



From Data to Decisions:

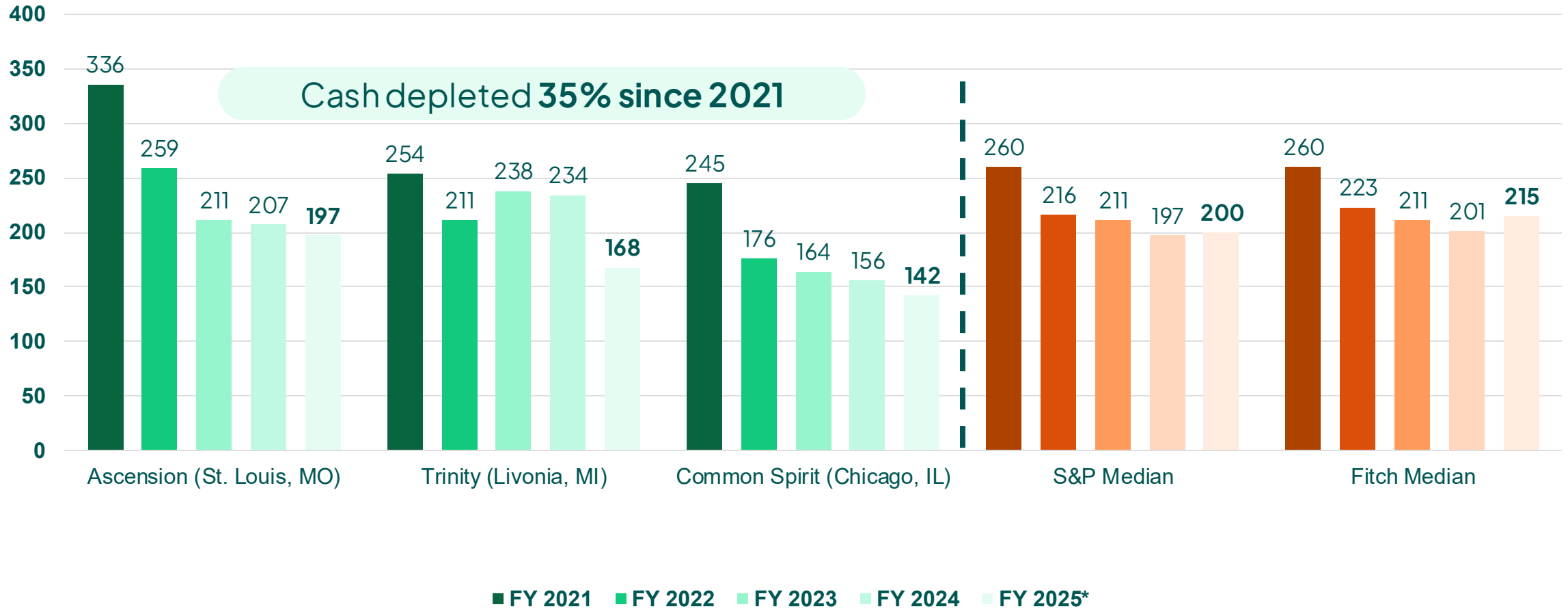
Leadership in Revenue Cycle Management Analytics

April 2026

Market Drivers for RCM Data and KPIs

Cash at Prominent Health Systems is on the Decline

Days Cash on Hand FY 2021 to FY 2025



Growth of Data

Every step of the patient's journey is **recorded**

Every job that needs to happen has **different software**

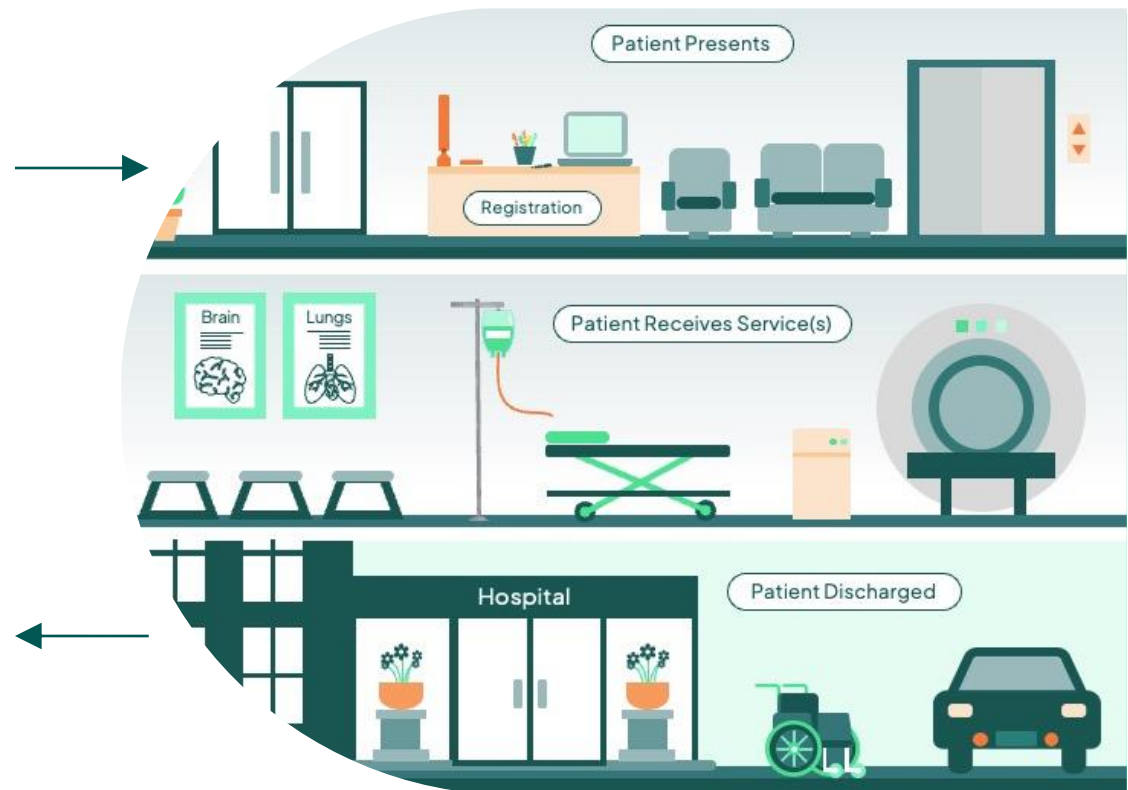
And, the amount of data generated in healthcare has been **increasing at a rate of 47 percent per year**

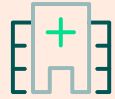
Healthcare is a Data-driven Business

The average hospital produces **roughly 50 petabytes of data every year**

~137 terabytes per day

That's **more than twice the amount of data** housed in the Library of Congress!





