



Benchmark Survey Report

Insights and Strategies for
the Future of RCM

2025

IN PARTNERSHIP WITH
BECKER'S HOSPITAL REVIEW

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Summary

Benchmark Survey Report: Insights and Strategies for the Future of RCM



Revenue cycle management (RCM) performance is improving among hospitals and health systems, as are the pressures on finance and other healthcare professionals that responded to the inaugural RCM Benchmark Study conducted by *Becker's Healthcare* and Savista, a leading RCM services company. Two-thirds of respondents reported their hospital or health system's financial performance improved because of RCM efficiencies in 2024, but 53% expect their RCM operations to be less effective in 2025 unless they make changes. Rising denials and appeals volumes, claims processing inefficiencies and aging accounts receivable (AR) are the most frequently cited barriers to improving RCM, and every organization reported the labor and skills shortage has negatively impacted at least one area of their RCM operations.



Organizations recognize the need to change and are responding. They are not pursuing simple fixes, but instead are developing sophisticated, hybrid operations models to position for success in the challenging RCM environment.

Figure 1: RCM Impact on Organization's Overall Financial Performance

'Compared to last year, how has your organization's financial performance changed due to RCM efficiency (or inefficiencies)?'

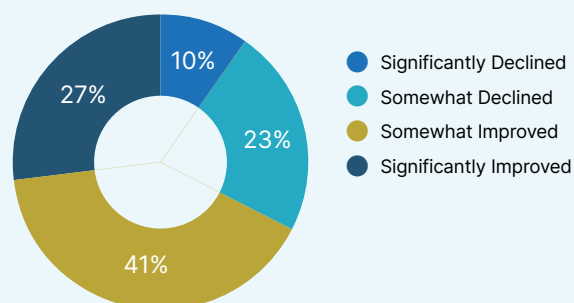
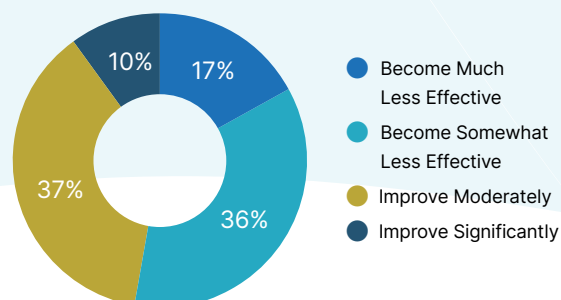


Figure 2: Expectations for Future RCM Effectiveness

'If you make no changes to your RCM processes or systems, how do you think your RCM operations will change in the next 12 months?'



Their top priorities are strengthening overall reimbursement strategies and financial performance, expanding staff training and upskilling programs, reevaluating outsourcing opportunities, increasing transparency and improving the patient financial experience. Expanding outsourcing, increasing investment in staff training and upskilling and trying to apply AI and automation to more workflows are all moderate or higher priorities for at least 70% of organizations. Budget, staffing and technology limitations are impeding these and other improvement efforts for many hospitals and health systems.

Organizational RCM performance, priorities and obstacles vary across different respondent demographics, including where organizations are on the technology adoption spectrum and how they use outsourcing. The heaviest technology users are somewhat insulated from some of the leading barriers and other pressures. Hospitals and health systems with the highest technology adoption and automation levels currently have a better outlook for future RCM improvement, were less likely to have suffered performance slippage last year, make fewer coding and

documentation errors, are better prepared to deal with regulatory uncertainty and are less challenged by the tight labor market. More than half (56%) of mature technology users expect their RCM performance to improve in 2025, including 18% that expect significant improvement. No organizations that describe themselves as having limited automation and technology adoption expect significant improvement this year.

The full report presents current state of RCM improvement momentum, including its outlook, obstacles and priorities, and identifies where challenges and performance advantages differ among organizations at different technology and adoption levels.

Organizations recognize the need to change and are responding. They are developing sophisticated, hybrid operations models to position for success in the challenging RCM environment.

About the Report

In early 2025 Savista and Becker's Healthcare surveyed hospital and health system leaders about the state of RCM operations within their organizations.

The survey asked organizations to assess their RCM performance and outlook, the leading problems and obstacles they encounter, performance in specific areas of RCM, staffing plans, improvement priorities and strategies and their level of automation and AI adoption. The survey produced 115 usable responses. Respondent demographics are presented in **Figures 3 through 6.**

Figure 3: Organization Type

'Please select the most accurate description of your organization.'

