	\$1,133,151							
Total	\$126,021,637							



Profitability by DRG

By Payer							
Fiscal Year	2021						
drg	Yield %	Gross Charges	Net Revenue	Contribution Margin	CM % Net Rev	Operating Margin	Op Margin % of Rev
470	127%	\$5,424,562	\$2,249,871	\$469,950	20.9%	(\$46,868)	-2.1%
885	142%	\$4,556,847	\$1,704,768	(\$131,478)	-7.7%	(\$1,238,147)	-72.6%
871	117%	\$3,963,799	\$1,558,247	\$308,381	19.8%	(\$195,464)	-12.5%
177	124%	\$3,682,410	\$1,790,871	\$494,845	27.6%	\$8,532	0.5%
291	97%	\$2,013,739	\$694,715	\$42,267	6.1%	(\$236,047)	-34.0%
807	147%	\$1,924,473	\$814,275	\$40,050	4.9%	(\$241,581)	-29.7%
788	136%	\$1,376,743	\$573,258	\$164,255	28.7%	\$15,636	2.7%
193	102%	\$1,090,023	\$406,748	\$68,031	16.7%	(\$72,087)	-17.7%
483	114%	\$1,053,968	\$380,150	\$19,853	5.2%	(\$77,103)	-20.3%
522	105%	\$934,833	\$309,155	\$5,157	1.7%	(\$90,361)	-29.2%
853	125%	\$910,643	\$429,385	\$143,464	33.4%	\$39,053	9.1%
795	402%	\$896,773	\$357,689	\$135,437	37.9%	\$105,122	29.4%
872	80%	\$880,855	\$211,034	(\$62,036)	-29.4%	(\$170,491)	-80.8%
481	102%	\$815,233	\$258,484	(\$82)	-0.0%	(\$92,087)	-35.6%
329	135%	\$795,886	\$366,354	\$116,148	31.7%	\$25,709	7.0%
065	88%	\$784,302	\$204,508	\$1,718	0.8%	(\$88,708)	-43.4%
280	107%	\$773,319	\$269,823	\$20,891	7.7%	(\$85,655)	-31.7%
751	182%	\$731,414	\$376,937	\$78,533	20.8%	(\$102,262)	-27.1%
175	99%	\$721,037	\$241,381	\$27,509	11.4%	(\$63,765)	-26.4%
208	89%	\$707,044	\$238,115	\$1,389	0.6%	(\$93,856)	-39.4%
330	110%	\$633,090	\$224,855	\$39,757	17.7%	(\$28,834)	-12.8%
189	122%	\$576,191	\$193,975	\$15,227	7.8%	(\$60,361)	-31.1%
378	100%	\$566,176	\$140,860	(\$24,506)	-17.4%	(\$93,382)	-66.3%
460	79%	\$564,886	\$226,552	\$31,291	13.8%	(\$21,212)	-9.4%
064	101%	\$504,205	\$164,255	\$32,624	19.9%	(\$27,180)	-16.5%
705	120%	\$488,831	\$210,535	\$63,607	20.8%	\$6,050	4.7%
Total	122%	\$63,486,387	\$24,621,461	\$4,004,204	16.3%	(\$4,164,668)	-16.9%



Profitability by Procedure

Index Procedure Summary		By Service Code						
Index Procedure Name	2021	Fiscal Year	2021					
		service_code	Yield %	Net Revenue	Contribution Margin	CM % Net Rev	Operating Margin	Op Margin % of Rev
E&M Visit	\$22,357K	Same Day Surgery	196%	\$2,502,429	(\$14,350)	-0.6%	(\$1,383,589)	-55.3%
Colonoscopy	\$2,784K	General Medicine	121%	\$200,456	(\$3,148)	-1.6%	(\$78,231)	-39.0%
Total Knee	\$2,235K	Surgery	132%	\$77,928	\$9,763	12.5%	(\$12,310)	-15.8%
Cataract Removal	\$2,026K	Urology	93%	\$3,300	(\$902)	-27.3%	(\$2,129)	-64.5%
Total Hip	\$1,406K	CV Family Medicine Main	139%	\$160	\$44	27.7%	\$19	11.8%
Joint Aspiration	\$1,025K	Assisted Living						
Other Knee	\$983K	Assisted Living2						
Shoulder	\$807K	Assisted Living3						
Central Line	\$761K	Barret Care Center						
Debridement	\$746K	Businesss Charges						
Laparscopic Procedures	\$599K	Cardiac Rehab						
Appendectomy	\$518K							
Laparoscopic cholecystectomy	\$508K							
Dx bone marrow bx & aspir	\$459K							
Wrist	\$428K							
Injection Eye Drug	\$400K							
Endoscopy (EGD)	\$367K							
Breast Biopsy	\$328K							
Tonsillectomy	\$324K							
Hernia	\$294K							
Aspiration of Spine	\$277K							
Cholecystectomy	\$247K							
Endovascular	\$238K							
Other Eye	\$233K							
Endoscopy	\$224K							
Carpal Tunnel Surgery	\$222K							
Total	\$41,414K							