Data accuracy

- Inaccurate patient registration data
- Unknown unverified insurance



Operational inefficiencies

- Patient intake and engagement
- Administrative rework



Insurance and billing

- Insurance claim denials
- Compliance challenges



Government

- OBBBA, CMS cuts, DSH, 340B, uncompensated care
- Compressed margins, OPEX/CAPEX



Revenue and collections

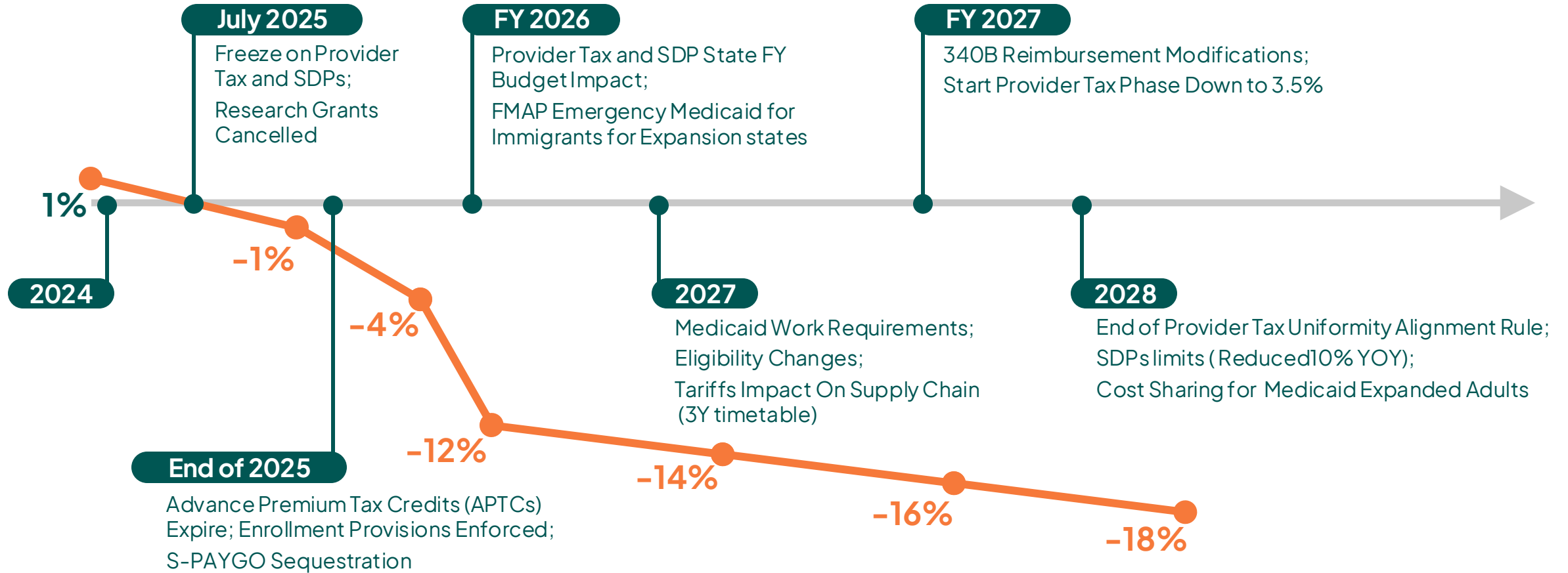
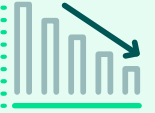
- Inability to provide accurate patient estimates
- Lack of line of sight for payer yield



Staffing issues

- Cost of labor
- Staff retention/recruiting
- Lack of Ai/Automation

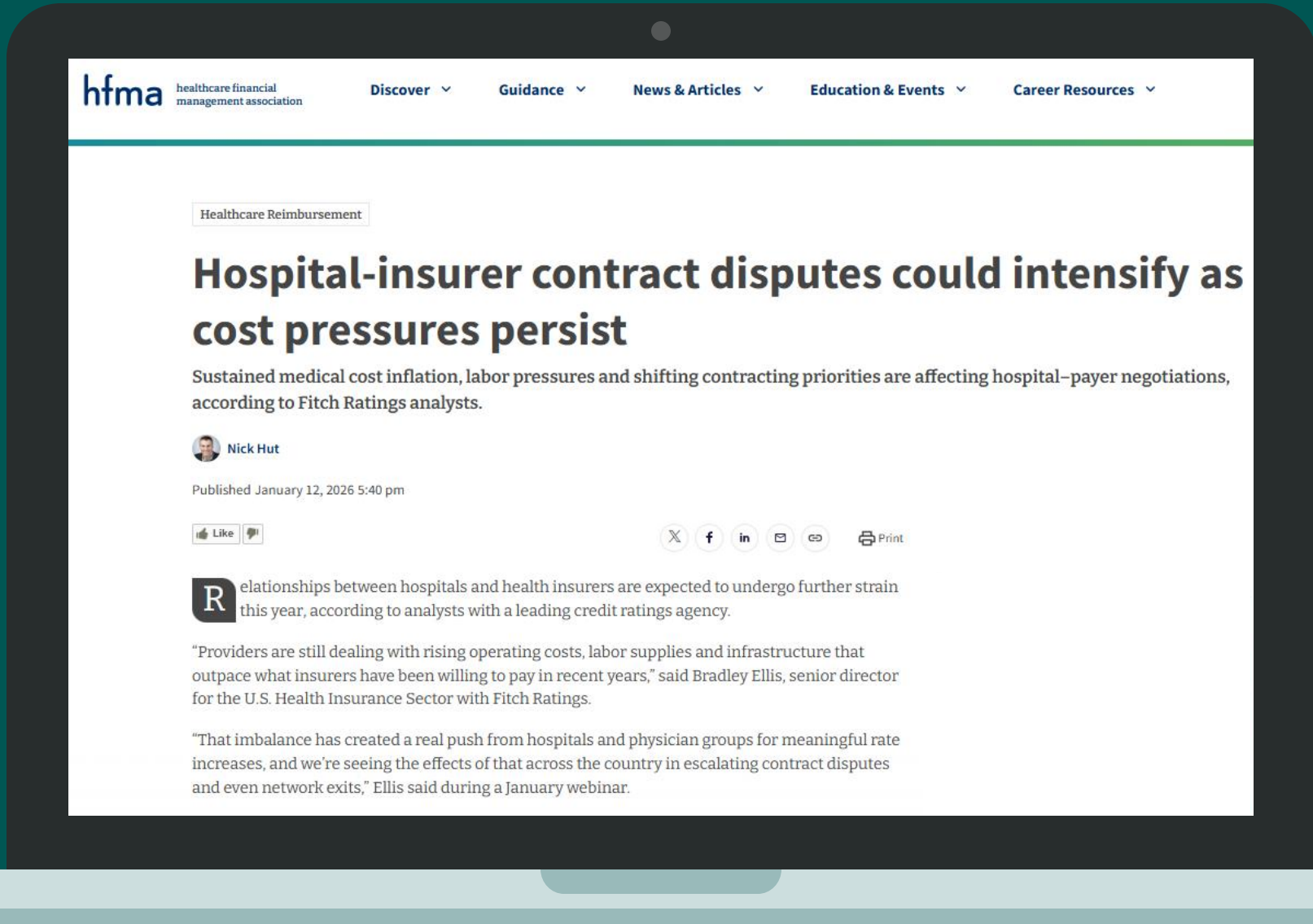
Hospital Operating Margin and State Budget Implications