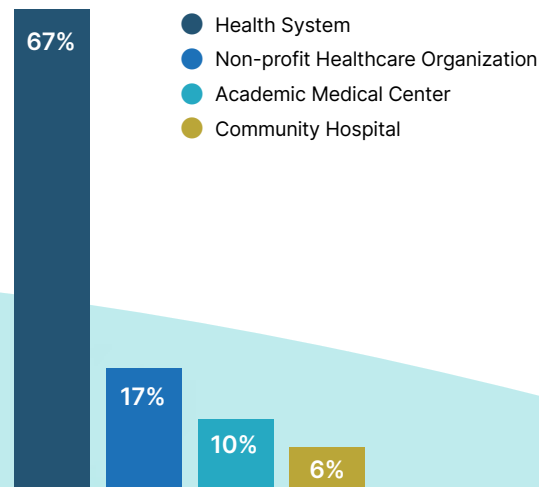
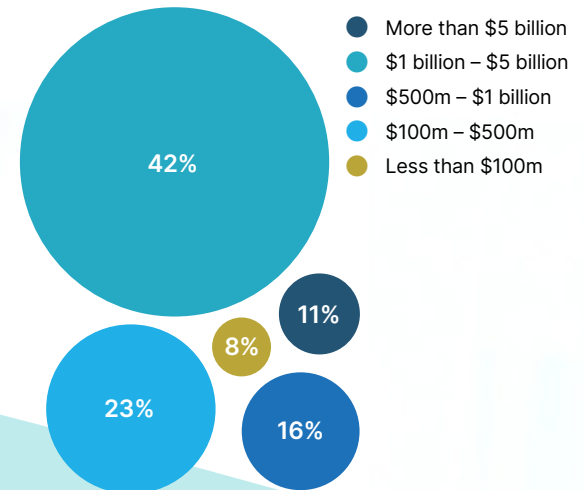


Figure 4: Organization Size by Revenue

'What is the size of your organization based on annual net patient revenue?'



...About the Report



Figure 5: Respondents by Organizational Role

'Which best describes your role in the organization?'

Roles

● Chief Financial Officer (CFO)	17%
● Administrative Director (Finance, RCM, or Revenue Services)	14%
● Director of Health Information	13%
● Director of Billing and Compliance	10%
● Vice President of Finance	11%
● Director of Patient Financial Services	8%
● Director of Managed Care	7%
● Director of Coding	6%
● Vice President of RCM	6%
● Director of Revenue Services	4%
● Other	4%

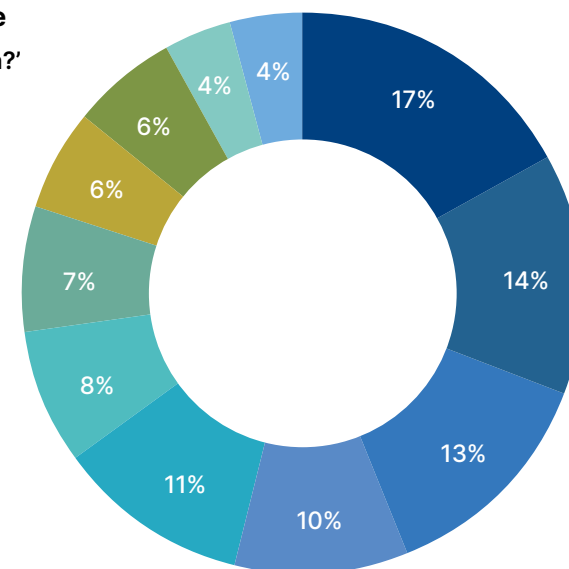
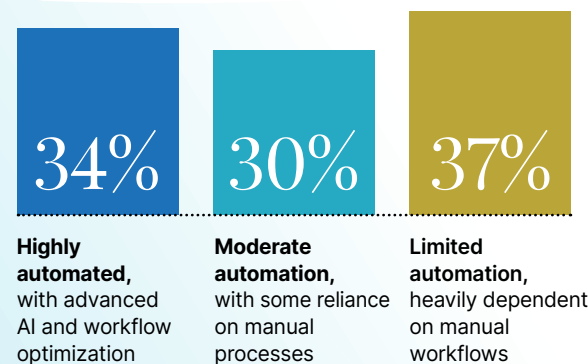


Figure 6: Technology Adoption Level

'How would you describe the current level of automation and technology adoption in your RCM operations?'



RCM: The Current State and Outlook

Hospitals and health systems have done an excellent job of navigating the considerable healthcare revenue uncertainties of the past year and the persistent challenges to finding firm financial footing. Only 10% of organizations experienced a significant decline in their RCM performance, and nearly three times as many (27%) reported they achieved significant improvement (as shown in **Figure 1**). Uncertainty carried over into 2025 and confidence in sustaining RCM gains declined among many hospitals and health systems. As **Figure 2** showed, 53% of organizations felt maintaining their status quo for RCM strategy, processes and supporting technology would result in their RCM operations becoming less effective.

