

Measure what really matters

**Must-track metrics for optimizing your
EHR's patient financial experience**





So you've added the latest EHR features—now what?

It's time to start measuring their impact.

While EHR systems offer powerful tools to track traditional revenue cycle metrics, they don't tell you everything you need to know about your patient financial experience. And that's a problem. Because patient collections are becoming more and more (and more!) critical to your overall financial picture, and you can't afford to miss the signals that point to improvement.

This guide fills that gap. We examine four KPIs that most revenue cycle leaders track in their EHR—and the metrics you should be measuring alongside them to **get the most out of your patient financial experience investment.**



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Accounts receivable (AR) days: Lower isn't always better

Most revenue cycle leaders can tell you their AR days without even looking. Why? **Because it's the ultimate measure of revenue cycle efficiency.** Finance teams care too, especially since hospitals often borrow against outstanding AR just to pay monthly operating costs. But it's only part of the story.



WHAT STANDARD AR METRICS MISS

1

An increase in AR days may result from more patients adopting payment plans—bills that would've otherwise returned pennies on the dollar (if anything).¹

2

That's a win for patients. Payment plans keep them out of collections² and reduce financial stress, which leads to a better overall healthcare experience.

3

With more dollars coming through payment plans, providers benefit from more predictable cash flow—potentially reducing the need for short-term borrowing.



WHAT ELSE YOU SHOULD BE TRACKING

Metric	What it measures	Why it matters
Outstanding patient balance ratio	Patient AR as a percentage of total AR	Identifies process breakdown points and operational issues affecting patients
Outstanding payment plan rate	Percentage of patient AR on payment plans	Helps you better understand what's outstanding but likely to be paid
Payment plan recovery rate	Success of payment plans in collecting balances	Validates the financial benefit of payment plans
Payment plan adoption rate	Percentage of patients choosing payment plans	Gauges the affordability and accessibility of payment plans

UNDERSTANDING THE TRUE POWER OF PAYMENT PLANS

Why would you offer a payment plan if there's a chance a patient might pay in full? Well, it turns out the chances of collecting a balance are much higher with a payment plan—with top performers seeing over 95% recovery rates.³

ENTIRE POPULATION



37%
median patient collection rate⁴



90%
median payment plan recovery rate³

UNINSURED POPULATION



7%
median patient collection rate⁵



77%
median payment plan recovery rate⁶



Net self-pay collection ratio: Too narrow a lens

This metric is supposed to tell you how well you're resolving outstanding patient balances, often looking at a 90-day window. But it provides an incomplete view of your collection performance. To put it into perspective: imagine if you only ran your revenue cycle for 90 days. What reimbursement would you be leaving on the table?



WHAT STANDARD COLLECTION METRICS MISS

1

Performance across the entire billing cycle, which often extends well beyond the timeframe of this metric—not to mention payment plans that can stretch six, nine, even 12 months.

2

The natural seasonality of patient payments—predictable ebbs and flows throughout the year that can impact cash flow projections and collection strategies.

3

Then there's the issue of just looking at zero balances. This can actually inflate performance because it doesn't account for partial payments, payment plans in progress, or other resolution activity.

4

And, if you're measuring by visit date, you'll likely miss balances after insurance paid in full—it often takes 2-4 weeks to adjudicate a clean claim, and a standard dunning cycle for patients lasts 120 days.



WHAT ELSE YOU SHOULD BE TRACKING

Metric	What it measures	Why it matters
Simple collection rate	Posted payments over the amount first billed to patients, aggregated over 12 months	Quicker, more actionable insights that allow for real-time intervention
Matched collection rate	Patient cash matched back to the month first billed	True collection performance assessment, but with more lag



PRO TIPS

For simple collection rate, compare **year-over-year** vs. month-over-month to account for seasonal fluctuations.

For matched collection rate, be sure to include **non-bad debt adjustments and discounts** when calculating against billed amounts. This provides a complete picture of how each dollar was ultimately resolved.

The bigger picture: How seasonality shapes collection performance

Before implementing operational changes after a dip in payments, or forecasting yearly cash based on a strong quarter, consider the following:

- For health systems, March typically brings a surge in payments driven by deductible resets, higher billings, and tax season.
- Post-March momentum drives strong Q2 performance, with collections decline in H2 as patients meet their deductibles.
- While seasonality is predictable, events like economic shifts or major system outages can completely derail these patterns.

