

Maximizing Performance: Implementing KPI-Based Bonus Programs

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Today's
Speaker:



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ASC growth and optimization

ASC business operations

Revenue cycle management

ASC software implementation



You want to increase your compensation?

Focus on the KPIs you can influence.

- Establish measurable goals.
- Track performance.
- Improve the bottom line.
- Tie compensation to results.



Come to the table with data.
Numbers don't lie.



Gather Your Data

This is what you will need:

1	The last 12 months of financial income statements in Excel by month
2	Number of Rooms (OR & PR)
3	Case volume by month
4	Number of days open in the month
5	Collections by month
6	Supply cost data from the financials excluding pass through
7	Total clinical and non-clinical Payroll hours by month



Build Your KPI Tool | Utilization

Using the KPI dashboard template...

Pull the last fiscal year of data and review quarterly **case stats and utilization**.

	2025					BENCHMARKS
	Q1	Q2	Q3	Q4	YTD	
UTILIZATION:						
OR Days	63	64	63	62	252	
Total Cases	2,522	2,982	2,802	2,938	11,244	
Cancelled Cases	412	373	361	386	1,532	
Cancel Ratio	16.34%	12.51%	12.88%	13.14%	13.63%	< 6%
Cases Per Day	40	47	44	47	45	
Cases Per OR	5	6	6	6	6	>10 PER OR



Areas of Improvement for Bonus Leverage

Improve utilization and reduce cancellations.

Key opportunities:

- Reduce cancellation ratio.
- Increase cases per OR.
- Improve OR utilization.
- Identify scheduling issues.

		2025	
		YTD	BENCHMARKS
UTILIZATION:			
OR Days		252	
Total Cases		11,244	
Cancelled Cases		1,532	
Cancel Ratio		13.63%	< 6%
Cases Per Day		45	
Cases Per OR		6	>10 PER OR



Target

Bring the cancellation ratio down to 8%

As a result, capture approximately 631 additional cases.

Revenue opportunity 631 cases × \$1,581 = \$997K



Build Your KPI Tool | Revenue

Using the KPI dashboard template...

Pull the **revenue** section from the prior fiscal year.

						2025	BENCHMARKS					
						Q1	Q2	Q3	Q4	YTD		
FACILITY REVENUES:												
Net Charges per P & L						3,806,382	4,722,345	4,584,573	4,691,793	17,805,093		
Adjustment Ratio						-77.20%	-76.68%	-75.88%	-76.25%	-76.48%		
Collections Ratio						101.58%	97.24%	99.00%	101.78%	99.82%	> 98%	
Collections per Case						1,533	1,540	1,620	1,625	1,581	\$1,600 - \$2,100	



Areas of Improvement for Bonus Leverage

Improve collections, evaluate contracts and RCM

Key opportunities:

- Improve collection ratio.
- Increase collections per case.
- Review payer contracts.
- Evaluate RCM performance.

		2025	
		YTD	BENCHMARKS
FACILITY REVENUES:			
Net Charges per P & L		17,805,093	
Adjustment Ratio		-76.48%	
Collections Ratio		99.82%	> 98%
Collections per Case		1,581	\$1,600 - \$2,100



Target

Increase collections per case to \$1,600 or \$19 per case

Revenue opportunity 11,244 x \$19 = \$214K



Build Your KPI Tool | Cost per Case

Using the KPI dashboard template...

Pull the **COGS per case** from the prior fiscal year.

Supply expense is one of the largest controllable expenses in an ASC.

	2025					BENCHMARKS
	Q1	Q2	Q3	Q4	YTD	
COGS PER CASE:						
Supply costs	1,513,814	1,710,830	1,656,579	1,699,882	6,581,105	
Costs Per Case	600.24	573.72	591.21	578.58	585.30	\$360 - \$800
Supply Ratio to N/R	39.77%	36.23%	36.13%	36.23%	36.96%	20% TO 30%



Areas of Improvement for Bonus Leverage

Control Supply Costs

Focus on:

- Supply chain management
- Contracted pricing
- Purchasing patterns
- Inventory levels
- Cost by case type and physician

		2025	
		YTD	BENCHMARKS
COGS PER CASE:			
Supply costs		6,581,105	
Costs Per Case		585.30	\$360 - \$800
Supply Ratio to N/R		36.96%	20% TO 30%



Target

Improve supply ratio to 30%

Revenue opportunity save ~\$1.24M annually



Build Your KPI Tool | Staffing

Using the KPI dashboard template...

Pull the **Payroll and Related Staffing** expenses from the prior fiscal year.