Concerns and confidence levels for 2025 vary notably among respondents at different automation and tech adoption levels. For example, highly automated, mature technology users are 20% less likely to expect their RCM effectiveness to decline than organizations that say they are at the lowest level of technology maturity (44% of high-automation, high-technology adopters expect performance to decline vs. 64% low-technology, low-automation organizations, shown in **Figure 7**).



Figure 7: RCM Effectiveness Expectations by Organizational Technology Adoption Level

'If you do not make any changes to your RCM processes or systems, how do you think your RCM operations will change in the next 12 months?'

	Become much less effective	Become somewhat less effective	Improve Moderately	Improve Significantly
Limited automation and tech adoption	14%	50%	36%	0%
Moderate automation and tech adoption	26%	24%	41%	9%
High automation and tech adoption	13%	31%	38%	18%

18%

of respondents with high levels of automation think their RCM will improve significantly in the next 12 months.

Why the Concern About Continued Improvement?

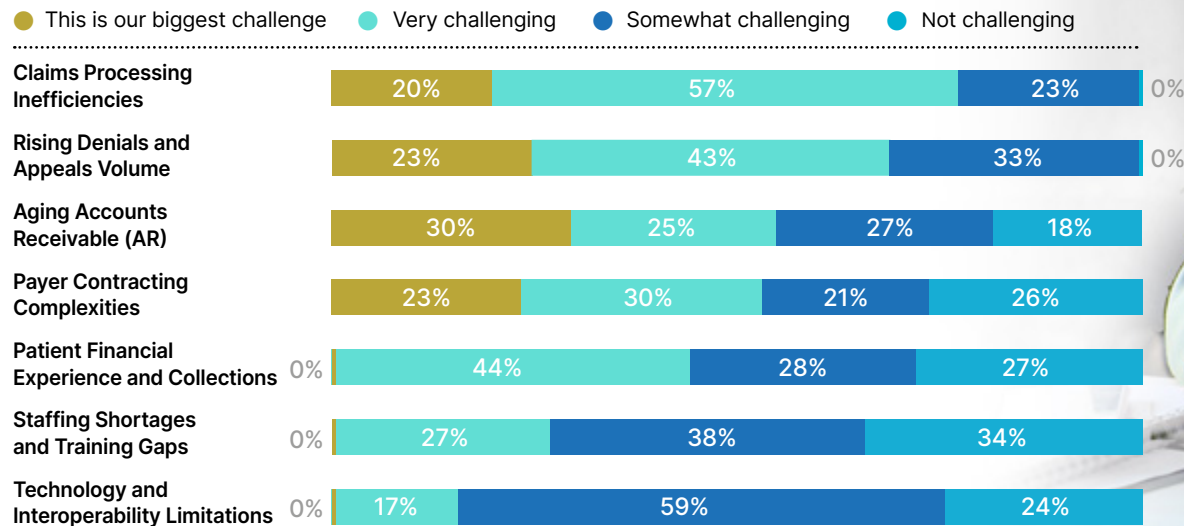
Hospitals and health systems are facing multiple conditions and developments that threaten RCM performance, making it difficult to optimize an improvement strategy that addresses all of them.

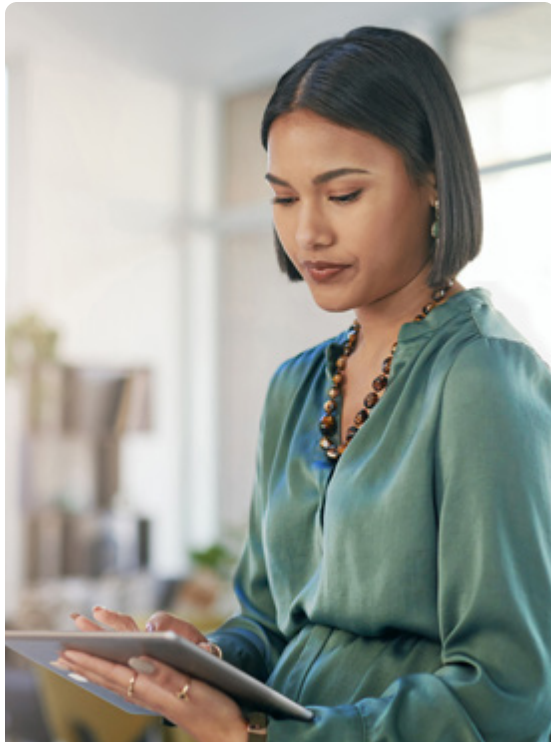
Figure 8 provides perspective on how strongly and broadly some current

conditions are hindering effective RCM performance. Claims processing efficiencies, rising denials and appeals volume, aging accounts receivable plus payer contracting complexities all are very challenging for the majority of hospitals and health systems.