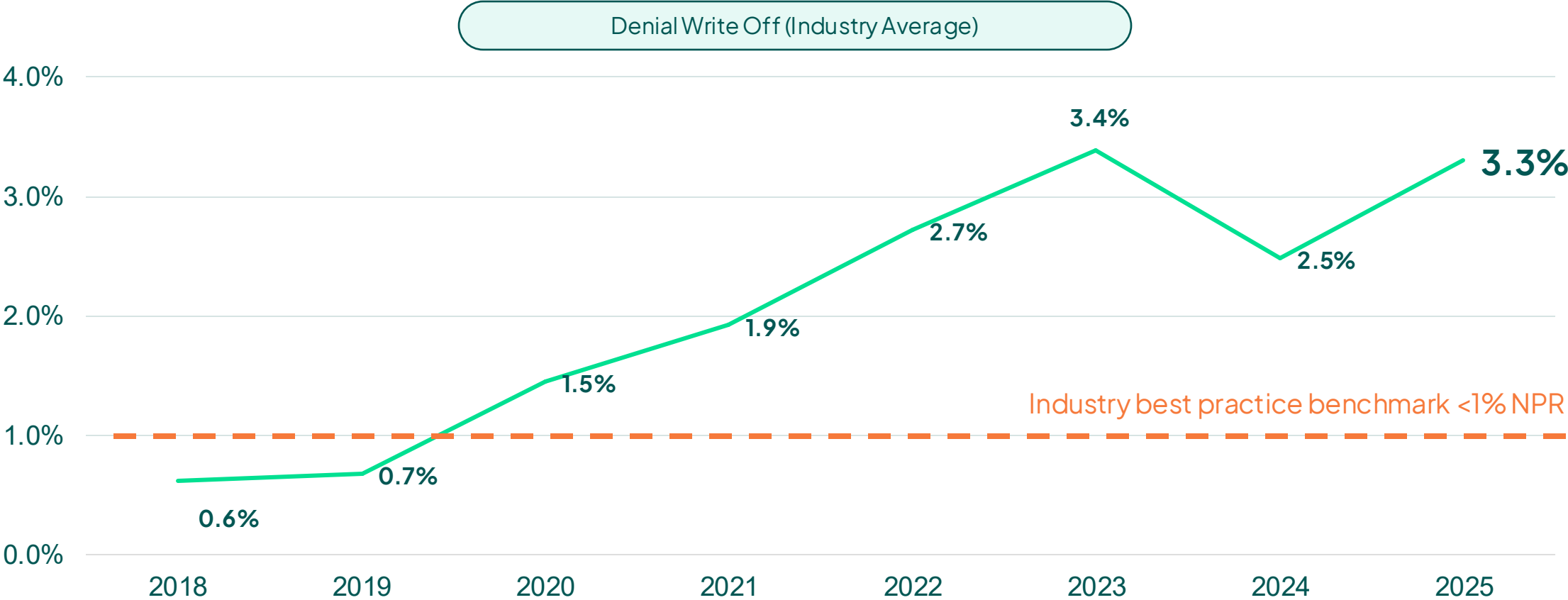
- Sustained medical cost inflation, labor pressures and shifting contracting priorities are affecting hospital-payer negotiations
- Negotiations are turning away from rates - transitioning to discussions on methods to reduce denials, faster turnaround on claims processing

“The imbalance has created a real push from hospitals and physician groups for meaningful rate increases, and we’re seeing the effects of that across the country in escalating contract disputes and even network exits”

Bradley Ellis
Senior Director
Health Insurance Sector
Fitch Ratings



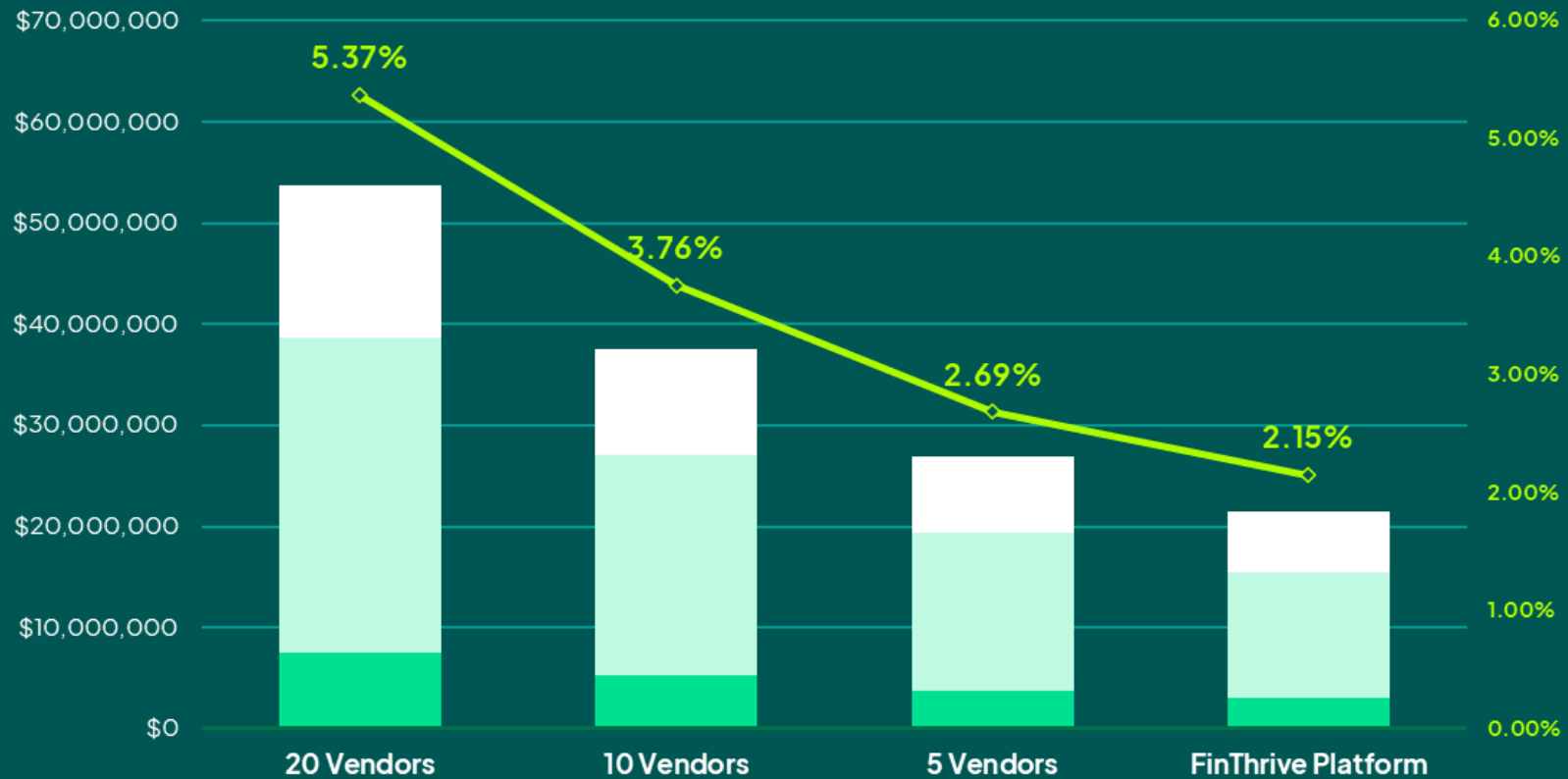
Denial Write Off Adjustments are 3X – 4X Higher Since 2018



RCM Vendor Cost to Collect

Annual Spend In
Labor and Tech

Cost to Collect
(% of Net Revenue)



Revenue Cycle in the Dark

Due to outdated the deployment of disparate solutions, health systems and practices are burdened with:

Lack of visibility into performance and results

Inability to identify loss and areas to increase net revenue

Unable to access data in a timely manner to isolate root causes and take corrective action

What does
look like?

“good”



What are key performance indicators (KPIs) and why are they required?



KPI Versus a Benchmark



Key Performance Indicator (KPI)

- Homegrown / Variable
- Measured daily, reported monthly
- RCM typically has 15-20 metrics
- Divided up by area with an executive rollup:
 - Front (Pt Access): POS \$, Reg rates, ASA
 - Middle: DNFB, Rev/acct/line, Chart TAT
 - Back*: Denials, A/R, Cash, Yield, Bad Debt, Charity, etc.

