

Calculating Annual and Daily Goals To Understand Meltdown Between Scheduling Goal vs Production Goal vs Collection Goal

\$850,000 annual collection goal calculated by adding:

- Overhead costs
- Dentist's compensation
- Debt service
- Desired profit for Dr./owner – ROI (return on investment)

$\$850,000 \div 190 \text{ work days/year} = \$4474/\text{day}$ **collection** goal

$\$4474/\text{day}$ collections @ 95% collection rate = $\$4709/\text{day}$ **production** goal

- Collection % rate calculated by dividing collections for any period by production for the same period.

$$\frac{\$850,000 \text{ collection}}{\$890,000 \text{ production}} = 95\% \text{ collection rate}$$

$\$4709/\text{day}$ production goal @ 84% show rate (percent of appointments kept as appointed = $\$5606/\text{day}$ **scheduling** goal

- Show rate calculated by dividing number of appointments kept for any period (not counting emergencies, last minute fill-ins, etc.) by number of appointments made for that same period.
- 59 appointments were kept as appointed, not counting emergencies, etc.
- 70 appointments were scheduled during that period
- $59 \div 70 = 84\%$ show rate

$\$5606/\text{day}$ scheduling goal

- $\$4474/\text{day}$ collection goal

$\$1132/\text{day}$ meltdown between treatment **scheduled** vs **production** vs **collections**