Cycle UP

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How Pressure Shapes Us

from Jeff Nieman, CEO

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At the turn of the millennium, the world braced for the impact of Y2K.

Would power grids fail? Savings accounts get wiped out? Would hospital systems go dark at midnight? Speculation (and fear) ran rampant.

As it turned out, nothing really happened. Or did it? The long, anxious buildup to Y2K forced businesses and even entire industries to test their processes, fix areas of vulnerability, and strengthen operations. While the doomsday scenarios never materialized, the specter of what *could* happen forced everyone to tap into their collective resolve and prepare for the worst. And it made them better. Thankfully, there was no chaos. No anarchy. Just stronger, more resilient systems left behind.

That's often how disruptive events work. They're big and intimidating, but they also force us to adapt. Over the years, healthcare has had its own share of seismic events to navigate. For example:

- **The ACA rollout** reshaped the insurance landscape.
- **COVID-19 was an unprecedented event** that pushed the entire healthcare industry and its workers to the breaking point.
- **AI arrived with almost unimaginable possibilities**, along with uncertainty and questions about its governance.

Now we stand at the edge of another industry inflection point: the One Big Beautiful Bill Act (OBBB). Like some events before it, the OBBB has the potential to reshape the way we work and force us to adjust to a new normal.

To some extent, hospitals and healthcare workers have already grown accustomed to doing this on a daily basis. Ongoing staffing challenges, payers using AI to spike denials, and evolving patient expectations create a steadily

Resilience and adaptability are no longer optional. The organizations that tap into this muscle memory embrace change are the ones who will be most successful when it arrives.

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How Pressure Shapes Us

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moving target for revenue cycle success. Resilience and adaptability are no longer optional. The organizations that tap into this muscle memory to embrace change are the ones who will be most successful when it arrives.

Whatever disruption the OBBB brings, if any, I'm reminded of the old saying, "This too shall pass." And when it does, I think we'll all be better and stronger for it, like we've always been.

This issue of Cycle Up outlines steps you can take today to safeguard your revenue cycle from disruptive events, everything from tightening your pre-registration process to evaluating your current bad debt partner.

Pressure tests us, but it also helps define us. I hope some of the information in this edition of *Cycle Up* helps prepare you for whatever comes next, and reminds you how capable we already are.

Sincerely,
Jeff Nieman
CEO

Key Meduit **RCM Factoid**

DID YOU KNOW?

That Receivables Management Partners, a Meduit company, was named one of **2025's Best Places to Work for Women** by Best Companies Group?

Bad Debt and the Big Beautiful Bill

Why your bad debt partner matters now more than ever

As the healthcare industry holds its collective breath to see how the One Big Beautiful Bill Act (OBBB) will affect revenue cycle performance, one thing is clear: standing still isn't a viable strategy.

If projections hold true, the months-old legislation, along with other factors related to the ACA marketplace, could dramatically increase the number of uninsured patients in the U.S. and, with them, the volume of uncompensated care.

For hospitals already operating on razor-thin margins, this means the stakes surrounding bad debt management are incredibly high, even if the true impact of the OBBB may not be felt for months or even years down the road.

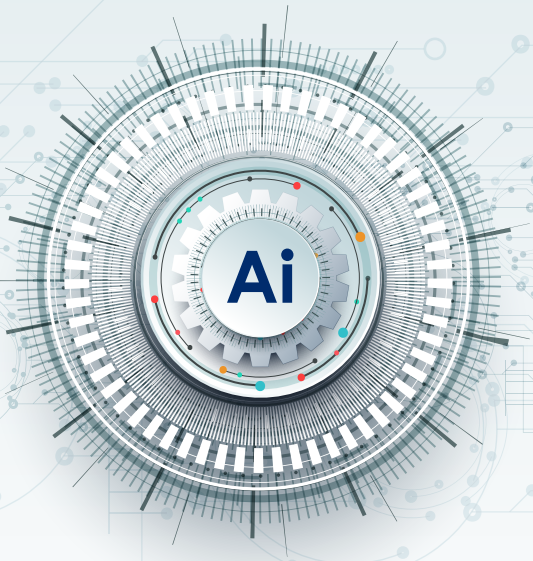
Now is the time for leaders to assess whether their current bad debt partners and processes can weather what's ahead. Updating strategies and reinforcing guardrails can help safeguard revenue cycle outcomes, keep cash flowing, and preserve patient relationships amid potential volatility.