* Most measurement



Benchmark

- Industry / Standardized
- Measured quarterly/annually
- 100s of metrics (see “big 10” in coming slides)
- National/Association based
- Associated with EMR (epic esp.)
- Comparisons can be challenging
- Defensive/Tendered



Importance of Tracking KPIs



Financial Health



Informed Decisioning



Regulatory Compliance



Operational Efficiency



Enhanced Patient Satisfaction



Enhanced Team Satisfaction

KPIs Measure Revenue Performance Over Time



- Was accurate information captured?
- Did the claim/statement submit on time?
- Did the payer process and pay the claim on time and in full?
- Are there delays in payment from patient or payer?
- What is the reason for payment delays?
- Are we appropriately classifying patients into charity or are they defaulting to bad debt?
- Are we as an organization performing well financially?
- What are my expenses to operate my revenue cycle?

ITEM	KPI	DESCRIPTION	BENCHMARK	VALENCE	SOURCE(s)
1	A/R Days (days)	Measure of revenue cycle efficiency. Measurement of the length of time it takes receive and post payments for medical services after discharge. Common measurement for performance of all functions of revenue cycle management. CALCULATION*: A/R days = A/R balance/average daily charge amount.	42.0	↓	HBI
2	Denials (% of NPR)	Denial write-offs as a percent of net patient revenue (NPR). Refusal of an insurance carrier to honor a request by an individual (or his or her provider) to pay for healthcare services obtained from a healthcare professional. Goal is to minimize claim touches and maximize first pass yield on clean claims. CALCULATION*: Total dollar amount of claims denied by payers divided by the total dollar amount of claims submitted.	1.4%	↓	HBI
3	Cost to Collect (%)	Indicator of operational performance, measures the efficiency and productivity of revenue cycle process. Includes labor, software and any services involved in collecting patient and payer revenue. CALCULATION*: Total revenue cycle cost divided by total revenue collected within a given period.	2.9%	↓	HBI
4	Bad Debt (% NPR)	Indicates organization's ability to collect on accounts and identify payer sources for those who cannot meet financial obligations. Can point towards missed opportunities in classifying patients into payment or charity buckets, as well as compliance with payer rules. CALCULATION*: Divide the amount of bad debt by the total accounts receivable for a period.	2.7%	↓	HBI
5	POS Collections (% NPR)	Patient payments prior to or at time of service and up to seven days after discharge and/or patient cash collected on prior service(s) at the time of a new service. Accelerates cash collections and can reduce collection costs. CALCULATION*: POS cash collected divided by total cash collected during a given period. Net	1.1%	↑	HBI
6	Charity Care Adjustments (% NPR)	Trending indicator of the performance the provider's financial assistance policy. Indicates services provided under the provider's financial assistance policy for the under or uninsured. CALCULATION*: Dollars of accounts qualifying for charity care divided by total account dollars. Bad debt, shortpayments and charity care make up total uncompensated care.	1.6%	↓	HBI
7	% A/R > 90 days	Total insurance AR aged greater than 90 days from discharge as percent of all discharged AR that is not in DNFB, BD or in credit status.	26.3%	↓	HBI
8	Clean Claim Rate	Total clean claims number divided by total number of clean claims	90.0%	↑	HBI
9	Operating Margin (%)	Indicator of the income derived from patient care operations. Profitability indicators measure the extent to which the organization is using its financial and physical assets to generate a profit. CALCULATION*: (Total operating revenue - total operating expenses) ÷ total operating revenue.	1.9%	↑	S&P 500 (AA)
10	Days Cash on Hand	Represents the amount of money it takes to pay all of the hospital's expenses for that number of days. CALCULATION*: Dividing unrestricted cash and cash equivalents by the system's average daily cost of operations, excluding depreciation (annual operating expenses, excluding depreciation, divided by 365).	303.8	↑	S&P 500 (AA)

Change Management

Best Practices in
Patient Financial Clearance

Care and Payment are Not Equal

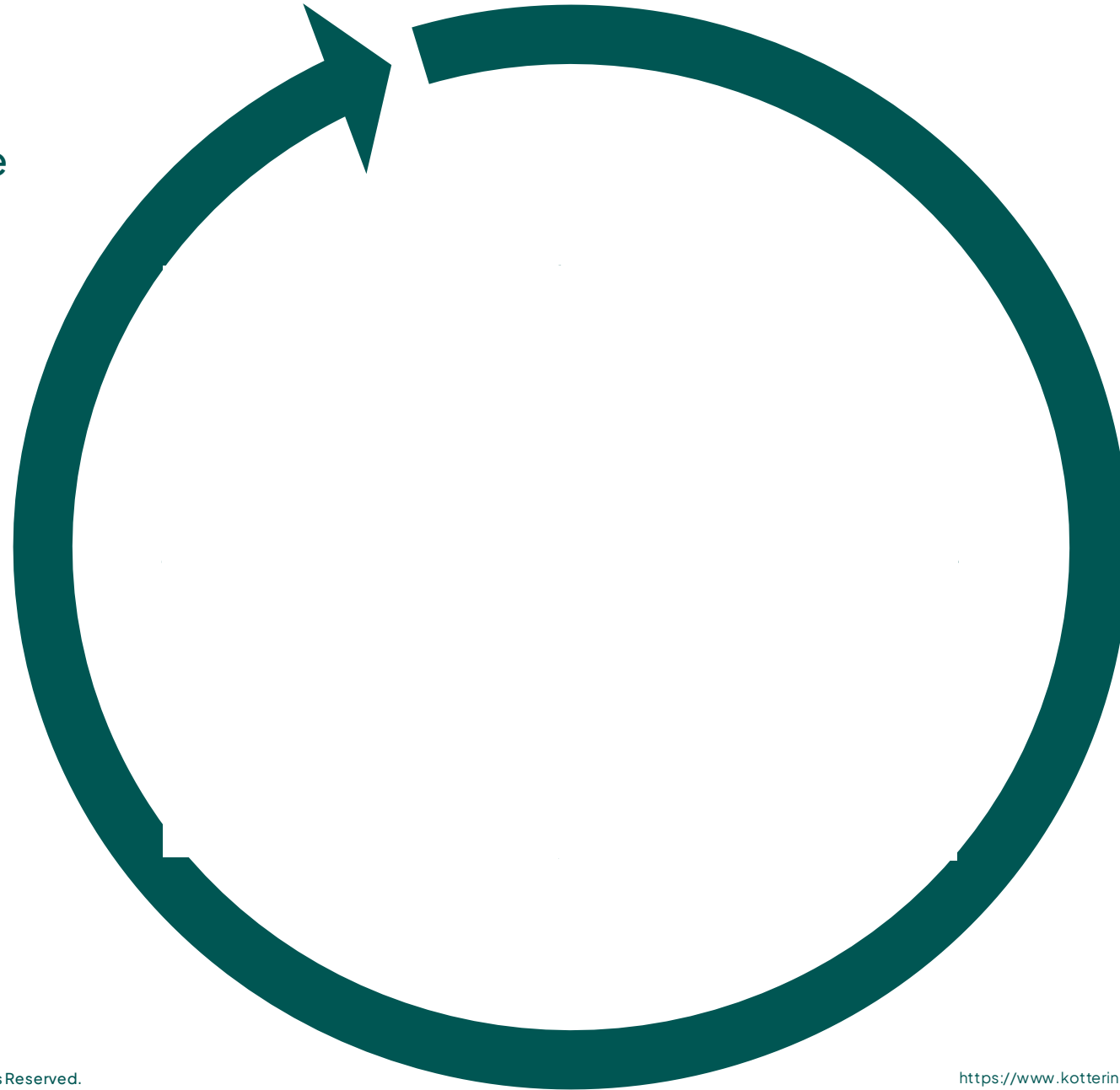


Change...



