

Profitability Index, or PI

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Overview

TDO is a research database with an abundance of analytics to best manage practices. We look at key indicators of practice health. For example, we don't only look at the number of cases and production each referring office sends, but the actual profitability of each referrer, and insurance company.

The PI statics can be found in the Snapshot. Reporting Tools - Financial - Snapshot. Avg PI (completed cases) shows the average PI on completed cases within the specified parameters. PI stands for Profitability Index. PI is calculated as total production divided by time (Dollars per Hour).

Example

Dr. Jones can send a patent for a molar root canal for \$1600, and Dr. Smith can send a patent for a molar root canal for \$1600. However, Dr. Jones tried to do the root canal himself first and messed up the tooth, and broke off two files inside. It may take the endodontist two appointments, and four hours total to complete the treatment. Dr. Smith just sent the patient over directly to the endodontist and the treatment was completed in one hour. Even though they have sent the same number of cases, the economic differences can be staggering.

We call this our Profitability Index, or PI:

Dr. Jones, \$1600 divided by 4 = profitability index is \$400/hour

Dr. Smith, \$1600 divided by 1 = profitability index is \$1600/hour

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