Conversion Rates: The New Patient Process

ORTHO2

by **K. Ryan Alexander**

Early on in my career I heard consultants talking about 90% conversion rates, and as impressive as the numbers were, that average always seemed high to me. If one first removes all the patients who aren't likely to start, then 90% is certainly achievable. The problem with this approach is that it is difficult to maintain consistent tracking habits, and it is also rife with double dipping – where a Phase 1/Phase 2 start is counted twice for one exam, or patients are removed from the total exams because they are too young to start but are then counted when they start. If the formula allows a patient to start twice but only comes in for one exam, or counts a start that was ever recorded as an exam, then the number is inflated. This is how we find some practices claiming conversion rates over 100%.

Understanding your conversion rate is important when analyzing the success of your new patient process. How you calculate your conversion rate is important because it becomes the benchmark for how you compare with other offices, and how you compare to other offices in your area is vital to making informed decisions and improvements to your new patient process.

I will note that as long as a consultant is consistent in their approach then they have a benchmark to compare apples to apples with the other practices and can still make good informed recommendations.

We suggest that the most accurate calculation and best benchmark for comparing offices is simply total first time starts /total exams = NP conversion %. A monthly conversion rate calculated this way will fluctuate significantly each month depending on how many patients you place on Observation Recall, or have coming off of Recall and starting. The most important statistic to track with respect to the conversion rate is your running 12 month conversion rate, which should remain relatively constant as compared to the same 12 months the year before. Tracking your conversion rate average for the past 12 months will give you the most accurate and global picture with respect to the success of your new patient process, and give you the best opportunity to compare your system to other practices.

Conversion rates vary sometimes by area, but mainly by treatment approach. A practice that does minimal Phase 1 should shoot for a 65-70% conversion rate, and a practice that does heavy Phase I should target 75-80%. There is not necessarily a one-size-fits-all approach, and the key is to make sure that wherever your practice is on this spectrum that you are continually working to improve your new patient process.

As a consultant, there are always a lot of numbers and statistics that we have to weed through to get to the most useful data. The key is to be consistent with what you are tracking, and if you use a formula that is different than what most use make sure that you take that into consideration when making comparisons with other practices. Furthermore, what are you doing to improve these numbers? Having accurate statistics that are tracked thoroughly with a detailed follow-up process will help immensely and result in improved performance and growth.

In February I will be speaking at the Ortho2 Users Group Meeting on statistics and tracking. I'll be reviewing my new patient tracking spreadsheet that my clients and treatment coordinators use to track every single new patient exam. I hope to see you there. ☉

About the Author

K. Ryan Alexander is a senior consultant with Alexander & Sons, and has developed a large base of happy, satisfied clients using proven Millenium Management Systems. He is presenting a class at the 2016 Users Group Meeting in Las Vegas.