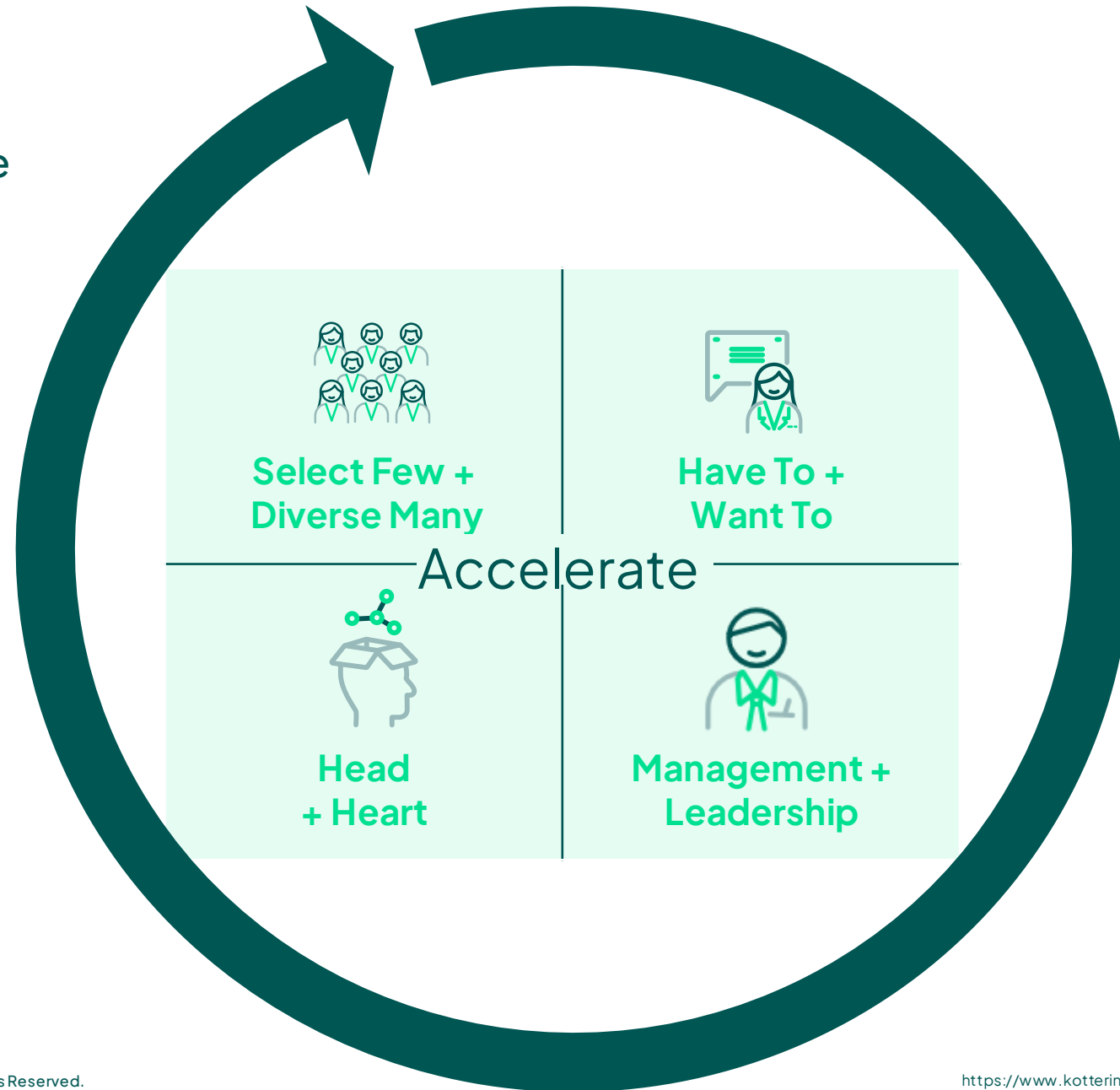
Kotter:

Principles of Change

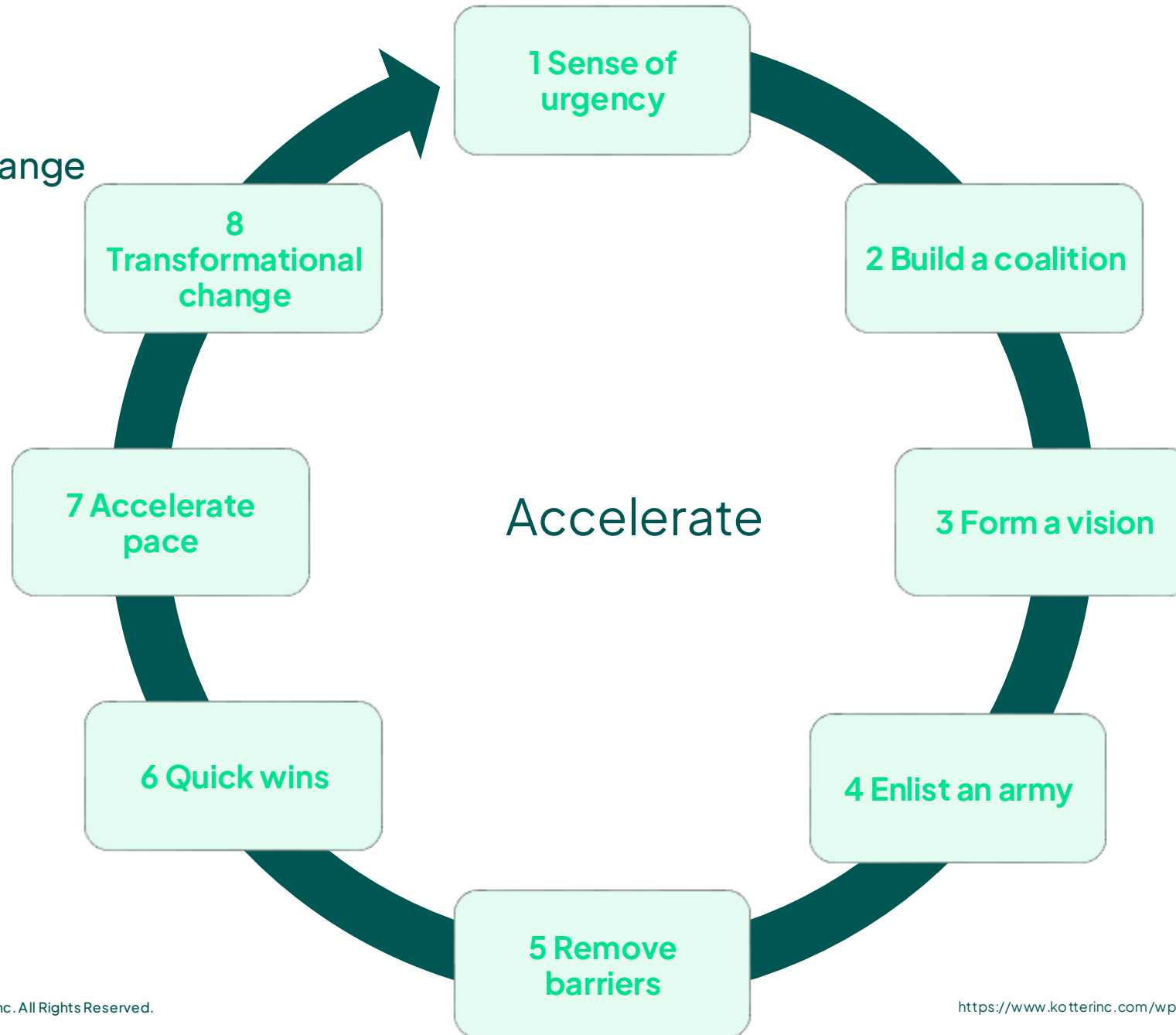


Kotter:

Principles of Change



Kotter: Principles of Change



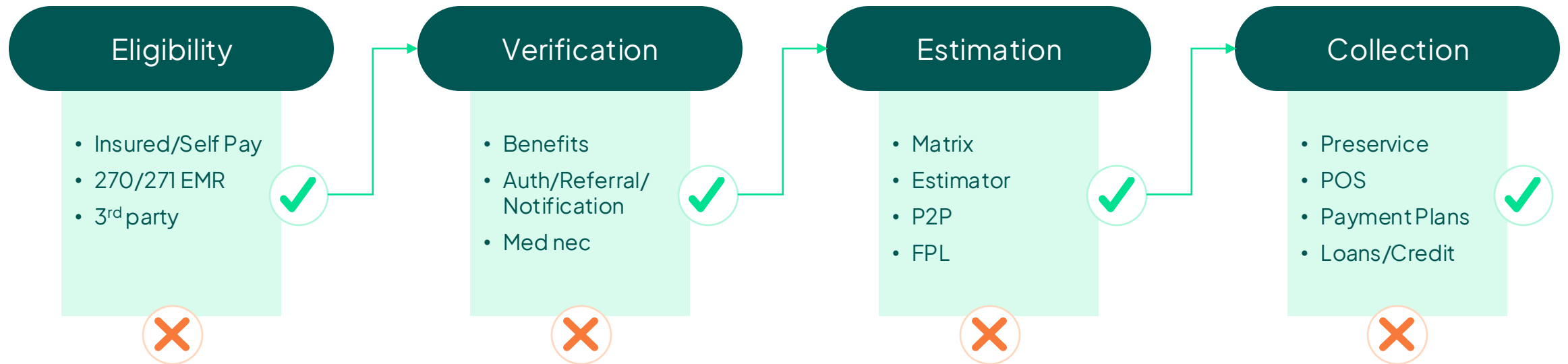
Change Management Aligning Analytics, Stakeholder Engagement & Process Transformation

- **Get engaged:** Identify and involve key stakeholders and teams early
- **Get clear:** Define goals for analytics-driven change
- **Get a clue:** Pareto principle (80/20 rule) - communicate the “why” using data insights
- **Get data:** Data-driven culture - train teams to interpret and act on analytics
- **Get insights:** Translate insights into action - use KPIs to identify root causes and prioritize
- **Get real:** Transform processes-map current vs. future workflows
- **Get smart:** Work smarter, not harder - leverage AI and automation technology

Get better: Continuously track KPIs - Adapt strategies and scale successful initiatives so leadership commitment has ongoing engagement, alignment with operational goals, and adaptability to new insights



Checklists/Gates:



- ✓ Proceed/document
- ✗ Stop/escalate



Connecting the dots across disparate systems →

Analytics must combine financial data, operational metrics, and payer trends.



20–50%

(750 hours) per year of
RCM professional's time
saved through analytics
and technology

More than a decade after
widespread investments in EHRs,
many health systems have yet to
enhance performance by fully
capitalizing on available data.

RCM Excellence

Use cases across roles

Intelligence

Defined by Merriam-Webster

1. intelligence is the **ability to learn** or understand or to deal with new or trying situations

2. the **ability to apply knowledge** to manipulate one's environment or to think abstractly as measured by objective criteria

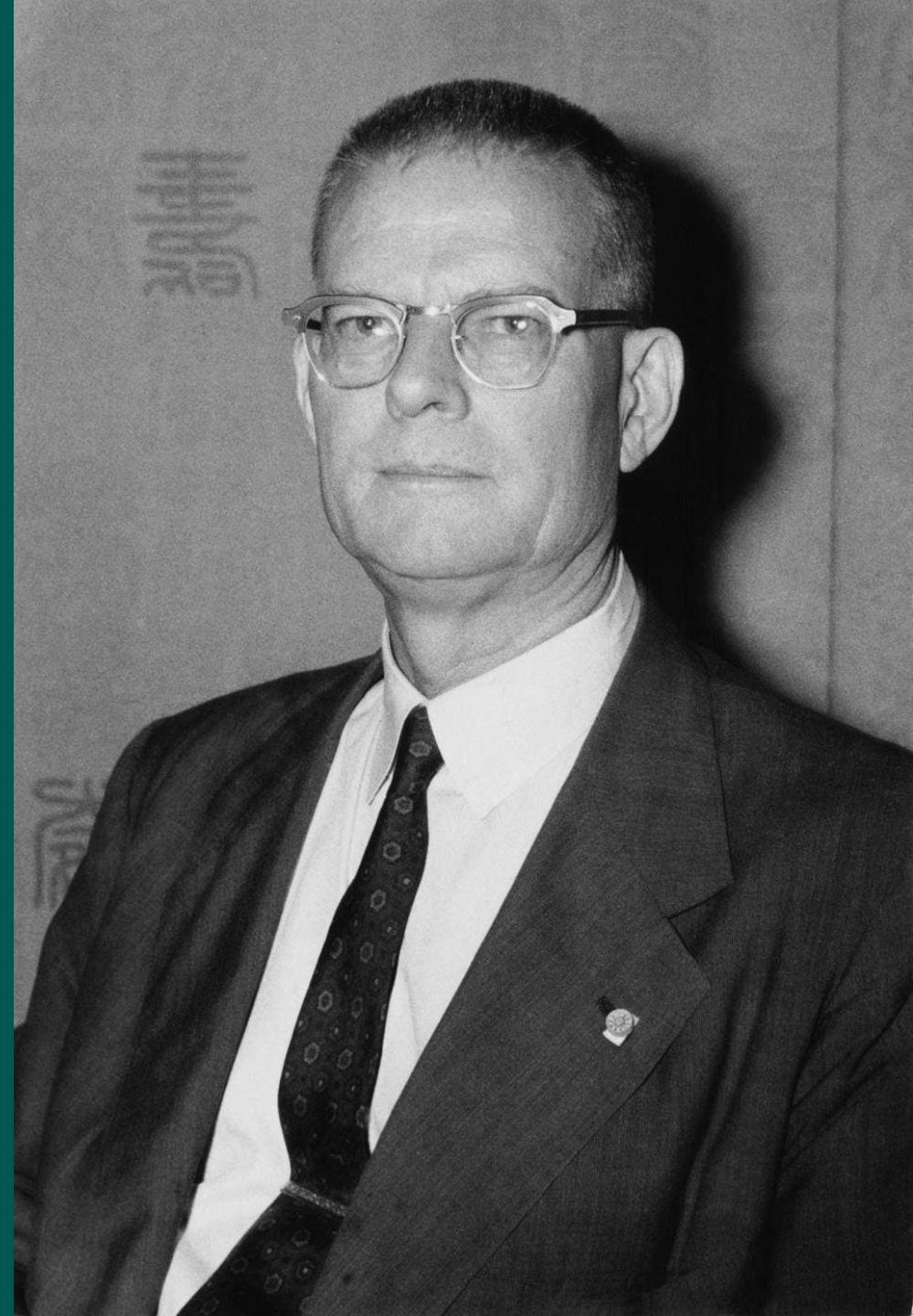


“ You can’t manage what you can’t measure.”

Peter Drucker

“ In God we trust.
All others must bring data.”