Figure 8: Which RCM Areas do Hospitals and Health Systems Find Challenging?

‘Currently, how challenging are you/your organization finding the following RCM areas?’



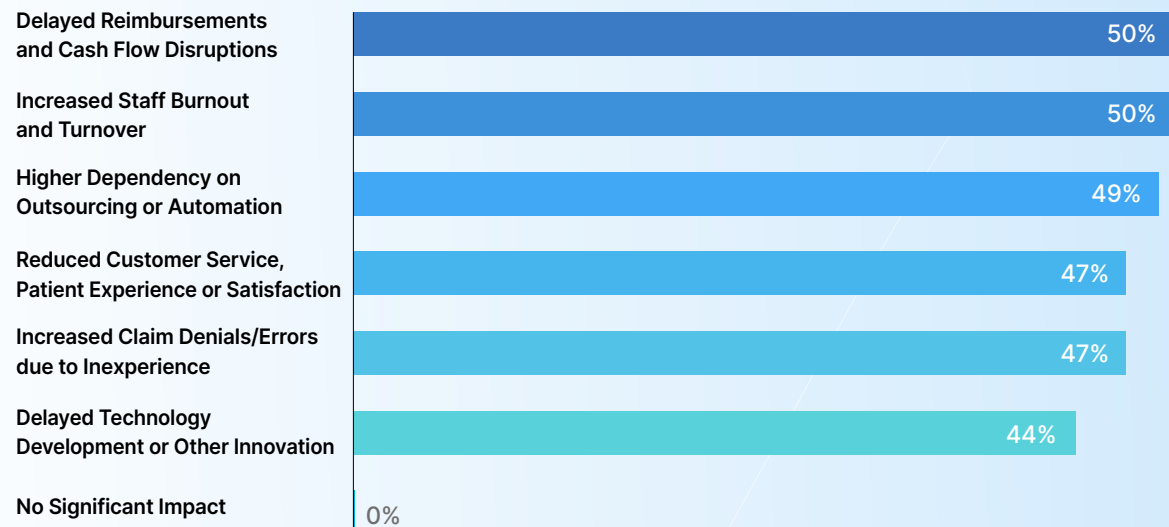


More organizations are working with external partners as part of hybrid RCM models to identify the best ways to improve performance in specific areas.

Although staffing shortages and training gaps were not among the highest-rated challenges, every respondent organization reported the labor and skills shortage has significantly impacted at least one area of their RCM operations. Delayed reimbursement and other cash flow disruption and increased staff burnout and turnover were the most-reported consequences of the workforce shortage (see **Figure 9**).

Figure 9: How the Workforce Shortage is Impacting RCM Operations

'How has the workforce shortage impacted your organization's revenue cycle operations?'

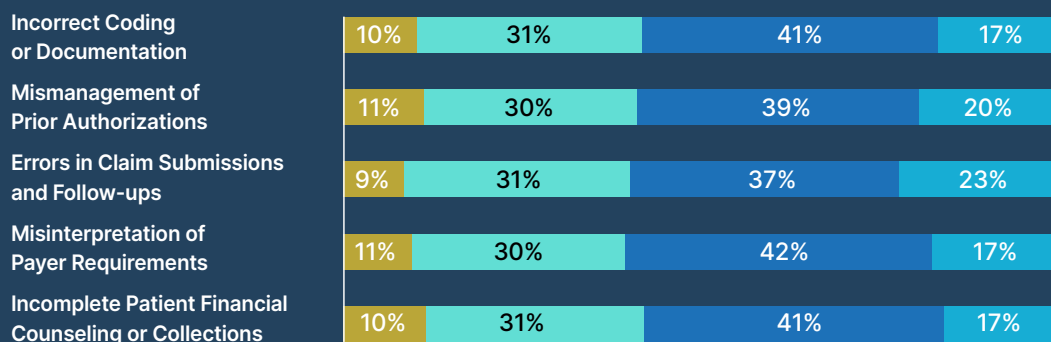


Increasing RCM staffing won't completely solve these problems. New hires, when they can be found, can be error prone and contribute to inefficiencies that hamper RCM performance. New RCM staff members commonly or frequently commit errors in coding or documentation, prior authorization, claim submissions, interpreting payer requirements and patient financial counseling at the majority of hospitals and health systems (see **Figure 10**).

