CycleUP

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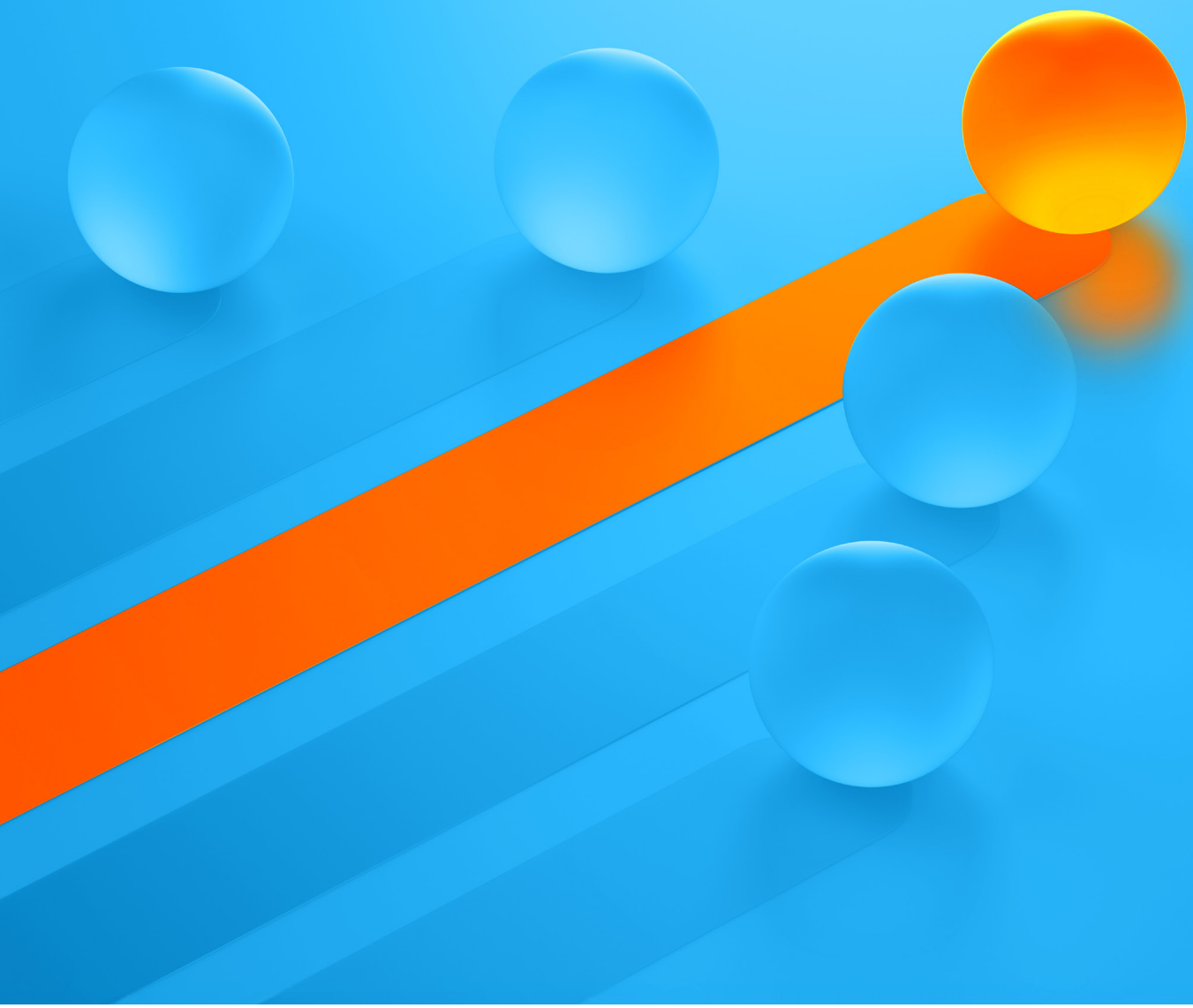

Stability Is the Strategy

from Jeff Nieman, CEO

Jeff Nieman, *CEO*

How resilient business offices stay predictable, even when revenue cycle management is not.

Waiting for things to calm down feels like a good plan. Just get through this week. Just get past the holidays. Just make it to the end of the quarter. We treat each of these stretches like it has an end date, a finish line where the pressure lifts and we can finally catch our breath.

The work and challenges keep coming, which is why stability should be a primary objective for hospitals and health systems. It's not glamorous, but it's essential.

Consider what hospitals are dealing with right now. AI-driven denials continue to surge. Staffing remains tight. Patient balances are rising, and new laws like the One Big Beautiful Bill Act (OBBB) are poised to ramp up the pressure even more.