	2025					BENCHMARKS
	Q1	Q2	Q3	Q4	YTD	
PAYROLL AND RELATED						
ASC Staff Payroll	1,324,193	1,381,670	1,479,433	1,555,240	5,740,536	
Payroll costs per case	525.06	463.34	527.99	529.35	510.54	\$300 - \$475
Labor Ratio to N/R	34.79%	29.26%	32.27%	33.15%	32.24%	20% TO 30%
Total Hours Paid	31,418	35,786	30,967	37,562	135,733	
Total FTEs	60.42	68.82	59.55	72.23	65.26	27 to 42
Cases per FTE	41.74	43.33	47.05	40.67	172.31	
Hours per Case	12.46	12.00	11.05	12.78	12.07	6.3 to 8.7 hrs



Areas of Improvement for Bonus Leverage

Manage Labor Costs

Focus on:

- Payroll cost per case
- Labor ratio
- FTE utilization
- Hours per case
- Flex staffing

		2025	
		YTD	BENCHMARKS
PAYROLL AND RELATED			
ASC Staff Payroll		5,740,536	
Payroll costs per case		510.54	\$300 - \$475
Labor Ratio to N/R		32.24%	20% TO 30%
Total Hours Paid		135,733	
Total FTEs		65.26	27 to 42
Cases per FTE		172.31	
Hours per Case		12.07	6.3 to 8.7 hrs



Target

Reduce payroll ratio from 32.4% to 28%

Revenue opportunity save ~\$755K



Build Your KPI Tool | Move the Bottom Line

Using the KPI dashboard template...

Pull the **Operating** expenses from the prior fiscal year.

Operating expenses are largely driven by fixed and contracted costs.

	2025					BENCHMARKS
	Q1	Q2	Q3	Q4	YTD	
OPERATING Expenses:						
Operating Expenses	4,345,170	4,749,718	4,831,453	4,909,827	18,836,168	
Operating Costs per Case	1,723	1,593	1,724	1,671	1,675	
ASC Operating Ratio	96.03%	83.10%	87.97%	85.87%	87.85%	
Net Income/Loss	(446,789)	915,597	639,785	694,650	1,803,243	
EBITDA	(639,843)	990,445	687,870	784,446	1,822,918	
EBITDA %	-16.81%	20.97%	15.00%	16.72%	10.24%	12% TO 25%



Areas of Improvement for Bonus Leverage

Increase EBITDA, set a clear goal

Focus on:

- Contracted services
- Repairs & maintenance
- Equipment contracts
- Unnecessary PM agreements
- Other controllable expenses

2025		BENCHMARKS
YTD		
OPERATING Expenses:		
Operating Expenses	18,836,168	
Operating Costs per Case	1,675	
ASC Operating Ratio	87.85%	
Net Income/Loss	1,803,243	
EBITDA	1,822,918	
EBITDA %	10.24%	12% TO 25%



Target

Move the needle from **10.24% to 15%**

As a result, increase annual EBITDA to **\$2.67M**

Revenue opportunity increase EBITDA by ~\$848K



Bonus Plan

Position	Nurse Leader
Base Salary	\$100,000
Bonus Pool Year 1	20.00%
Potential Annual Bonus	\$20,000
Quarterly Potential Payout	\$5,000
Total Potential Annual Income	\$120,000
Quarterly Bonus Effective Date	1/1/2026



Tie Your Bonus to Measurable Results

Goal	Measurement	Industry Standard	Quarterly Goal	Current State 2025 YTD	Weight
Reduce Cancellation Ratio	Total cancellations divided by total cases.	Less than 6%	Eligible for Bonus for 10% or lower	Cancellation rate was 13.63%	25%
Reduce Supply Cost Ratio	Total Supply costs (less pass thru items) divided by total net revenues.	Less than 30%	Eligible for Bonus with Supply cost 30% or less	COGS Ratio was 36.96%	25%
Reduce Payroll Ratio	Total Payroll costs divided by total net revenues.	Less than 30%	Meet industry benchmark high of 30% or less	Payroll ratio was 32.24%	25%
Increase EBITDA %	Earnings before interest, taxes, depreciation and amortization	12% to 25% ⁽¹⁾	Eligible for Bonus for 15% or higher	Payroll ratio was 10.24%	25%

(1) Ophthalmology Specific Range based on current case mix is



Metric Bonus Results

Position: Nurse Leader				
Base Salary:	100,000	Quarterly Bonus Effective Date		1/1/2026
Bonus Pool Year 1:	20%			
Potential Annual Bonus:	20,000	Quarterly Potential Payout	5,000	120,000