The coming months may bring more questions than answers, but preparation is the one thing hospitals can still control.

Click below to read about the proactive steps revenue cycle decision-makers should be taking to prepare for the OBBB and beyond.

CLICK HERE to read more

Revenue Cycle AI 2.0



In the blink of an eye, AI and automation have transformed nearly every corner of revenue cycle management (RCM). And the pace shows no signs of slowing.

It's like getting on a bullet train with no stops. Once you're on board with AI, you've got to get accustomed to the breakneck pace. Miss it, and all you can do is stand on the platform watching everyone speed by.

Let's remember, AI in RCM began as a set of rules-based tools to handle low-level, easily repeatable tasks. It's come a long way since. Today, the most sophisticated versions of AI in RCM make important decisions, write letters and emails, and even gauge the emotions of inbound phone callers.

The question is no longer just about who's using AI; it's what they're using it for and how well leaders are balancing the advanced capabilities with human expertise to strengthen revenue cycle performance.

All Gas, No Brakes

Clearly, we've moved well past the days when automation simply filled in fields or routed claims. The newest iteration can read, interpret, and act on information in ways that only humans have before.

While robotic process automation (RPA) still plays a key role in handling structured, repetitive work like billing and processing, more advanced versions of AI are expanding what's possible. They can interpret unstructured data like emails, payer correspondence, and claim denial patterns, and turn it into actionable insights and next-step executions. In practical terms, this means AI can now draft its own denial appeal letters, analyze payer behavior patterns to guide submissions, and prioritize accounts based on the likelihood of payment recovery.

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Revenue cycle AI 2.0

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Instead of waiting for instructions, agentic AI systems can use judgment and make decisions within a set of boundaries to route tasks to the appropriate specialized AI agent.

Meduit's virtual assistant, SARA (Supervised Autonomous Revenue Associate), handles 75 percent of incoming calls for Meduit's bad debt clients and resolves 40 percent of those calls without human intervention. Without knowing the nature of an incoming call, SARA adapts in real time, deciphering caller intent and determining the best course of action. SARA can even measure caller emotion, so if there's a frustrated patient on the other end, SARA will immediately transfer them to a live representative.

Finding the Right Balance

As AI becomes more capable, it's allowing RCM professionals to operate at the top of their skill set. They no longer have to reach as far to pick up where AI leaves off. The handoff now happens closer to the high-value work, allowing RCM teams to focus on analysis, strategy, and forward-thinking rather than routine tasks.

Of course, as AI is involved in more areas of RCM operations, concerns about bias, data security, and governance will likely become more prominent. As AI autonomy increases, so too should the emphasis on establishing guardrails, transparency, and oversight.

Even as its capabilities evolve, AI remains an amplifier for RCM professionals, not a replacement. As always, the focus should be on finding the balance between AI and human expertise to build more resilient systems that are ready to move forward at unprecedented speed.

The AI train in healthcare RCM just keeps rolling on.

Spotlight on **"People, Progress, and Partnerships"**

Eric Coats, Vice President of Operations

Eric Coats
Vice President of Operations

In every edition of *Cycle Up*, we speak with one of Meduit's leading voices. In this issue, Eric Coats, *Vice President of Operations*, shares his perspective on the changing realities of healthcare RCM, from evolving patient expectations to the shift toward more holistic partnerships, and how adaptability can give hospitals an RCM advantage.

Q. What's changed the most in healthcare RCM over the last few years?

A: I think it's the whole world that's changing so fast, and I think the medical space and RCM are going along with it – maybe slower than other industries, but it's definitely moving.

Of course, AI is at the center. It's driving a dramatic shift in how we operate. It wasn't that long ago that communicating with patients was all about calls and letters. Now the hit rate on a letter is microscopic, and nobody really answers the phone anymore unless they recognize the number – I know I don't.

So, I think the pace of change is probably the thing that's changed the most. If you built an advanced dialer and integrated letter system a few years ago, it's obsolete now, which is pretty incredible.

"We let doctors be doctors. We let hospitals focus on patients.

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Q: Healthcare isn't known to be the fastest-moving industry, so how can hospitals keep up?