Figure 10: Leading Errors and Inefficiencies Among New, Internal RCM Staff

'How often do you see the following errors or inefficiencies among new, internal RCM staff?'

● Rarely ● Sometimes ● Commonly ● Frequently



Many of the problems shown in **Figure 10** are deeply rooted within organizations and require a thorough, expert analysis to identify the underlying causes and most appropriate fixes. Conducting this analysis is a difficult but necessary step. Without it, adding staff or introducing new technology may not have the desired effect because those actions may simply scale or automate a flawed process. That is a reason more organizations are working with external partners as part of hybrid RCM models to identify the best ways to improve performance in specific areas.

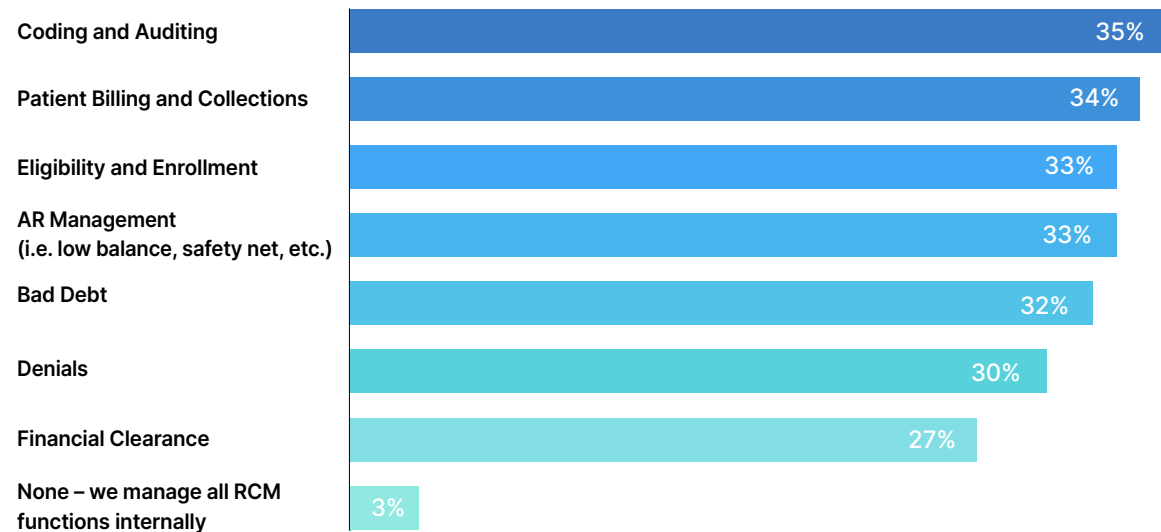


Outsourcing is a common strategy to mitigate potential labor shortages and scaling limitations, as 97% of respondents' organization outsource at least one RCM function. Respondents average 2.2 operations outsourced from among the seven options shown in **Figure 11**. This selective use of outsourcing highlights that pursuing outsourcing or increasing automation or internal hiring is not an either/or choice. Most hospitals and health systems now favor hybrid RCM models. In hybrid operations, hospitals and health systems run some processes in-house and contract a service provider for others to take advantage of their partner's expertise and/or ability to scale. This approach helps build resiliency into RCM operations.

97%
of respondent
organizations outsource
at least one of the above
RCM functions.

Figure 11: Outsourcing by Function

'Which revenue cycle functions, if any, does your organization currently outsource?'



Coding and auditing is the most-outsourced service among respondents. Among those organizations, 77% expect their overall financial performance to improve in 2025, which compares to 32% of organizations that are not outsourcing coding and auditing. The high discrepancy could be a signal that organizations expect coding and auditing to be more complex and difficult to master this year; last year, 39% of organizations that outsourced the function reported significant overall

financial performance improvement last year, compared to 33% that managed it internally.

Patient billing and collections was the most-outsourced service among organizations that achieved significant RCM improvement last year (see **Figure 12**) and tied with Medicaid eligibility and enrollment management as the most likely to be outsourced by hospitals and health systems that are expecting significant RCM performance improvement in 2025.

Additional analysis found technology adoption maturity had relatively little difference on which functions are outsourced. However, it is a clear differentiator for how much organizations plan to rely on outsourcing in the future and how strongly they are prioritizing training and upskilling their employees. Tech maturity also correlates to how well organizations respond to various challenges and conditions in the RCM landscape.