By Payer		2021						
Fiscal Year	2021	PayorClass	Yield %	Net Revenue	Contribution Margin	CM % Net Rev	Operating Margin	Op Margin % of Rev
		Other Commercial	358%	\$1,045,595	\$522,273	49.9%	\$238,758	22.8%
		Commercial1	305%	\$896,730	\$364,039	40.6%	\$75,986	8.5%
		Medicare Replacement	87%	\$384,562	(\$333,324)	-86.7%	(\$699,690)	-181.9%
		Medicare	100%	\$301,397	(\$419,558)	-139.2%	(\$794,867)	-263.7%
		Medicaid HMO	76%	\$92,898	(\$116,210)	-125.1%	(\$225,327)	-242.6%
		Other Government	87%	\$21,898	(\$21,654)	-98.9%	(\$44,635)	-203.8%
		Medicaid	114%	\$19,205	\$729	3.8%	(\$7,387)	-38.5%
		Self Pay	244%	\$12,894	\$3,145	24.4%	(\$2,229)	-17.3%
		Tricare	93%	\$9,092	(\$8,031)	-88.3%	(\$16,848)	-185.3%
		Total	185%	\$2,784,272	(\$8,593)	-0.3%	(\$1,476,240)	-53.0%

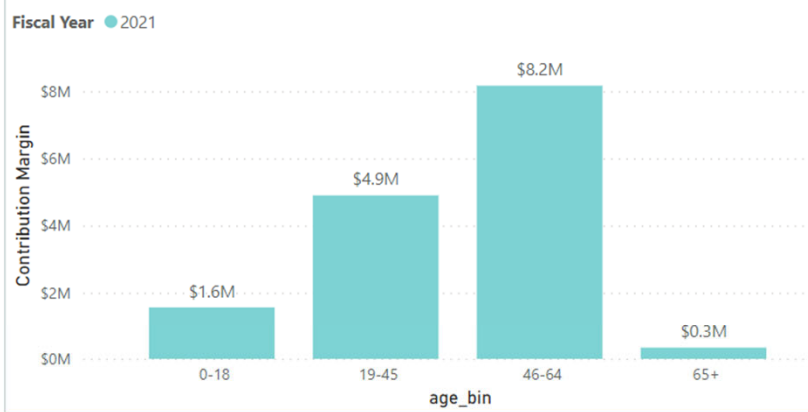


Profitability by Patient Origin

Contribution Margin By City

City	2021
Lismore	\$14,552K
Kanaranzi	\$405K
Adrian	\$21K
Rushmore	\$14K
Leota	\$0K
Reading	\$0K
Bigelow	\$0K
Wilmont	\$0K
Brewster	(\$3K)
Total	\$14,989K

Contribution Margin By Patient Age



Charges by County



Contribution Margin By Patient Type





Case Study: Payor Contracting

Analyzing Payor Contracts

Situation: You are in the middle of payor contacting

- Do you truly understand your actual payment rates?
- Is there disparity between payors?
- Do you understand the magnitude of your decisions?
- Are the current contracts profitable?