Goal & Target	Q1	Q2	Q3	Q4	Year 1 Bonus
Reduce Cancellation Ratio	1,250	1,250	1,250	1,250	5,000
Reduce Supply Cost Ratio	1,250	1,250	1,250	1,250	5,000
Reduce Payroll Ratio	1,250	1,250	1,250	1,250	5,000
Increase EBITDA %	1,250	1,250	1,250	1,250	5,000
Total Bonus Payout Based on KPIs	5,000	5,000	5,000	5,000	20,000

**Quarters based on implementation, not calendar.*



Track your progress and bonus pay out



2025

2026

YTD

Q1

Q2

BENCHMARKS

UTILIZATION:

OR Days

Total Cases

Cancelled Cases

Cancel Ratio

Cases Per Day

Cases Per OR

252

11,244

1,532

13.63%

45

6

62

2,623

493

18.80%

42

5

64

2,928

415

14.17%

46

6

< 6%

>10 PER OR

FACILITY REVENUES:

Net Charges per P & L

Adjustment Ratio

Collections Ratio

Collections per Case

17,805,093

-76.48%

99.82%

1,581

4,184,023

-76.14%

97.36%

1,553

4,894,470

-75.06%

97.89%

1,636

> 98%

\$1,600 - \$2,100

COGS PER CASE:

Supply costs

Costs Per Case

Supply Ratio to N/R

6,581,105

585.30

36.96%

1,343,586

512.23

32.11%

1,563,533

533.99

31.94%

\$360 - \$800

20% TO 30%

PAYROLL AND RELATED

ASC Staff Payroll

Payroll costs per case

Labor Ratio to N/R

Total Hours Paid

Total FTEs

Cases per FTE

Hours per Case

5,740,526

1,340,423

1,444,723

Metric Bonus Objectives (MBO)

Position:

Base Salary:

Bonus Pool Year 1:

Potential Annual Bonus:

ASC Administrator

100,000.00

20%

20,000.00

Quarterly Bonus Effective Date

Quarterly Potential Payout

Total Potential

\$

5,000.00

\$ 120,000.00

Metric Bonus Objectives (MBO)

Goal

Measurement

Quarterly Goal

Current State

Industry Standard

Weight

Reduce Cancellation Ratio

Cancellation KPI - Total cancellations divided by total cases.

Eligible for Bonus for 10% or lower

2025 YTD Cancellation rate was 13.63%

Less than 6%

25%

Reduce Supply Cost Ratio

Total Supply costs (less pass thru items) divided by total net revenues.

Eligible for Bonus with Supply cost 30% or less.

2025 YTD COGS Ratio was 36.96%

Less than 30%

25%

Reduce Payroll Ratio

Total Payroll costs divided by total net revenues.

Meet industry benchmark high of 30% or less

2025 YTD Payroll ratio was 32.24%

Less than 30%

25%

Increase EBITDA %

Earnings before interest, taxes, depreciation and amortization

Eligible for Bonus for 15% or higher

2025 YTD Payroll ratio was 10.24%

12% to 25% *

25%

* Ophthalmology Specific Range based on current case mix

MBO WORKSHEET (SAMPLE)

Goal & Target

Q1 2026

Q2 2026

Q3 2026

Q4 2026

Year 1 Bonus

Possible %

% Earned

Reduce Cancellation Ratio

1,250

1,250

1,250

1,250

5,000

25%

100%

Reduce Supply Cost Ratio

1,250

1,250

1,250

1,250

5,000

25%

100%

Reduce Payroll Ratio

1,250

1,250

1,250

1,250

5,000

25%

100%

Increase EBITDA %

1,250

1,250

1,250

1,250

5,000

25%

100%

Total Bonus Payout Based on KPIs

5,000.00

5,000

5,000

5,000

20,000

100%

100%

MBO QUARTERLY RESULTS NARRATIVE

Goal & Target

Q1 RESULTS

Q2 RESULTS

Q3 RESULTS

Q4 RESULTS

Reduce Cancellation Ratio

Reduce Supply Cost Ratio

Reduce Payroll Ratio

Increase EBITDA %



Turn Performance into Compensation

Measure	Establish your baseline using meaningful ASC KPIs.
Identify	Find the opportunities that can improve revenue and reduce costs.
Set Goals	Establish specific, measurable targets tied to financial performance.
Track	Monitor results throughout the year and adjust as needed.
Reward Results	Tie the bonus to measurable improvements—not effort alone.