Figure 12: Functions Outsourced by RCM Improvement Level

	Organizations that achieved significant improvement in 2024	Organizations that expect significant improvement in 2025
Patient Billing and Collections	42%	33%
Coding and Auditing	39%	77%
Bad Debt	39%	18%
Eligibility and Enrollment	32%	33%
Accounts Receivable Management	26%	9%
Denials	26%	9%
Financial Clearance	16%	66%

77%
of respondents who outsource coding and auditing expect their overall financial performance to improve in 2025.

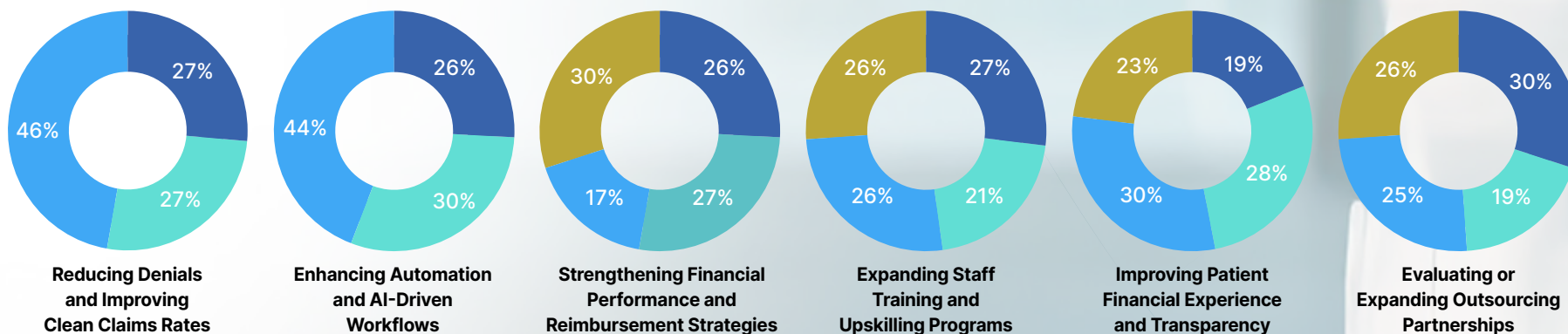
Changes are needed – What organizations are prioritizing

Figure 13 shows how hospitals and health systems are prioritizing six leading areas for RCM improvement efforts. Improving patient financial experience and transparency is the most widely shared and highest-rated focus, although strengthening financial performance and reimbursement strategies is the most-cited top priority.

Figure 13: Priority Areas for RCM Improvement

‘Over the next 12 months, to what extent is your organization prioritizing the following areas of RCM?’

● Low priority ● Moderate priority ● High priority ● Top priority





Other than strengthening financial improvement, which is a near-universal focus, many priorities correlate to automation levels. For example, 38% of organizations that consider themselves highly automated say achieving their desired patient financial experience and collections is not challenging, but only 19% of low automation/low technology adoption organizations say it isn't a challenge.

Decisions to expand outsourcing, accelerate technology expansion and to add or upskill RCM staff are not mutually exclusive, and many organizations are doing all three.

As **Figure 13** shows, most hospitals and health systems are prioritizing expanding outsourcing (70%), and automation (74%), and internal staff development (73%). Some organizations outsource specifically to take advantage of AI and automation available through partners.

Some organizations outsource specifically to take advantage of AI and automation available through partners.

70%

of hospitals and health systems who responded say they will be prioritizing expanding outsourcing.

The least-automated respondents are more likely to be prioritizing outsourcing than the most-automated, who are more likely to be prioritizing staff training and upskilling (see **Figure 14**). However, most organizations maintain a mix of manual, automated and outsourced operations. Orchestrating the right blend is a fundamental challenge to getting the best results from this hybrid approach and is an area where external guidance can be beneficial. Hospitals and health systems have been engaging with outsourcing service providers more strategically and less transactionally than in the past. This is occurring through consulting engagements to help optimize the RCM strategy rather than limited-scope projects to manage a specific operation.

Other priorities also vary by tech maturity, which reflects the specific competencies and challenges that characterize the organizations within each stage.

Figure 14: Training vs. Outsourcing Priority Comparison by Technology Maturity

'Over the next 12 months, to what extent is your organization prioritizing expanding staff training and upskilling programs?'

	Low Priority	Moderate Priority	High Priority	Top Priority
Limited automation and tech adoption	29%	24%	26%	21%
Moderate automation and tech adoption	38%	15%	24%	24%
High automation and tech adoption	15%	23%	28%	33%

'Over the next 12 months, to what extent is your organization prioritizing evaluating or expanding outsourcing partnerships?'