MONTHLY DISTRIBUTION OF ANNUAL PATIENT CASH ACROSS CEDAR CLIENTS IN 2023



“ I look at revenue cycle KPIs every single day. But when it comes to the patient experience, the main feedback mechanism I get is the patient complaint that’ll escalate to my desk. That’s not a great way to understand the pulse of what’s going on with your patients.

CFO AT A LEADING HEALTH SYSTEM



Bad debt percentage: More noise than signal

Most revenue cycle leaders rely on bad debt as a **critical financial indicator**—negative cash that eats away at your bottom line. It's become the boogeyman of revenue cycle management, the metric everyone fears despite the fact that some health systems (and their auditors) don't even consider it significant enough to report in their financial statements.



WHAT STANDARD BAD DEBT METRICS MISS

1

Bad debt data is especially tricky due to the multitude of operational and accounting changes that can artificially increase or decrease write-offs.

2

For example, a simple policy change in charity thresholds can shift bad debt numbers overnight, even though nothing has actually changed in patient payment performance.

3

The impact of these changes is often dramatically lagged. Due to seasonality, a full 12 months of data is needed to measure reduction—meaning it could take at least 18 months to see meaningful change.



WHAT ELSE YOU SHOULD BE TRACKING

Metric	What it measures	Why it matters
Bad debt collection ratio	Percentage of patient collections that come through bad debt agencies	Shows how many patients want to pay but experience barriers in the billing process
Bad debt opportunity ratio	Annual bad debt write-offs as a percentage of total revenue (vs. gross charges, which are inflated)	Provides a more accurate view of bad debt improvement opportunity

CASE STUDY: CASH LIFT—BUT AT WHAT COST?

On paper, this Epic-based academic medical center looked like a success.



A major EHR upgrade? Done.



EHR accolades for feature adoption? Earned.



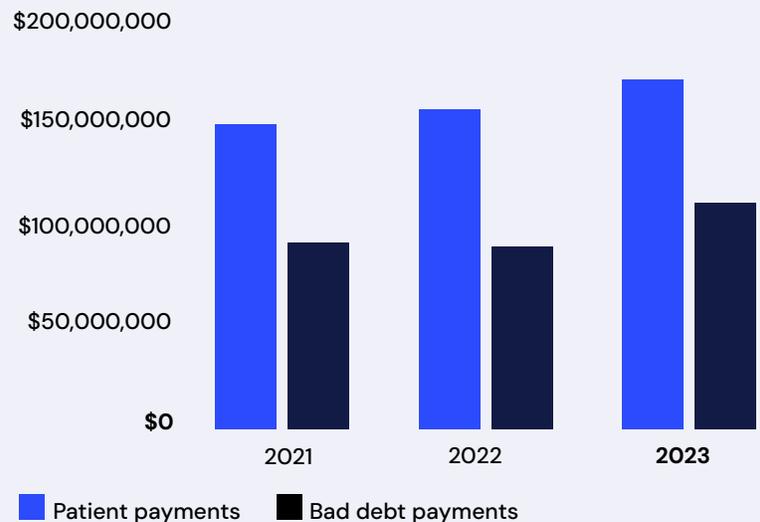
75% patient portal activation? Check.



Patient cash up 8% in one year? Impressive.⁸

But when we took a closer look, we found over **10% of their total patient payments were coming from bad debt agencies**—3x higher than what we typically see.¹⁰ Despite strong patient portal adoption, **1 in 8 patients still ended up in collections.**⁹

Not exactly the experience anyone wants to deliver.



Patient portal activation: Signed up isn't signed in

When we ask providers what digital engagement looks like, they often point to **patient portal signups**. And that's great—people should be using those tools to manage their healthcare and directly interact with care teams. But it also doesn't really tell you how much these digital tools are actually helping with the financial experience.



WHAT STANDARD BAD DEBT METRICS MISS

1

Activation doesn't equate to usage—many patients create accounts but never pay bills due to forgotten passwords or complex user interfaces.

2

It also gives no indication of how frictionless the payment experience is, hiding patient frustration that leads to abandoned payments.

3

Plus, portal signups alone don't capture connectivity to affordability solutions like payment plans, financial assistance, or insurance enrollment options.