Business Ops > Key Indicator Tracking & Reporting

Available to
eSupport
Members

Financial Dashboard & Comp/Bonus Plan



HOME ESUPPORT ▾ EDUCATION ▾ FORUM ACCOUNT ▾

BUSINESS OPS: KEY INDICATOR TRACKING AND REPORTING

KPI DASHBOARD

A Key Performance Indicator is a measurable value that demonstrates how effectively a company is achieving key business objectives. Organizations use KPIs at multiple levels to evaluate their success at reaching targets. This tool allows you to calculate the most important KPIs for your ASC. You will include this data in your Board Package (see below).

Average Collections per Case

- Determines cash flow by case and effectively
- How to calculate: $\text{Net Collections} / \text{Total Cases}$

Costs per Case

- Supply Costs (not including Implants) are the
- How to calculate: $\text{Medical Supply Expense} / \text{Total Cases}$

Supply Cost Ratio

- Measures the cost of surgical supplies in relation to net collections. Surgeon vendor preference will drive this ratio and also the facility case mix. Lack of proper inventory controls can drive up costs
- How to calculate: $\text{Total Supply Costs (Without Implants)} / \text{Total Net Collections}$

SEARCH

Q

BUSINESS OPS

Business Ops Overview

Key Indicator Tracking & Reporting

Surgical Scheduling

		2024				
	TOTAL	BENCHMARK	Q1	Q2	Q3	Q4
UTILIZATION:						
OR Days						
Total Cases						
Completed Cases						
Current Ratio						
Cases Per Day						
Cases Per OR						
Cases Per Case						
FACILITY REVENUES:						
Facility Charges						
Less: Contractual W/O						
Net Charges						
Collections						
Collection Ratio						
Collections per Case						
COGS PER CASE:						
Total Supply costs						
Costs Per Case						
Supply Ratio						
PATROLL AND RELATED:						
Staff Payroll						
Payroll costs per case						
Labour Rate						
Hours Per Case						
Hours per Case						
OPERATING EXPENSES:						
Operating Expenses						
Net Income - Loss						
Income Ratio						

Objectives (MBO)

ASC Administrator

\$100,000.00

Quarterly Potential Payoff \$

25%

\$25,000.00

Total Potential = \$125,000.00

Metric Bonus Objectives (MBO)					
	Measurement	Quarterly Goal	Current Rate	Industry Standard	Weight
Ratio	Cancellation % - Total cancellations divided by total cases	Engage for Bonus for 10% or lower	2023 YTD Cancellation rate was 13.50%	Less than 6%	25%
Ratio	Total Supply costs (less paid thru contracts) divided by total net revenue	Engage for Bonus with Supply cost 20% or less	2023 YTD COGS Ratio was 34.8%	Less than 30%	25%
Ratio	Total Payroll costs divided by total net revenue	Engage for Bonus for 10% or higher	2023 YTD Payroll ratio was 32.24%	Less than 30%	25%
Ratio	Earnings before interest, taxes, depreciation and amortization	Engage for Bonus for 10% or higher	2023 YTD Payroll ratio was 32.24%	10% to 25% *	25%
* Capitalization Specific: Range based on current case mix					

MBO WORKSHEET (SAMPLE)							
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Year 2023	Possible %	% Earned
Ratio	1,250	1,250	1,250	1,250	5,000	25%	100%
Ratio	1,250	1,250	1,250	1,250	5,000	25%	100%
Ratio	1,250	1,250	1,250	1,250	5,000	25%	100%
Based on KPIs	5,000.00	5,000	5,000	5,000	20,000	100%	100%

MBO QUARTERLY RESULTS NARRATIVE			
Q1 RESULTS	Q2 RESULTS	Q3 RESULTS	Q4 RESULTS



Additional questions?
Would you like to learn more?
Let's dive deeper. Contact us today!



CONTACT US:



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Thank you





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to run a compliant, efficient,
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RUNNING AN ASC CAN BE OVERWHELMING
^



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and **network** with other ASC
managers all over the country.



Upcoming Webinars

DATE		CE	WEBINAR TOPIC	SPEAKER
OCT 30	60	RN, CASC	ASC Coding and Reimbursement Challenges	Kirk Mack, COMT, COE, CPC, CPMA VMG Health
NOV 23	20		Staying Ahead of the Surveyor: Key Findings and Focus Areas for 2026	Lisa Nagle, RN VMG Health
DEC 18	60	RN, CASC	A Guide to ASC Risk Assessments	Debra Stinchcomb, MBA, BSN, RN, CASC VMG Health

Registration opens each month on vmghealth.com



2026 WEBINAR CALENDAR



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us what topics you want to see
in the 2027 webinar program.*