A: Well, it's a challenge for sure. Especially when you consider that hospitals, particularly smaller or rural facilities, aren't built to respond quickly to things, they're built for service. But the business side has become so prominent that it's forced their hand to start thinking like a company.

I think because of that, a lot of hospitals are realizing that their ability to use AI, attract enough expert people, and maintain good relationships with their

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Spotlight on "People, Progress, and Partnerships"

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patients, things that are all pretty mandatory these days, is limited. They're there to help people, and even when they can tackle RCM internally, they discover how expensive it can be.

I think that's where we step in to fill the void. We let doctors be doctors. We let hospitals focus on patients. We take care of the business side, so they don't have to. And because the business side is all we do, we've got systems and technology that let us scale quickly without adding a lot of expense.

Q: Is relieving that pressure the key to an effective partnership?

A: It's definitely one of them. Hospitals are under constant duress, whether it's financial, operational, dealing with compliance issues, you name it. As a partner, we're there to walk alongside them. If they have a problem, we have a problem.

I think we're fortunate to be large enough and capable enough to meet the big asks but small enough to stay nimble. That combination matters because every hospital's challenge is a little different. Being versatile enough to meet those needs is what our partnerships look like day to day.

Q: What role do you see AI and automation playing right now?

A: For the hospitals that have fully embraced it, it's huge. But I still think overall adoption has been slow. And I get it, people are cautious. They're like, "What can it do?" "How does it share data?" "Can we control it?" I think there's still an Arnold Schwarzenegger as the Terminator image out there, like will AI wake up and take over one day? And honestly, I think it's right to be cautious and to ask questions. AI is complex. You have to know how you'll use it, what problems you're trying to solve, and who will manage it. You can't just buy an AI agent off the shelf, plug it in and let it go. But all that said, the benefits are just too great for people to wait on the sidelines forever.

Q: How do people fit into the technology equation?

A: The technology is only as good as the people overseeing it. That's why I love talking to my agents. They're such a critical piece of the process. They're the

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Spotlight on "People, Progress, and Partnerships"

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bridge between the technology and our patients. We can build the best process in the world with the most powerful iteration of AI, but all it takes is one bad customer interaction, and it's all over. That's why we invest in our people the way we do.

Q: Since bad debt is your area of expertise, what impact do you think legislation like the OBBB will have on the industry?

A: I think there's going to be a fundamental shift in how hospitals do business over the next couple of years. Things are already changing. There will be more uninsured patients, and more high-deductible plans. People who used to pay $1,000 before insurance kicked in will likely have to pay more, and that will impact both patients' ability to pay and hospitals' ability to collect. I think that will change who hospitals partner with, and how they partner with them to maximize every single dollar.

Q: What do you mean by "how they partner?"

A: In the past, revenue cycle management has always been like ordering off an a la carte menu. Hospitals would have one vendor here, another over there, and another doing something else way over there. The problem with doing that is that everything is disconnected, and not only do you usually end up paying more, but you also get less value.

When we consolidate services for a client, let's say insurance, early out, and bad debt, we're not just collecting more efficiently, we're putting together a complete RCM picture that makes the entire process more efficient from top to bottom.

Since we're involved in multiple areas, we get to know the payer, how the patient prefers to be contacted, when they're most likely to respond, and what their payment habits look like. When you have that full picture, everything becomes better connected.

I think these kinds of holistic, integrated partnerships are where the industry is headed. The more connected the revenue cycle is, the easier it becomes to collect what you're owed, and easier is always a good thing when it comes to revenue cycle management.

Fix Upstream Gaps for Downstream Results

A physician in a hospital would never just treat a patient's symptoms without looking for the cause. Yet that's what often happens inside a hospital's revenue cycle when teams focus on end results like rising denials, aging AR, and increasing bad debt instead of the upstream gaps that cause them.

By the time those end-of-cycle symptoms appear, it's too late to do anything but address them directly. A more proactive strategy is to find and fix weak points earlier in the revenue cycle.

As the true impact of the One Big Beautiful Bill Act (OBBB) takes shape and the potential for unpaid patient balances and bad debt increases, it's an ideal time to administer some preventive care to your revenue cycle. Fixing issues now could make a huge difference as RCM pressure builds.

