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Healthcare

Re-Engineering RCM for Reduced Cost to Collect

How Smart Providers Are Slashing Costs by 50%

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Chapter 1:
Cost to Collect: A Silent Blow to Your Bottom Line

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A decade and a half ago, the “chase-every-claim” mindset made sense, even if it inflated the cost to collect. But not anymore.

Here’s why.

Costs have climbed up—labor, tech, you name it—yet provider payments haven’t kept pace, putting serious pressure on their financial stability. That’s why, CTC has become *the* metric to watch.

Failing to assess ROI and blindly throwing resources at claims can be a regrettable, high-cost decision.

If your RCM isn't tech-enabled or running on standardized workflows, you're likely building backlogs and revenue leaks to drain your resources and drive up your costs.

This guide unpacks what could be bloating your CTC, why the old "chase-it-all" mindset no longer works, and how re-engineering RCM around ROI can boost your revenue while slashing your costs.

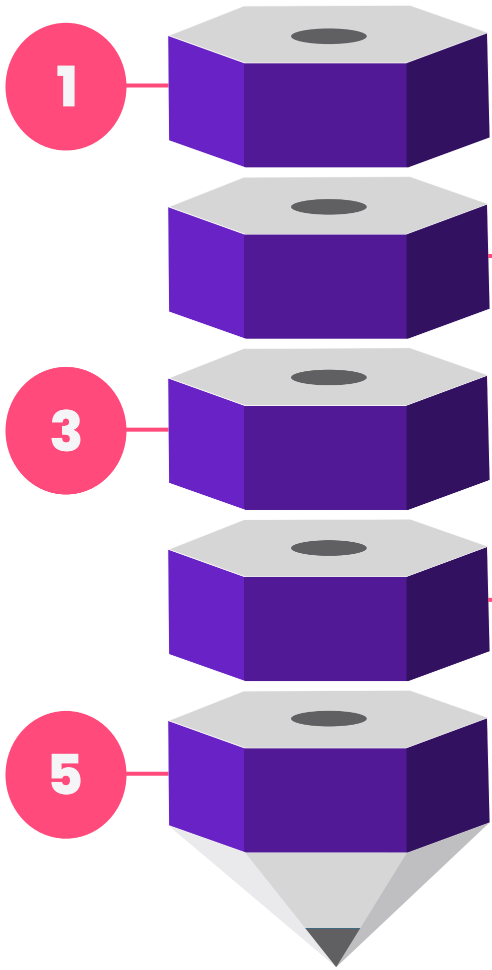
Expert Take

RCM success isn’t about putting all hands on deck; it’s about directing effort where the real ROI and impact lie.

Chapter 2:

What's Driving Up Your CTC?

You may want to rethink your RCM strategy if you're still:



1. Chasing every claim (***AND NOT*** realizing that all claims aren't created equal)
2. Burying your staff in tasks tech can solve (***AND NOT*** leveraging AI & automation to augment efficiency and reduce their load)
3. Reworking denials in circles hoping for a payer epiphany (***AND NOT*** tracking payer shifts for documentation & edit needs)
4. Letting AR stay stuck in the 90+ day purgatory (***AND NOT*** triaging and prioritizing claims based on their ROI, impact, age)
5. Making instinct-led decisions to fix issues (***AND NOT*** leveraging analytics-driven insights to bring your costs down).

Chapter 3:

Track Your CTC Before It Tames Your RCM

If you're not actively tracking your CTC, chances are it's already controlling your revenue cycle and eating into your margins.

Calculating Cost to Collect :

Cost to Collect (CTC) = (Total RCM Expenses / Total Collections) x 100

Industry Benchmark: 6% - 8% of net revenue

Classic questions to ask if your CTC is off track:

- Am I incurring excess costs by chasing the wrong claims?
- Am I incurring excess costs chasing the right claims the wrong way?
- Is my team sized appropriately or am I overstaffed?
- Am I prioritizing claims based on their ROI and collectability?
- Can any of my tasks be automated or tech-supported?
- Am I under-utilizing my system's potential and capabilities?
- Are unnecessary steps or handoffs bloating my workflows?
- Is my team fixing errors that could've been avoided upstream?
- Are denials recurring due to weak root cause analysis?
- Do I have enough visibility into my KPIs and revenue leaks?