W. Edwards Deming



The Opportunity

Turning Complexity into Clarity with Actionable Insights



Understand the Why

Maximize reimbursements by **uncovering patterns** in denials and underpayments



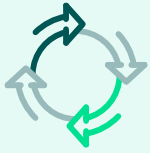
See What Matters

Applied business logic reduces the noise, keeping teams focused on real denials and underpayments



Know What to Do Next

Predict and prevent revenue loss before it happens again



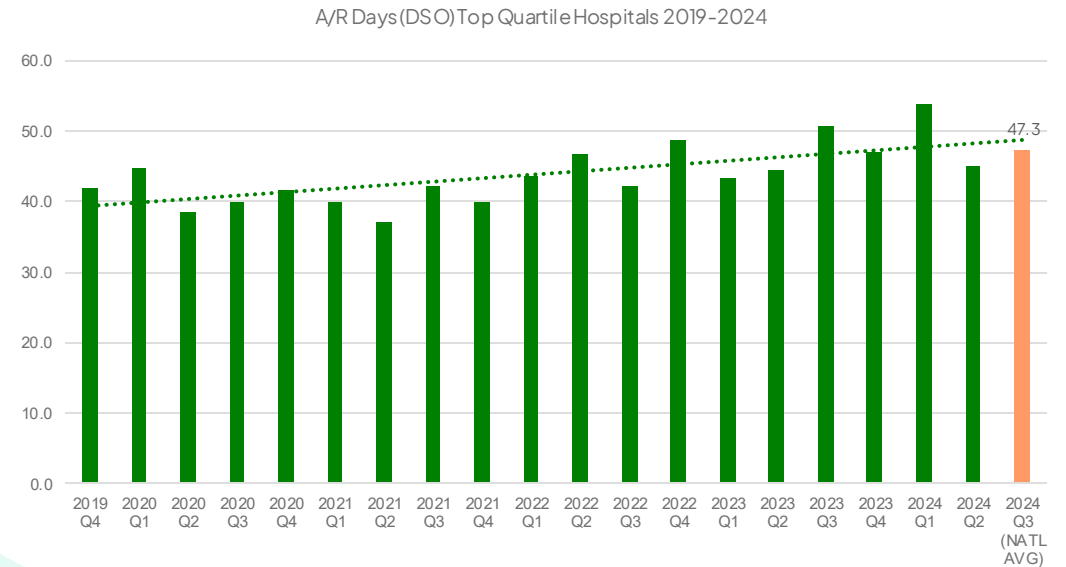
The Evolving Role of the CFO



Cash is king – A/R Days

- “Balloon” or “True North” Metric
- Measurement of time between when bill is sent, and cash is posted
- Measurement variable by organization
- Can fluctuate month-to-month
- Typically set at a threshold or max
- Average runs ~55 days, best practice is <50 days

A/R Days



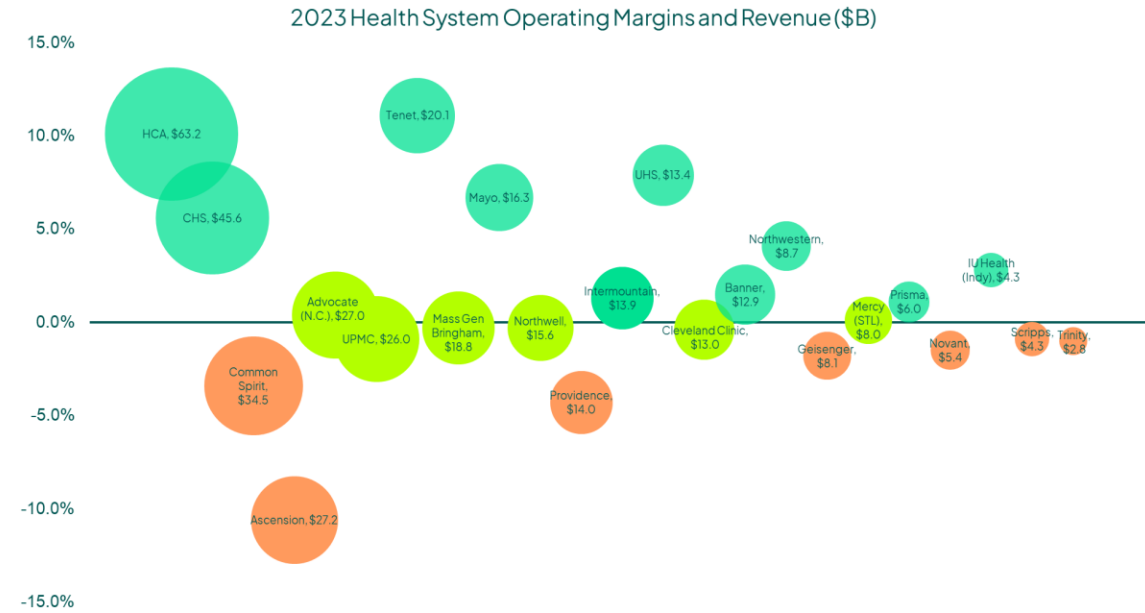
Key stakeholders:

- CFO
- Dir. PFS

Financial focus

- Margin and mission
- Operational factors influence sustainability
- Executive dashboards

Operating Margin



Key stakeholders:

- CFO
- CRO/VP RCM

Data Driven Insights

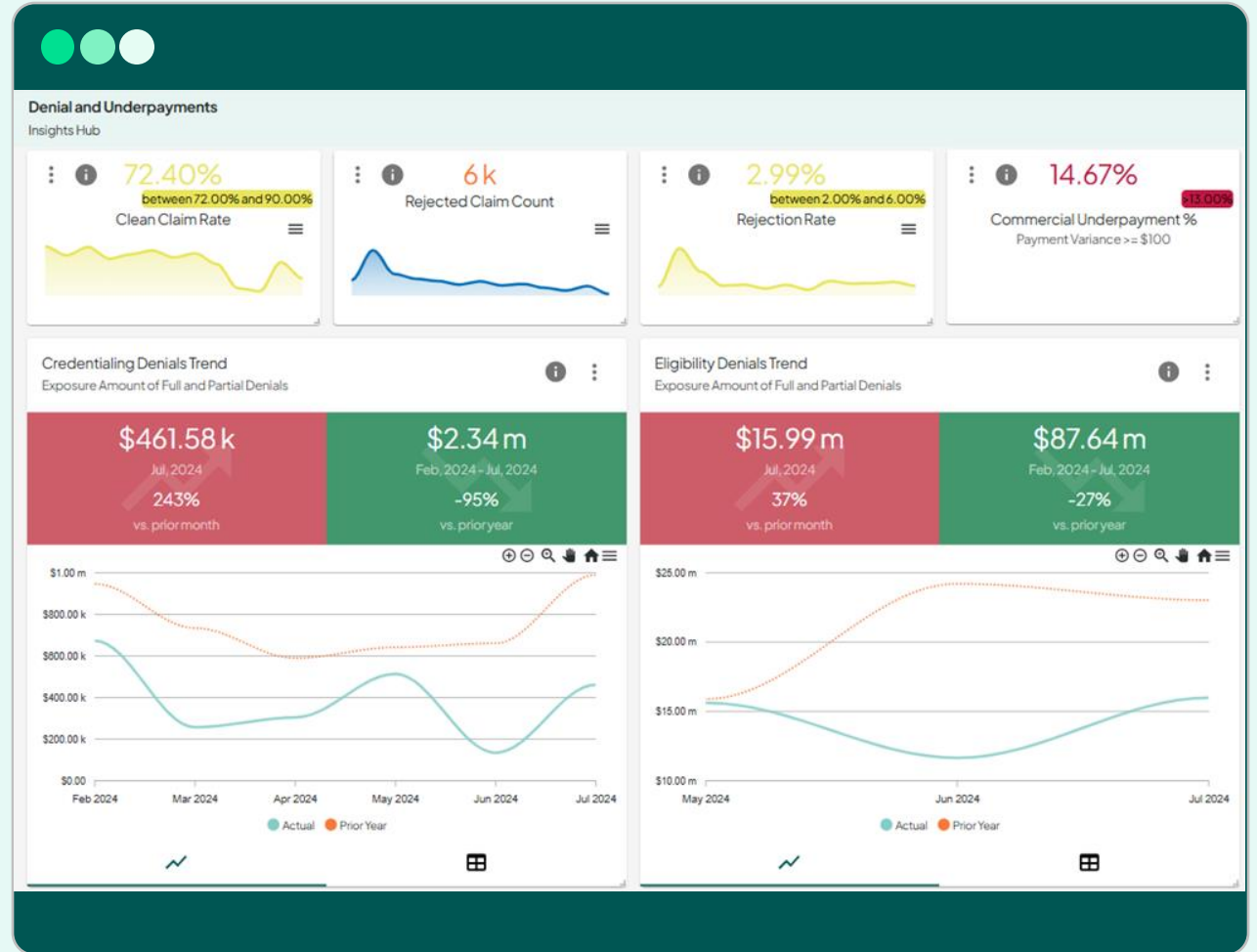
Imagine if you knew exactly what to do next