	Low Priority	Moderate Priority	High Priority	Top Priority
Limited automation and tech adoption	19%	17%	31%	33%
Moderate automation and tech adoption	41%	24%	15%	21%
High automation and tech adoption	31%	18%	28%	23%

33%
of low automation/low technology adoption organizations are prioritizing expanding outsourcing.



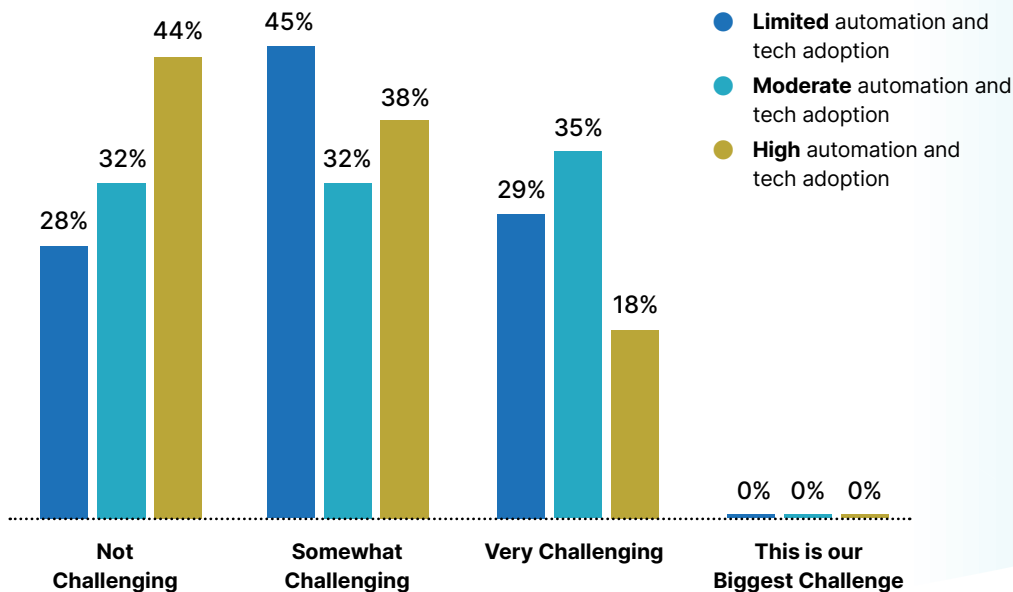
A Closer Look at Challenges and Where Technology Helps

This section examines how strongly the challenges identified in **Figure 15** affect respondents at different automation and technology adoption levels. Mitigating staffing shortages and training gaps is where hospitals and health systems with the most highly automated operations have their clearest advantage.

Only 18% say staff shortages and training gaps are very challenging, compared to 32% of all others. More than two in five (44%) tech leaders say staffing shortages and training gaps are not a challenge at all within their organizations.

Figure 15: Staffing and Training Challenges by Technology Maturity Level

‘Currently, how challenging are you and your organization finding staffing shortages and training gaps?’



Tech adoption does not necessarily create performance improvement. However, automation level correlates to coding and documentation performance, the most common source of errors among new RCM staff. Only 10% of hospitals and health systems with highly automated RCM operations frequently experience coding and documentation errors among their new staff, compared to 31% of organizations with limited technology adoption and 21% of others.

31%

of respondents with a limited level of tech adoption frequently experience coding and documentation errors among new staff, compared to just 10% among organizations with highly automated RCM operations.



Conclusion



Most hospitals and health systems have recently improved RCM efficiency enough to improve their organizations' overall financial performance. Organizations are concerned about their ability to sustain and build on these gains because of increasing payer complexities, rising denials and appeals volume, aging accounts receivables and overall claims processing

inefficiencies. Hospitals and health systems are changing their approaches to RCM as a result, and the inaugural revenue cycle management benchmark study by *Becker's Healthcare* and Savista found support for a broad range of RCM improvement strategies.

Improving transparency and the patient experience is the most widely shared improvement goal and how workforce limitations are concurrently motivating and limiting RCM improvement initiatives.