None of this feels like a short-term disruption. For many organizations, it's become the new normal. It's also the environment that business offices have no choice but to perform in every day.

That reality changes the way organizations need to think about their revenue cycle. Waiting for calm isn't a viable strategy. When we label the sharp increase in AI-generated denials a "surge," it implies that there's an endpoint. It suggests that if organizations can just hold on long enough, the pressure and volume will lessen, and teams will have time to catch up.

That's a risky proposition. The more ground you lose while waiting, the harder it becomes to recover. That's when the backlog stops being a temporary problem and becomes the daily job.

And if payers continue using automation to scale denials at current volumes, the likelihood of that pressure easing appears slim. This is where stability becomes invaluable. Instead of waiting for conditions to improve, hospitals need to build an operating model that stays steady when they don't.

Stability doesn't mean nothing changes ... it means
your team can keep functioning at or near capacity when change occurs.

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Stability Is the Strategy

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Stability doesn't mean nothing changes; that's not going to happen in healthcare RCM. It means your team can keep functioning at or near capacity when changes occur. Whether two employees are out with the flu, you get a flood of denials on an otherwise ordinary Tuesday, or a law like the OBBB takes hold over time, a sensible and scalable model helps keep roles and objectives clear and cash flow predictable. Especially if AI can handle work at scale, so staff can stay focused on bigger prizes.

You can't control industry volatility. But you can control how your business office is built to respond. And that's exactly what choosing stability as your strategy means.

This issue of *Cycle Up* is about building a more resilient business office that can face disruption without getting knocked too far backward and keep moving even when "calm" isn't in the forecast. Start with a quick stress test on the next page to check the current state of your business office.

Waiting for a lull in the RCM action isn't a viable strategy. Aiming for stability is. Now's a good time to discover where you stand.

Enjoy *Cycle Up*.

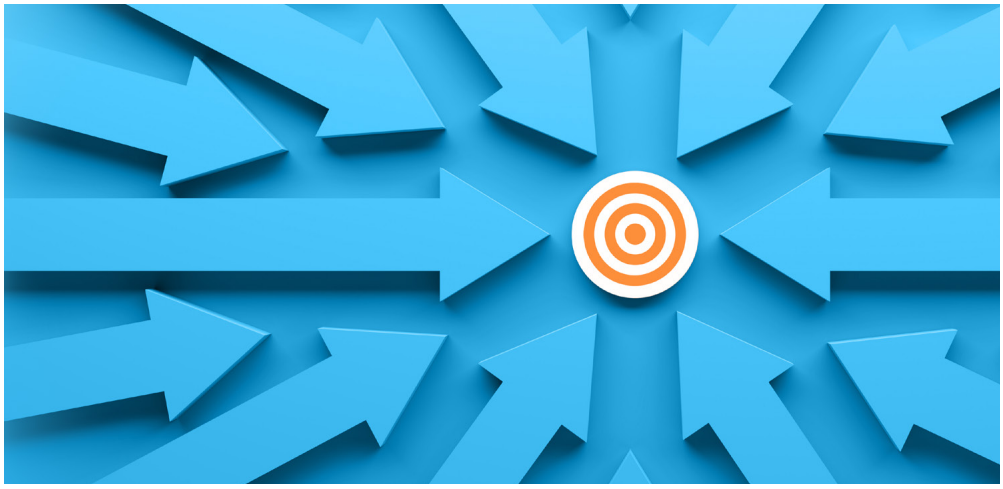
Key Meduit **RCM Factoid**

Did You Know?

Meduit received a Net Promoter score of 71, a score well above the healthcare industry median.

Business Office Stress Test

5 questions to benchmark your revenue cycle performance.



There's never been a time when hospital business offices collected too much money and had to dial back their efforts (although that would be nice). So, the significant pressure RCM teams are under today is nothing new. What is new is how quickly it has escalated. Denials skyrocketing. A/R piles growing. Laws and regulations changing. Seemingly all at once.

If you work in healthcare RCM, you can feel a new pace to the industry. The more challenging part is quantifying it. These five questions, drawn from industry benchmarks, offer a snapshot of your revenue cycle performance. It should only take a minute or two of your time, but a few "yes" answers should get your attention.

1. Are your days in **A/R consistently above 50?**

☐ YES ☐ NO

HFMA identifies 30–40 days as ideal.

2. **Are you losing more than 3% of net patient revenue** to denial write-offs?

☐ YES ☐ NO

An HFMA survey found hospitals now lose an average of 4.8% of net revenue to denials.

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Business Office Stress Test

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3. Is your cost to collect **above 4% of net patient revenue?**

☐ YES ☐ NO

The industry benchmark is 2%–4% of NPR.