WHAT ELSE YOU SHOULD BE TRACKING

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DIGITAL PAYMENTS: THE JOURNEY, NOT THE DESTINATION

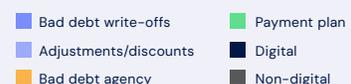
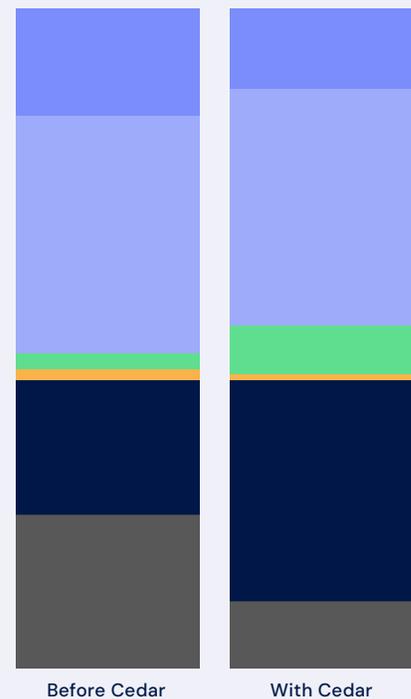
Digital engagement doesn't necessarily mean more dollars. For example, our data shows an urban center with high digital payments has a much lower collection rate than a rural facility more reliant on traditional methods.¹¹

However, we've consistently seen that increasing digital payments drives more patient cash.² The reason? Digital channels connect patients to payment options, payment plans, and financial assistance that paper bills simply can't deliver.

✓ THE TAKEAWAY

Focus on continually improving your digital experience and payments rather than sustaining arbitrary adoption numbers.

HOW CEDAR DROVE A \$15M+ PATIENT PAYMENT LIFT IN ONE YEAR AT AN EPIC HEALTH SYSTEM²²



What gets measured gets managed

The beauty of revenue cycle management lies in its metrics. Visit any high-performing shop and you'll find EHR dashboards tracking claims and AR with military precision. Now, with this companion set of metrics, you can bring that same rigor to your patient financial experience.

But what does "good" really look like, and how do you stack up against your peers? That's where Cedar's PFX Benchmarks provide clarity.

Our benchmarks include patient-focused metrics designed to complement your existing revenue cycle KPIs. By understanding the relationships between collection effectiveness, payment plan performance, digital engagement, and more, you can make decisions that strengthen both your bottom line and improve patient satisfaction.

See for yourself where you stand. Request a custom benchmarking assessment to:



Measure your current performance using data you already have



Compare your results against industry peers and top performers



Receive tailored recommendations for immediate and long-term optimization

[Get benchmarked](#)



About Cedar

Cedar helps healthcare providers deliver financial experiences that empower patients to easily and affordably pursue the care they need. We combine AI-powered technology with human-centered design to create personalized financial journeys for every patient. With deep revenue cycle expertise and a focus on intuitive user experiences, Cedar has served more than 50 million patients nationwide and processed over \$10 billion in payments.

Our solutions have proven to increase collections, maximize reimbursement, and boost efficiency—all while improving patient satisfaction.

Learn more at cedar.com



References

¹Based on a comparison between 2024 PFX Benchmarks for median payment plan recovery rate and median post-visit patient collection rate.

²Analysis of distribution of patient responsibility pre-Cedar (Dec 2021-July 2022) and post-Cedar (Dec 2022-July 2023) at an Epic-based health system

³Based on 2024 Cedar PFX Benchmarks for payment plan recovery rate

⁴Based on 2024 Cedar PFX Benchmarks for post-visit patient collection rate

⁵Median Cedar post-visit patient collection rate for patients without insurance coverage in 2023

⁶Median Cedar payment plan recovery rate for patients without insurance coverage in 2023

⁷Based on the analysis of the monthly distribution of annual patient cash across Cedar clients

⁸Based on comparison between patient cash in 2022 and 2023 at the Epic-based health system

⁹Based on comparison between patient cash in 2022 and 2023 at the Epic-based health system

¹⁰Based on 2024 Cedar PFX Benchmarks for bad debt collection ratio

¹¹Based on 2024 Cedar PFX Benchmarks; a comparison between digital payment and collection rates at an urban Epic-based health system and a suburban/rural Epic-based health system