Learn more about how hospitals can identify and close revenue cycle gaps upstream before they turn into significant cash-flow issues later

CLICK HERE to learn more

Compliance News Update: **States Take the Lead**

For decades, federal agencies were the place to focus day-to-day attention to stay abreast of the biggest security and compliance changes within our industry. Federal legislative challenges have forced a major shift to the states following the federal agency shakeups in Q1 of 2025. So far this year, state lawmakers across 38 states introduced 123 bills that included significant changes to medical debt collection. To date, only 14 of those bills have gone through the entire legislative process to become law, but it is important to note that many of those legislators have already announced plans to come back in the next session with similar bill introductions.

States Picking Up Where Feds Left Off

Credit reporting is a perfect example of where the CFPB's work has ceased, for now, and the states have picked up to run with the torch. Currently, there are a total of 17 states that prohibit reporting and all agencies within the Meduit structure have appropriate blocks in place. Those states are: California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Illinois, Maine, Maryland, Minnesota, New Jersey, New York, Oregon, Rhode Island, Vermont, Virginia, and Washington.

Another area that is expected to transition to the states more and more will be auditing, assessment fees, and additional reporting requirements. There have already been increases in entity on-site audits from states looking to cover the perceived gap in entity level reviews from the drawback of federal agencies, such as the CFPB. California, for example, has drastically increased its entity examinations, which the entity has to cover all costs for completion. Also, the state has issued large assessment invoices for those conducting collection business within its borders.

Compliance News Update: States Take the Lead

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Early Warning Systems: Be Prepared

Meduit's Compliance team closely monitors federal and state-level legislative movement from the introduction of each bill, proposed rule, and issued guidance through final determinations and internal implementation when passed. We also take an active advocacy role within the industry through our ACA association partner and other industry leaders and associations by providing review, data, insights, and in-person meetings to support challenges of introduced items.

Compliance team members will be visiting Washington DC at the beginning of December to participate in federal level meetings organized by the ACA for their large, Group50, association members.

While Meduit is monitoring all of these changes, and will keep our clients updated with those that affect our services, it will be imperative to make plans to review your state level requirement compliance and ensure there is an assigned department with the responsibility of monitoring potential and finalized changes. Consider a statutory review of the legislation within the state and sign up to get news of potential new bills and changes. Taking an internal look now will prepare you for the state review later.

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!

Early RCM Resolutions

With a new year on the horizon, why not get a head start on your 2026 revenue cycle resolutions? Here are four ways to set your organization up for RCM success next year and beyond.

☐ TAKE A COMPREHENSIVE BUSINESS OFFICE ASSESSMENT

Want a clearer view of your business office performance? A Comprehensive Business Office (CBO) Assessment identifies where inefficiencies, staffing gaps, and revenue leaks might be holding you back. Finding and fixing these areas is the first step toward going from reactive problem-solving to proactive cash acceleration.

CLICK HERE to learn more

☐ PERFORM A MEDICARE BAD DEBT LOOKBACK

Many hospitals unknowingly miss out on collecting all of the Medicare Bad Debt reimbursement they've earned. That's why a "lookback" can be such a critical step. Meduit's team has found missed value in every lookback they've performed – ever.

If you're not certain you've collected all the reimbursement revenue you're owed, a lookback offers no risk and plenty of financial upside.

CLICK HERE to learn more

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Early RCM Resolutions

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☐ VET YOUR CURRENT COLLECTIONS PARTNER

With the OBBB expected to increase the number of uninsured patients, bad debt levels are likely to rise. Now's the time to ask whether your current collections partner can adapt, scale, and deliver consistent results in a potentially tougher environment. The right partner will help protect your margins with AI and automation while preserving your patient relationships without adding FTEs.

CLICK HERE to learn more

☐ CONSIDER AN RCM PARTNER WITH AI POWER

Just like 2025, treading water isn't a viable RCM strategy for 2026. In an environment that looks like it will only get more challenging, the time is right to consider outsourcing to an RCM partner that blends advanced AI capabilities with experienced professionals. From mitigating denials to improving collections, make 2026 the year you get ahead instead of just getting by.

CLICK HERE to learn more

Small actions now can lead to big gains in 2026. Learn more about how Meduit can help you check all your boxes and strengthen your revenue cycle heading into the new year!

CLICK HERE to Start the year strong!