4. Is more than **20% of your A/R greater than 90+ days?**

☐ YES ☐ NO

HFMA recommends less than 20%.

5. Is your **clean claim rate below 95%?**

☐ YES ☐ NO

Best-in-class organizations target 98%.

If You **Answered Yes**

If you answered "yes" to any of the questions above, you're not alone. In today's high-speed RCM landscape, just keeping up is a challenge. Getting ahead is even more so. While five top-line questions can only tell you so much, in an environment where every dollar of revenue collected (or not) counts, they can tell you enough to know it's worth digging deeper.

Meduit's Comprehensive Business Office Assessment goes beyond a checklist to deliver a data-driven evaluation of your organization's revenue cycle performance, measured against industry standards, with tailored recommendations for improvement. **This one's an easy Yes.**

CONTACTUS@MEDUITRCM.COM to get your assessment

When a Standalone Hospital Stops Being a Priority

Standalone hospitals operate without the safety net of a large health system. There are no corporate resources to lean on when budgets get tight and no reinforcements swooping in to help when workloads pile up. When the revenue cycle falters, a standalone facility feels the pain immediately. That's why choosing the right RCM partner is so critical. There's no margin for error.

That was the challenge facing a rural, standalone hospital in the western U.S. This critical access facility was dealing with a stockpile of aging accounts receivable, sputtering cash flow, and an RCM vendor that, for all intents and purposes, had checked out.

Rather than supporting the full scope of the hospital's needs, the vendor was cherry-picking high-dollar claims and going quiet in between. Communication was minimal, leaving hospital leaders to manage a struggling revenue cycle without the collaborative partnership they had expected and paid for.

With a lot on the line and not enough day-to-day support, the hospital's CEO sought a new RCM partner that could serve as an extension of the hospital's own business office, relieve pressure on internal teams, and bring the commitment and urgency needed to help the hospital serve as the anchor of the region.

Meduit stepped in, and a true collaboration began. The results soon followed.

Within eight months, the hospital made significant RCM progress—not from any kind of magic formula, but from a steady combination of AI solutions, hands-on expertise, and consistent follow-through. Doing the work. Sometimes, it's that simple.

The full case study tells the story.

CLICK HERE to Download

Making the Case for Systemness:

How Vendor Sprawl Leads to Patient Friction

Many hospitals manage their revenue cycle in pieces. One vendor handles early out. Another handles insurance. A third handles bad debt. Each operates on its own schedule, with its own reporting, its own scripts, and its own way of communicating with patients.

On paper, everything seems well covered. In practice, it creates a fragmented operation that hospital leaders are left to stitch together on their own. Different reports come in on different timelines, so there's no clear, unified view of how different services are working together. The burden of putting the puzzle together falls on hospital leadership. It's classic vendor sprawl.

Beyond the inefficiency and extra work, there's another cost to vendor sprawl, and that's how it impacts the patient experience.

Systemness: aligning all the different parts of an organization or process so they're working toward the same goals.

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Making the Case for Systemness: How Vendor Sprawl Leads to Patient Friction

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When multiple vendors are engaging with the same patient population using different tactics and timelines, and even different tones, inconsistency is almost inevitable.

A patient might receive a statement from one vendor that contradicts what they were told by another. They might get called twice about the same balance, or not at all. The messaging feels disjointed because it is disjointed.

That confusion generates calls and complaints, and eventually, word gets around. Bad word-of-mouth isn't good for any hospital, but if you're a rural hospital serving multiple communities, a poor reputation is tough to overcome.

A more connected revenue cycle changes things. When one partner manages multiple service lines under a unified strategy, the hospital gets a clearer picture of its revenue cycle and more control over patient engagement. Training, messaging, and timelines can be thoughtfully planned. The patient experience feels intentional and respectful instead of sourced from three different vendors operating in their own silos.

This is what's known as systemness: aligning all the different parts of an organization or process so they're working toward the same goals.

For healthcare organizations, consolidating services with a partner who can see and manage the full revenue cycle picture is how systemness happens.

Want to learn how it's done? Listen to the Meduit Systemness podcast to hear how systemness plays out across the revenue cycle and why it matters now more than ever.

LISTEN to the Podcast Here

Spotlight on **"The Growing Case for Business Office Outsourcing"**

Brian Kagle, Senior Vice President of Sales, CBO

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Senior Vice President of Sales, CBO

In each edition of *Cycle Up*, we sit down with one of the leading voices on the Meduit team. In this issue, we're talking with Brian Kagle, *Senior Vice President of Sales, CBO*, about why more hospitals are looking to outsource business office functions and why it makes sense as part of a long-term strategy for revenue cycle performance.