When you track your CTC, you

- Uncover your RCM process efficiencies
- Identify areas to prevent revenue leaks
- Make smarter, data-driven decisions

When you don’t, you risk

- Burning out your team with avoidable rework
- Overspending on low-yield & impact accounts
- Denials, backlogs, and write-offs piling up

Expert Take

You can’t tame what you don't track. Thus, tracking CTC alongside KPIs like denial rate, first-pass resolution, AR days, is important to keep costs under control.

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The Law of Diminishing Returns in RCM

The law of diminishing returns tells you that beyond a certain point, any extra effort yields less output. Much like in economics, the principle applies to healthcare RCM:

Throwing all hands on deck doesn't guarantee a healthy bottom line. Without prioritizing claims by ROI, impact, and age can, even your best people can remain stuck in cycles, leading to burnout and costly rework.

Consider these two real-world scenarios:

CASE 1:	**CASE 2:**
A provider spending $50 to collect a $30 underpayment	A provider spending $80 to appeal and win a $2,000 denial

The difference?

Chasing every claim as a default strategy can lead to:	An ROI-driven approach to working claims can translate into
• **Low yield** • **Excessive touchpoints** • **Inflated CTC**	• **Higher yield** • **Purposeful effort** • **Better bottom line**

Strategic claim prioritization based on ROI and impact

Expert Take

RCM success isn't about the number of claims you chase—it's about pursuing the right ones where the real ROI lies and the cost to collect is justified.

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Move from Firefighting to Forecasting

Here's how smart healthcare providers lower their CTC:

Tracking CTC Like It's a Vital Sign

Monitor CTC regularly to spot deviations early and course-correct faster.

Benchmark to see where you stand and set realistic improvement targets.

Right-sizing RCM Teams, and Doing It Often

Know your team's capacity; use claims-per-FTE metrics to rebalance quickly.

Automate routine tasks (like eligibility checks) to free up staff for high-value work.

Building Lean, Robust Workflows

Assign role-based routing: the right work goes to the right person-coders get denials, not registration errors.

Integrate pre-auth verification directly into scheduling systems to avoid downstream delays & denials.

Standardizing with SOPs to Cut Touchpoints

Define clear, end-to-end claim workflows; no more guesswork or redundant reviews.

Standardize escalation protocols and use templates to reduce back -and-forth with payers.

Using Billing System Smartly

Set payer-specific rules to flag missing documentation before claim submission.

Leverage AI to set work queues and prioritize claims by ROI, impact, age, and collectability.

Performing Root Cause Analysis

Perform reviews to uncover denial patterns and tag denials by root cause to guide teams.

Track denial rate and first-pass resolution rate to assess costly revenue leaks.

Setting Up a Robust Feedback Loop

Create closed-loop communication between front-end, coding, and AR teams to prevent recurring issues.

Use reports like missed revenue opportunity to highlight lost revenue due to preventable denials.

Leveraging Analytics for Process Improvements

Deploy intelligent dashboards to evaluate KPIs, success rates, and denial trends.

Apply analytics to identify high-cost manual steps ripe for automation.

Expert Take | **Your best strategy is to build a robust RCM framework to optimize operational workflows.**

Chapter 6:
How Jindal Healthcare Helps Reduce Your CTC

We re-engineer your RCM on an ROI-driven success framework based on our people, process, and technology to reduce your CTC and accelerate your cash flow:

PEOPLE

- Certified coders and billers ensure cleaner claims, faster reimbursements
- Expertise in payer rules and compliance for fewer denials
- Regular audits and trainings boost efficiency, keep teams aligned on KPIs
- Single-client commitment for measurable results and impact

PROCESS

- Custom SOPs tailored to each client’s payer mix and nuances
- Regular payer behavior monitoring and SOP updates to stay ahead of denials
- Robust RCA and feedback loops for denial prevention
- Standardized workflows and appeal templates for speedy resolution