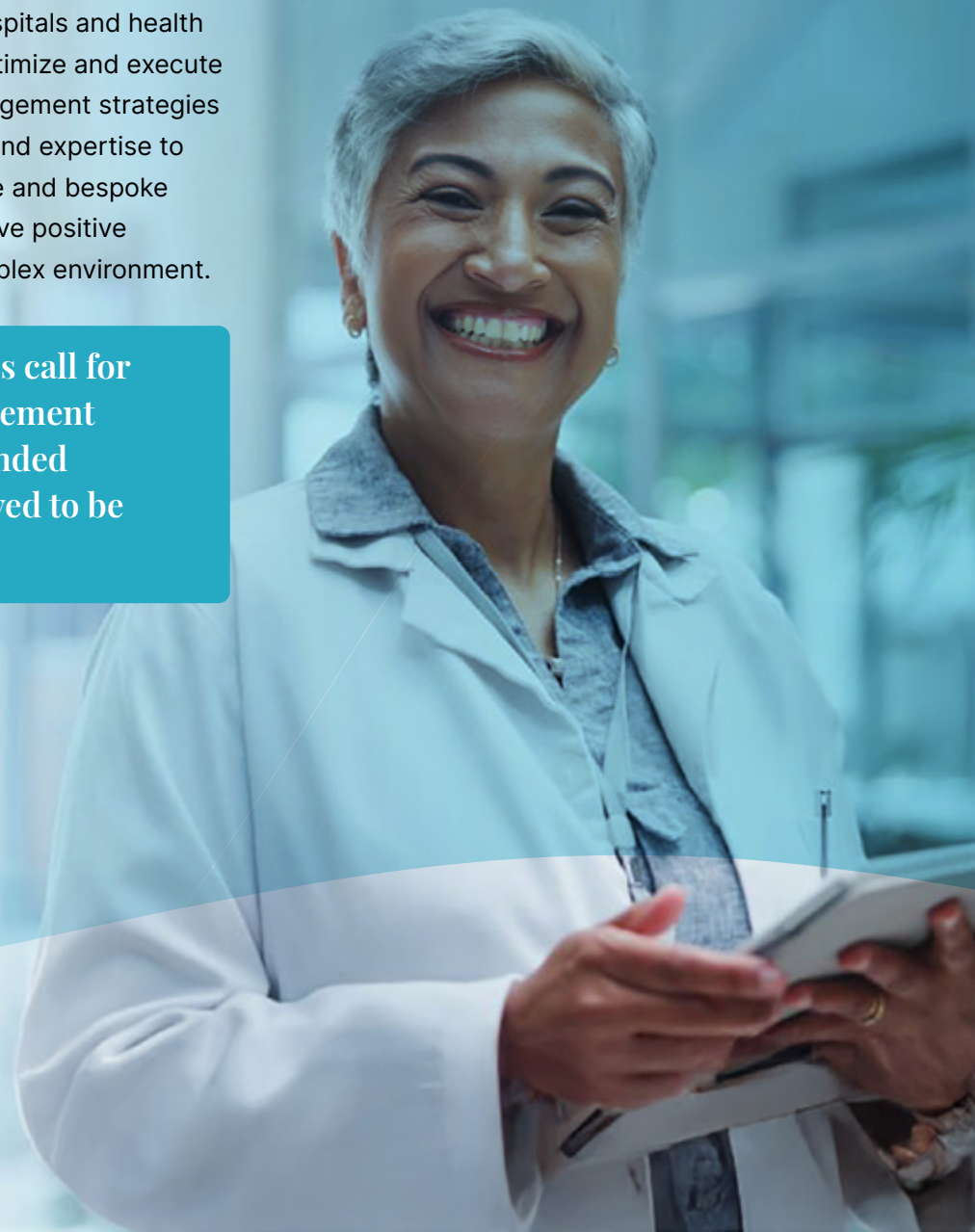


Improving transparency and the patient experience is the most widely shared improvement goal and provides an example of how workforce limitations are concurrently motivating and limiting RCM improvement initiatives. More than 80% of hospitals and health systems are prioritizing patient experience improvement, but workforce shortages have caused a decline in patient experience or customer service at 44% of organizations.

Hospitals and health systems are recognizing that current conditions call for innovative improvement approaches. They are increasingly creating hybrid RCM operating models where they are outsourcing some functions while managing others internally and selectively applying automation and AI to support them. This blended approach has proved to be highly effective.

Savista partners with hospitals and health systems to help them optimize and execute their revenue cycle management strategies and has the experience and expertise to offer clients the guidance and bespoke services they need to drive positive outcomes in today's complex environment.

Current conditions call for innovative improvement approaches. A blended approach has proved to be highly effective.





Savista is a full-service revenue cycle services company partnering with hospitals, systems, and physician practices for more than 30 years. They solve revenue cycle challenges through comprehensive services spanning eligibility and enrollment, coding, cancer registry, self-pay and bad debt, accounts receivable management and more. They have one of the most highly trained workforces in the industry with more than 20 accreditations, including Epic-certified trainers, and have received the prestigious Peer Reviewed designation by the Healthcare Financial Management Association. Their global organization delivers quality, custom solutions to more than 770 clients across 49 states.

To learn more:

SavistaRCM.com