Profitability by Payor

By Payer											
Fiscal Year	2021										
PayorClass	Yield %	WRVU (v)	Rev per WRVU	Gross Charges	Net Revenue	Contribution Margin	CM % Net Rev	Operating Margin	Op Margin % of Rev	Net Revenue Mcr	
Medicare	101%	94,319	\$314	\$111,494,499	\$29,621,049	(\$1,131,414)	-3.8%	(\$11,110,923)	-37.5%	\$29,340,096	
Medicare Replacement	107%	73,514	\$293	\$77,278,833	\$21,524,083	(\$40,624)	-0.2%	(\$7,102,544)	-33.0%	\$20,093,695	
Commercial 1	233%	40,973	\$674	\$47,105,672	\$27,598,716	\$14,619,925	53.0%	\$10,214,080	37.0%	\$11,848,104	
Other Commercial	269%	38,757	\$781	\$44,883,666	\$30,261,694	\$17,898,383	59.1%	\$13,702,183	45.3%	\$11,264,978	
Medicaid HMO	99%	38,506	\$283	\$43,865,033	\$10,893,029	(\$2,092,255)	-19.2%	(\$6,559,814)	-60.2%	\$11,006,693	
Medicaid	90%	4,305	\$280	\$5,725,396	\$1,206,791	(\$390,597)	-32.4%	(\$1,017,519)	-84.3%	\$1,336,866	
Self Pay	139%	5,535	\$259	\$4,701,199	\$1,435,735	\$163,105	11.4%	(\$241,221)	-16.8%	\$1,033,123	
Workers Comp	268%	1,824	\$591	\$1,909,753	\$1,078,465	\$602,901	55.9%	\$426,505	39.5%	\$402,990	
Tricare	113%	1,236	\$318	\$1,380,782	\$393,071	\$17,988	4.6%	(\$112,272)	-28.6%	\$347,412	
Auto/Liability	610%	511	\$1,396	\$875,577	\$713,394	\$556,892	78.1%	\$492,917	69.1%	\$117,002	
	282%	657	\$842	\$789,601	\$552,963	\$319,853	57.8%	\$237,034	42.9%	\$196,125	
Business Self Pay	374%	128	\$4,458	\$737,674	\$572,157	\$401,246	70.1%	\$338,264	59.1%	\$152,942	
Other	118%	134	\$271	\$219,907	\$36,475	(\$6,680)	-18.3%	(\$21,830)	-59.8%	\$30,887	
Out of State Medicaid	187%	181	\$512	\$203,261	\$92,625	\$22,267	24.0%	(\$6,991)	-7.5%	\$49,648	
Other Government	132%	89	\$295	\$119,523	\$26,247	(\$2,920)	-11.1%	(\$12,998)	-49.5%	\$19,889	
State Health Plan	226%	28	\$340	\$25,446	\$9,444	\$6,153	65.1%	\$4,846	51.3%	\$4,173	
Medicare B Only	151%	14	\$225	\$12,135	\$3,257	\$129	4.0%	(\$679)	-20.8%	\$2,152	
Hospice	131%	18	\$135	\$4,940	\$2,441	\$410	16.8%	(\$81)	-3.3%	\$1,864	
Total	144%	300,730	\$419	\$341,332,898	\$126,021,637	\$30,944,763	24.6%	(\$771,043)	-0.6%	\$87,248,638	





