

Table 11.7. Common Ratios for Operational Activity Analysis and Control

	Definition ^(a)	Formula ^(a)	Premier, Inc., Benchmark ^(b)	Goal
Average length of stay (days)	The average stay counted by days of all or a class of inpatients discharged over a given period; used as an indicator of efficiency in containing inpatient service costs.	Patient-days/ discharges	4.35	Lower
Maintained bed occupancy %	A measure of the volume and utilization of inpatient services	Patient-days/ (maintained beds × 365)	57.57	Higher
Pre-registration rate	Trending indicator that patient access processes are timely, accurate, and efficient	Number of patient encounters preregistered/number of scheduled patient encounters	n/a	Higher
Point-of-service (POS) cash collections	Indicates potential exposure to bad debt, accelerates cash collection, and can reduce collection costs	POS payments/total patient cash collected	n/a	Higher
Days in total discharged, not final billed	Indicates revenue cycle performance and can identify performance issues affecting cash flow	Gross A/R, not final billed/average daily gross patient revenue	n/a	Lower
Charity care	Indicates services provided to patients deemed unable to pay	Charity care write-off/ gross patient services revenue	n/a	Depends

(a) "Key Hospital Financial Statistics and Ratio Medians: Glossary of Formulas." HFMA. December 29, 2011, and HFMA MAP Keys. HFMA.

(b) Premier, Inc., annual numbers from quarter 2, 2012, data.

n/a = not available.

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