TECH

- AI-powered eligibility checks to eliminate errors, boosts POS collections
- AI claim prioritization and smart queueing to fast-track collections on likelihood
- Decision tree logic for minimal touches, quicker claim resolution, faster payouts
- Custom KPI dashboards for analytics-driven continuous process improvements

Chapter 7:

Customer Success: 60% Reduction in CTC with AR Optimization

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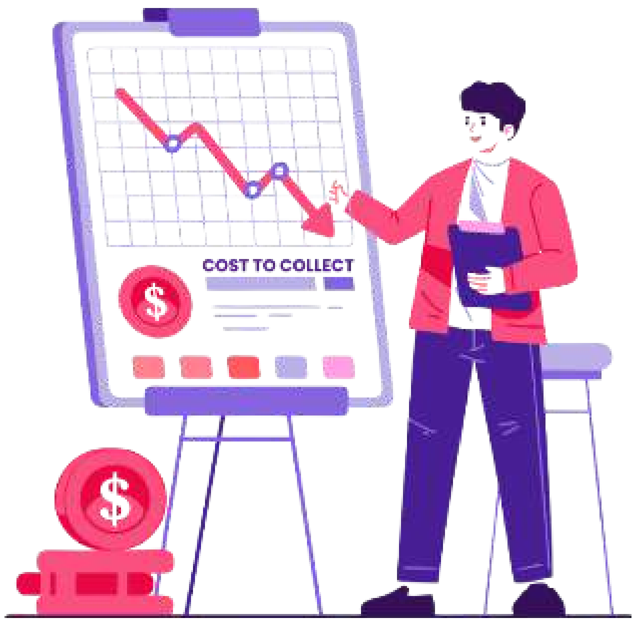
Texas-Based DME Sales & Practitioner Support Group

60% Reduction in Cost to Collect with AR Optimization



Background

A Texas-based DME provider and practitioner support group was grappling with a severely backlogged AR—79% over 90 days—and high cost to collect. With most tasks cycling back in-house, the team saw little success with their existing RCM partner.

Overview

- AR over 90 days stood at an alarming rate of 79%—more than triple the industry benchmark of 24%—severely impacting the cash flow.
- Excessive coding denials and the poor appeal structure resulted in missed reimbursements and a low recovery rate.
- Fragmented AR workflows, compounded by outsourced tasks being pushed back to the internal team, resulted in operational inefficiencies and inflated cost to collect.

Approach

The People

- Conducted a detailed denial root cause analysis
- Created a robust feedback loop to prevent coding denials with additional system and clearing house edits based on payer rules

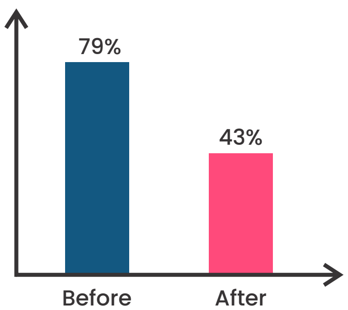
The Process

- Built custom SOPs to streamline workflows and eliminate redundancies and touchpoints adding to costs
- Developed modular appeal templates for objective, compliant appeals

The Tech

- Took an ROI-driven aggressive approach to AR management by segregating old and new AR segments
- Prioritized high-impact claims using the propensity -to-pay model

Impact



Drop in 90+ Days AR Within 4 Months

60%

Reduction in Cost to Collect

35%

Reduction in Total AR Days

13X

ROI on Old AR Project

Chapter 8:

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Ready to Cut Your CTC and Maximize Revenue?

Let our experts walk through your claims, costs, and KPIs—and uncover hidden opportunities to slash your costs and maximize your collections.

The Jindal Healthcare Impact

35% Increase in Average Revenue

50% Reduction in RCM Costs

60% Drop in 90+ Days Aging

92% Auth Approval Rate

99% Clean Claim Rate

Recommended Read:

How a Strategic Partner Review Helped a Texas-Based Rural Hospital Turn Data into Revenue Wins

Book Expert Consultation

www.jindalhc.com