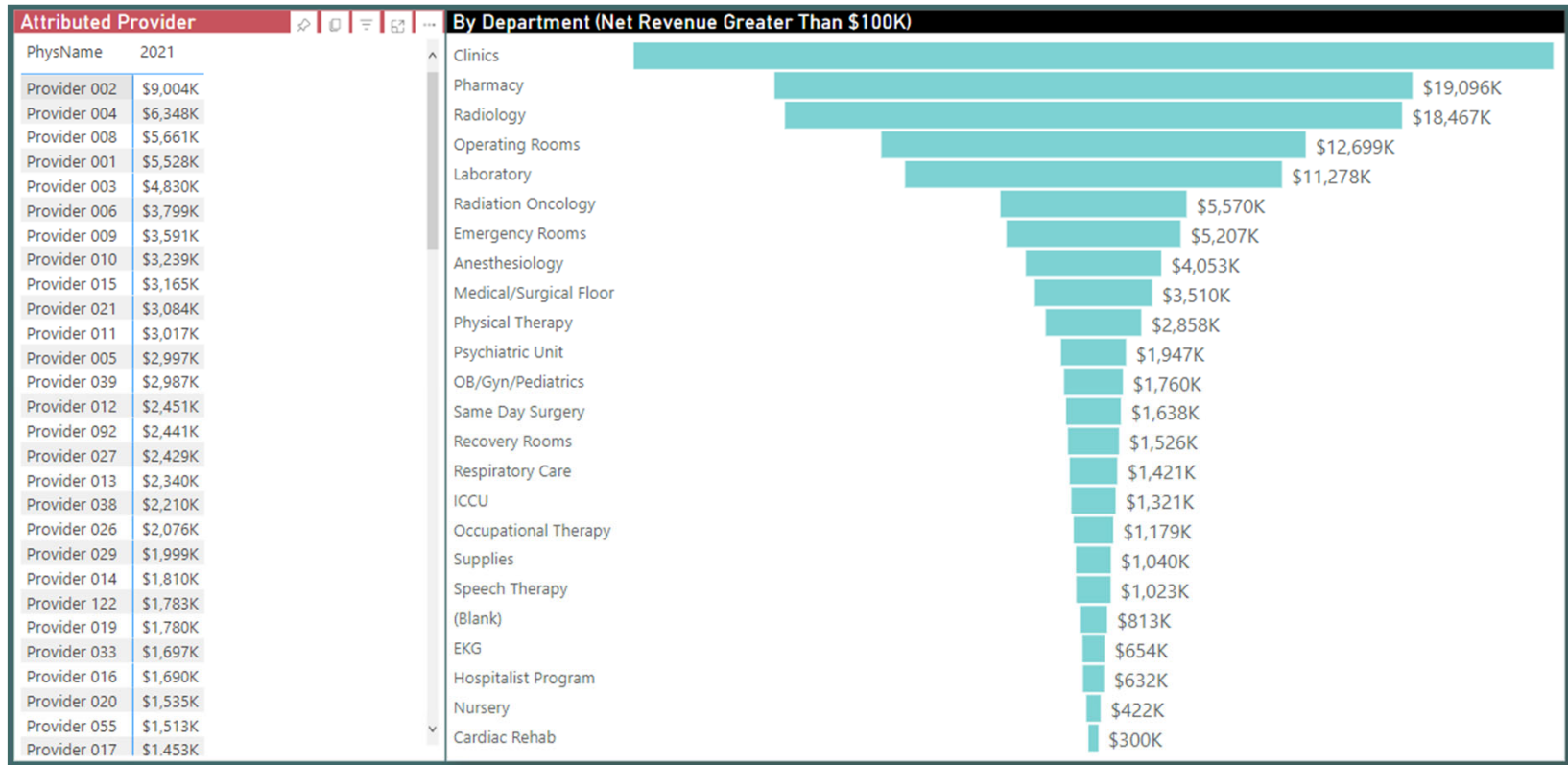
Case Study: Provider Value

Understanding Your Providers

Situation: You are looking to update your contracts with your providers

- Do you easily know how many WRVU's they generate?
- What is their current productivity levels?
- Are they profitability all in? Professional only?

Provider Revenue



Provider Profitability

By Rendering Provider		By Dept						
PhysName	2021	Fiscal Year	2021					
		PL Department	Yield %	Net Revenue	Contribution Margin	CM % Net Rev	Operating Margin	Op Margin % of Rev
Provider 002	\$9,004,155	Operating Rooms	152%	\$3,014,315	\$1,128,987	37.5%	\$537,362	17.8%
Provider 004	\$6,348,080	Clinics	145%	\$698,112	(\$231,430)	-33.2%	(\$422,712)	-60.6%
Provider 008	\$5,660,988	Anesthesiology	185%	\$506,940	\$181,915	35.9%	\$102,036	20.1%
Provider 001	\$5,527,940	Pharmacy	112%	\$363,815	(\$53,753)	-14.8%	(\$108,285)	-29.8%
Provider 003	\$4,829,979	Physical Therapy	236%	\$332,249	\$99,511	30.0%	(\$85,277)	-25.7%
Provider 006	\$3,798,967	Recovery Rooms	155%	\$256,046	\$194,663	76.0%	\$137,324	53.6%
Provider 009	\$3,591,414	Radiology	186%	\$149,216	\$90,960	61.0%	\$61,883	41.5%
Provider 010	\$3,238,748	Medical/Surgical Floor	130%	\$129,460	\$14,212	11.0%	(\$39,621)	-30.6%
Provider 015	\$3,164,926	Laboratory	158%	\$77,149	\$37,886	49.1%	\$22,312	28.9%
Provider 021	\$3,084,280	Supplies	139%	\$50,042	\$50,042	100.0%	\$50,042	100.0%
Provider 011	\$3,017,305	Occupational Therapy	146%	\$44,635	\$7,448	16.7%	(\$2,830)	-6.3%
Provider 005	\$2,996,821	Hospitalist Program	119%	\$20,243	(\$54,865)	-271.0%	(\$89,948)	-444.4%
Provider 039	\$2,987,165	Respiratory Care	131%	\$8,687	\$5,193	59.8%	\$3,214	37.0%
Provider 012	\$2,450,957	ICCU	422%	\$4,769	\$2,293	48.1%	\$933	19.6%
Provider 092	\$2,440,819	Emergency Rooms	101%	\$1,883	\$327	17.4%	(\$64)	-3.4%
Provider 027	\$2,428,712	EKG	118%	\$1,663	\$1,349	81.1%	\$1,123	67.6%
Provider 013	\$2,340,203	OB/Gyn/Pediatrics	63%	\$685	(\$53)	-7.7%	(\$398)	-58.1%
Provider 038	\$2,209,803	Same Day Surgery	87%	\$577	(\$757)	-131.2%	(\$2,001)	-347.0%
Provider 026	\$2,075,840	Speech Therapy	100%	\$456	\$149	32.7%	(\$219)	-48.2%
Provider 029	\$1,998,913		140%	\$49	\$33	68.2%	\$33	68.2%
Provider 014	\$1,809,534	Total	153%	\$5,660,988	\$1,474,111	26.0%	\$164,906	2.9%
Provider 122	\$1,782,754							
Provider 019	\$1,779,618							
Provider 033	\$1,696,917							
Provider 016	\$1,690,132							
Provider 020	\$1,535,175							
Provider 055	\$1,513,460							
Total	\$122,929,879							





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