A configurable command center delivers clarity and control

Dashboards aligned with role, focus areas, and priorities

Instead of sifting through data, guided insights highlight what matters most—enabling leaders to make actionable insights on what to do next

Financial leaders, finance directors and operational teams who need clarity fast



CRCO / VP RCM



RCM Leader Tools All Have a Cost

- Measurement of labor, supplies, and vendor costs
- Typically measured monthly/quarterly
- Cost of operations to collect the cash
- Be disciplined in counting it ALL (kitchen sink metric)
- Average is 2-5%, best practice is <3%

Cost to Collect



Key stakeholders:

- CFO
- VPRCM
- Dir PFS

Data-Driven Revenue Recovery

Data to Predict Denials & Underpayments

- Surface denial and underpayment trends
- Breakdown by payer and reasons
- Line-level detail is key, not just at claim level
- Drill into the “why” behind each
- Identify strategies and teams to mitigate

Data drives Denial & Underpayment Appeals

- Identify and track appeal strategies and monitor success/failure
- Automate where it counts most—high-volume or high-value tasks.
- Appeal in bulk where possible



From Biller to Analysts



AI-enabled RCM Analysts



From
Transactions
to Technology



Billers to Data
Scientists



Touchless
Collections



Service
Accounts in
Bulk



RPA
Managers

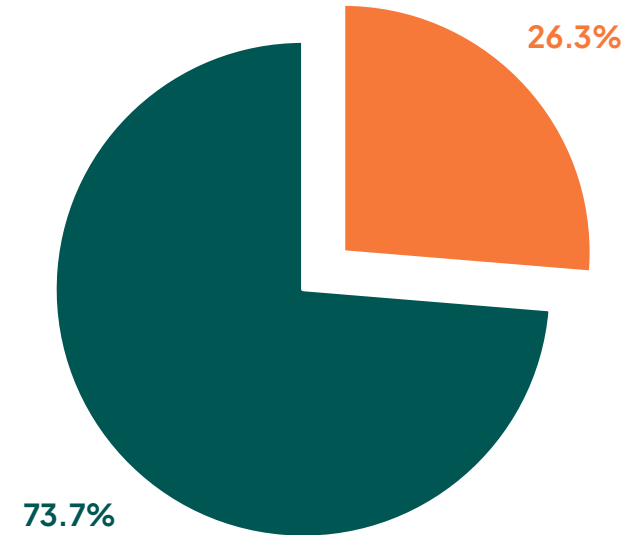


Where should I focus?:
Claims ATB Inventory (A/R > 90)

- Proportion of balances (%) aged more than 90 days
- Typically associated with aged trial balance (ATB)
- Can fluctuate month-to-month
- Typically set at a threshold or max
- Average runs ~30%, best practice <25%

A/R > 90

A/R > 90 days



Key stakeholders:

- CFO
- Dir. PFS

Final Thoughts

There is no separation between the care experience and the billing experience in the consumer's mind

1

Revenue Cycle leaders should be enabled to drive transformational change

2

Set a strong strategy despite payer and patient payment challenges

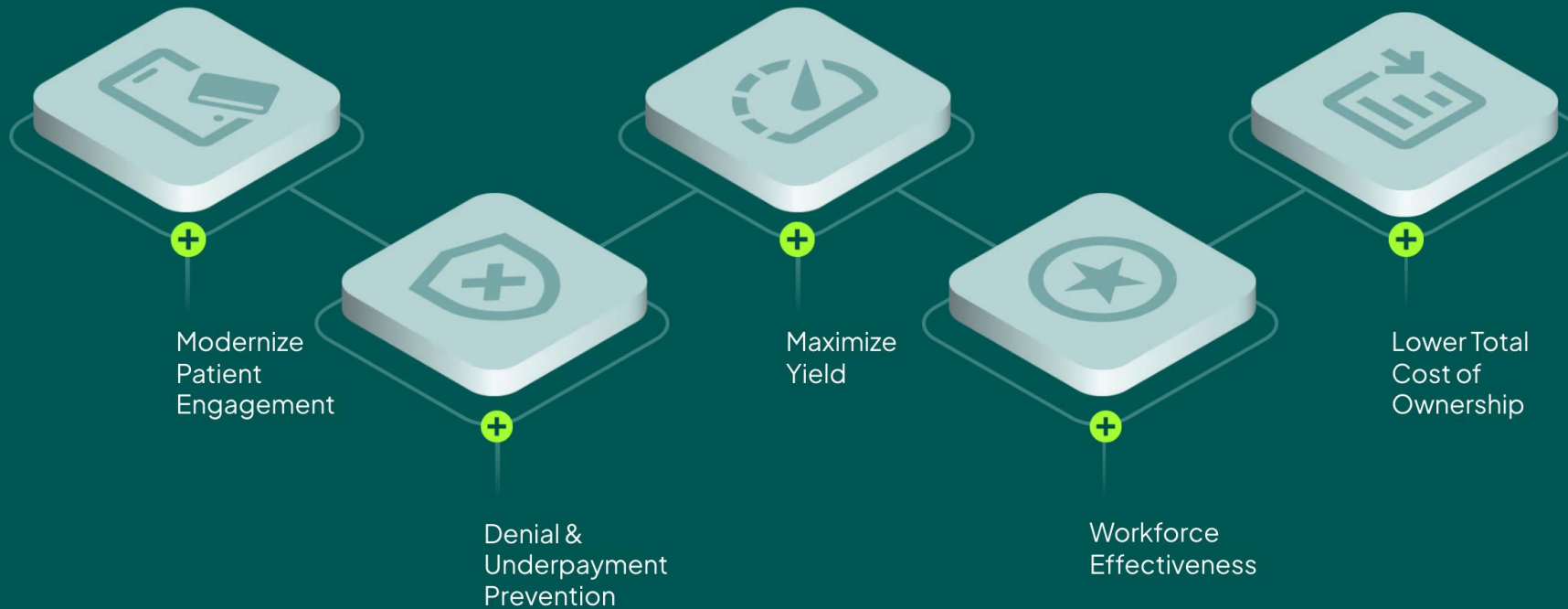
3

Consider AI-enabled technology to automate frictionless financial clearance workflows to drive higher yield

From Orchestration to Outcomes

Cost to Collect: Expenses incurred by an organization to recover their revenue

We reduce cost to collect by improving how revenue is earned, protected and collected – across the entire revenue cycle.





Resilience

re·sil·ience

noun

1. the capacity to withstand or to recover quickly from difficulties; toughness.

Questions?

Thank you!

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