Q. After 30 years in healthcare, what attracted you to Meduit?

A: When I looked at Meduit, what stood out was the emphasis on innovation. When you look at our Comprehensive Business Office solution, it has everything. When you mix in the AI, the automation tools, and our advanced denials solution, it really sets us apart.

Q: Why do you think that is?

A: Well, there are a lot of reasons. One thing is definitely our independence. A lot of our competitors are tied to their own hospital systems, which means their resources and attention can get pulled in different directions. We don't have that conflict. Every client gets our full focus, and we can stand behind our service level agreements and deliver on what we say we're going to do.

Q: What are you hearing from hospital leaders right now?

A: More executives are actively exploring outsourced business office support. I think they're looking for a turnkey solution. They've hit the wall with staffing or technology or both. They don't have the tools, they don't want to invest in building them, and they want a partner who comes to the table with everything already in place.

We have a risk-free assessment that benchmarks where a hospital is today
against their peers and maps out
where they could be.

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Spotlight on "The Growing Case for Business Office Outsourcing"

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Q: You mention tools. Is that in response to payers using AI to generate more denials?

A: That's a pretty big deal right now. Payers are investing billions into technology to be more stringent on claims processing and slower on payments. That puts enormous pressure on hospitals, especially standalone facilities. Their cash days on hand decline, and if they don't have the technology and resources to keep up, they start going south. I'm seeing it every day.

Q: What does outsourcing actually look like day to day for a hospital's internal team?

A: It's not an all-or-nothing proposition, at least not with our CBO. We can come in and work on one specific line of business or spread out over several. We can take 80% of the day-to-day workload off a hospital's plate, the mundane, redundant processing, so people can move into more analytical positions and focus on higher-level projects. That's better for the organization, and it's better for the employees. Nobody wants to spend their day on repetitive tasks when they could be doing more sophisticated work.

Q: For hospitals considering outsourcing, what's the first step?

A: I can't speak for everyone, but we have a risk-free assessment that benchmarks where a hospital is today against their peers and maps out where they could be. And we stand behind those steps contractually with service level agreements. Then, speed to value is key. We can ramp up quickly and start delivering short-term wins while building processes that help sustain performance.

Q: Where do you see the industry heading?

A: Costs are rising, and the burden is going to continue shifting to hospitals and patients. I think more non-clinical areas like revenue cycle are going to need additional support, which is why I think there's a groundswell for outsourcing right now. Some organizations will try to do it on their own, but I think you're going to find more and more that they don't have the resources, the talent, or the technology and tools to keep up. The importance of business office outsourcing is only going to grow.

We Want to Know What You Think

Have comments or questions regarding an article in this issue or a topic you'd like our editorial team to consider for an upcoming issue? Send us your thoughts at: **contactus@meduitrcm.com**.

And be sure to like and follow us on social media!

Deflating a Denial Myth

Focusing on high-dollar denials feels like a smart RCM strategy.

After all, today's depleted RCM teams only have so much capacity. And a $575 claim doesn't seem worth the same effort as the $5,000 claim sitting right underneath it.

Which is what payers are counting on.

They're using AI to overwhelm business offices with denials, knowing that most can't keep up. So, a $575 claim here. A $350 claim there. They get written off.

Individually, that's nothing. But when you add all these smaller claims up? Well, it turns into something pretty quickly.

$575 written off
$1,150 written off
$2,875 this week
$11,500 this month
$138,000 this year

**These numbers are hypothetical but based on industry trends*

For healthcare organizations, cherry-picking denials isn't the answer.

Building an AI-driven process that scales without tradeoffs is.

MYTH: Focus on high-dollar denials for the best ROI

REALITY:
When your process scales, you don't have to choose.

Overcoming Barriers to Adopting AI

AI is transforming healthcare RCM, but adoption remains a high-stakes challenge, especially for standalone and mid-sized facilities. While the impact of AI on revenue cycle performance is clear, for hospitals of a certain size, technology is only part of the equation.

Cost is an obvious factor, specifically paying a lot up front for what could be a not-so-immediate return. Then there's the question of internal capabilities. Who's going to own the ongoing updates and maintenance when the IT team is already working at capacity? Governance might be the most difficult area of all to reconcile. Larger hospitals are forming in-house oversight teams, but smaller hospitals likely don't have that luxury.

Any one of these factors is probably manageable on its own. But stack them together, and the AI decision gets even more complicated.

Meanwhile, the problems AI can help with, like claims management and A/R resolution, continue to get worse. At some point, the cost of waiting starts to feel higher than the cost of adoption.

We put together a checklist that tackles the biggest barriers keeping healthcare organizations from moving forward with AI. Five pain points with a fix for each one.

READ THE CHECKLIST HERE