

# Cheat Sheet

## Formulas and Benchmarks for Revenue Cycle Excellence

A cheat sheet for Key Performance Indicators



# Formulas & Benchmarks

TERM	FORMULA	BENCHMARK
Aging Analysis	Aging % for each bucket = (AR in bucket ÷ Total AR) × 100	0-30 days 70-90%; 31-60 5-15%; 61-90 <10%; 90+ days ideally <10%.
AR Turnover ratio	Net Patient Service Revenue ÷ Average AR	Typical range: 8-12 times per year
Average Reimbursement rate by payer	Sum of total payments ÷ Sum of total submitted charges	35-40%
Clean claim rate	(Clean Claims ÷ Total Claims) × 100	≥ 95% ideal
Denial rate	Total # of Denials ÷ Total Payment Transactions (payments + denials)	< 10% indicates good control; High performing is approx. 5-8%
Days Receivable Outstanding	Total A/R ÷ (Net Revenue ÷ Days in Period)	Hospitals ~30-45; physician practices/specialty groups ~ 25-30
First Pass Resolution Rate	(Claims Paid on First Submission ÷ Total Claims) × 100	≥ 95% strong performance
Gross Collection Rate	(Payments ÷ Charges) × 100	Varies by specialty; used for trend monitoring
Net Collection Rate	(Payments ÷ [Charges - Contractual Adjustments]) × 100	97%+ is strong; below 90% signals underperformance

Check out [revcosolutions.com/resources](https://revcosolutions.com/resources) for the full Key Performance Benchmarks E-Book!

