2025 RCM Technology Playbook

Hospital and health system finance leaders are stepping up to address evolving challenges with **resilience** and **innovation**.

By proactively managing denials, underpayments, takebacks and navigating prior authorization mandates, leaders like you are finding strategic ways to strengthen operating margins, even in a competitive environment.

At the same time, patient expectations are reshaping the future of healthcare financial interactions. Leaders are adopting self-service digital platforms for shopping, scheduling, payments and payment plans—tools that are already standard in other industries. These initiatives are transforming patient financial experiences, fostering trust and convenience.
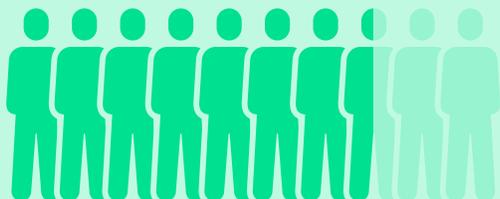
EHR platforms continue to serve as a vital foundation for documentation and workflow, offering robust capabilities across the clinical spectrum. Where gaps exist, healthcare finance leaders are seizing the opportunity to collaborate with revenue cycle management (RCM) technology partners. By bridging these gaps, optimizing the revenue cycle, streamlining operations and paving the way for long-term growth and success are of primary importance.

This forward-focused mindset highlights the determination and adaptability of the healthcare industry, driving meaningful improvements for both organizations and patients.

Contents

Did you know?

75% of healthcare executives expect to spend more on technology over the next year.

The Current RCM Tech Stack for Healthcare Finance Executives

Healthcare leaders like you are increasingly turning to innovative technology partners and boosting their investments each year. A well-planned approach to integrating technology solutions with native EHR capabilities can streamline your revenue cycle, paving the way for a stronger bottom line and lasting financial success.

But where should you look specifically for technologies to fill RCM gaps? To be successful, it's crucial to have a well-rounded perspective including an insightful understanding of the rapidly advancing technology landscape and the maturation of AI and automation capabilities.

Methodology

Partnering with HFMA and HIMSS in 2024, FinThrive surveyed over 200 healthcare executives. Of these, 160 specialize in RCM, and 50 have expertise in Information Technology. The goal was to measure the widespread usage and satisfaction levels related to RCM technologies. Of primary interest was to compare the effectiveness of native EHR systems to that of outside parties.

Respondents evaluated their satisfaction with various aspects of RCM technology. These facets ranged from front to back-office workflows with a focus on using the EHR's native capabilities versus leveraging third-party services for workflow support.

The Purpose of the Survey

This report offers valuable insights for healthcare organizations that use EHR systems, highlighting how peers tackle challenges and where they've successfully implemented outside solutions to optimize RCM. It also explores where third-party solutions come into play to help enhance the patient experience, reduce costs and recover more revenue.

With these insights, leaders can make strategic decisions to prioritize investments in RCM technology stacks to streamline workflows, stay ahead of the competition and give a clear path to improve financial performance.

EHR Market Results

Almost half (49%) of the respondents are Epic organizations, followed by Oracle Cerner (16%), MEDITECH (11%) and others (24%):
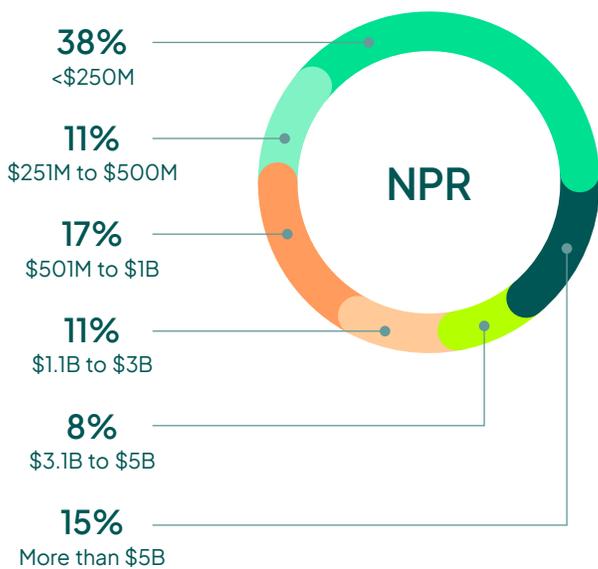
49%
Epic

16%
Oracle Cerner

11%
MEDITECH

EHR

1%
NextGen

3%
Allscripts

7%
CPSI

13%
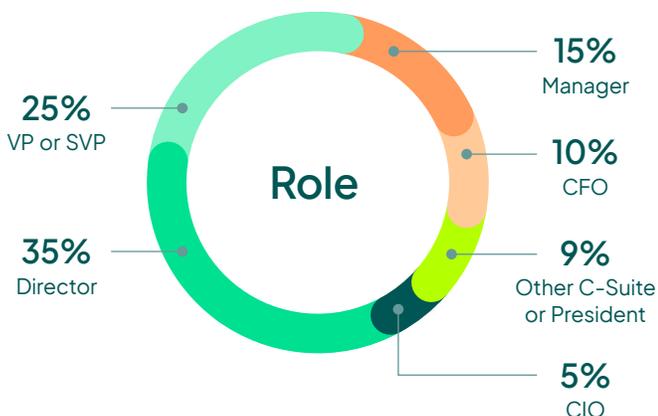Other
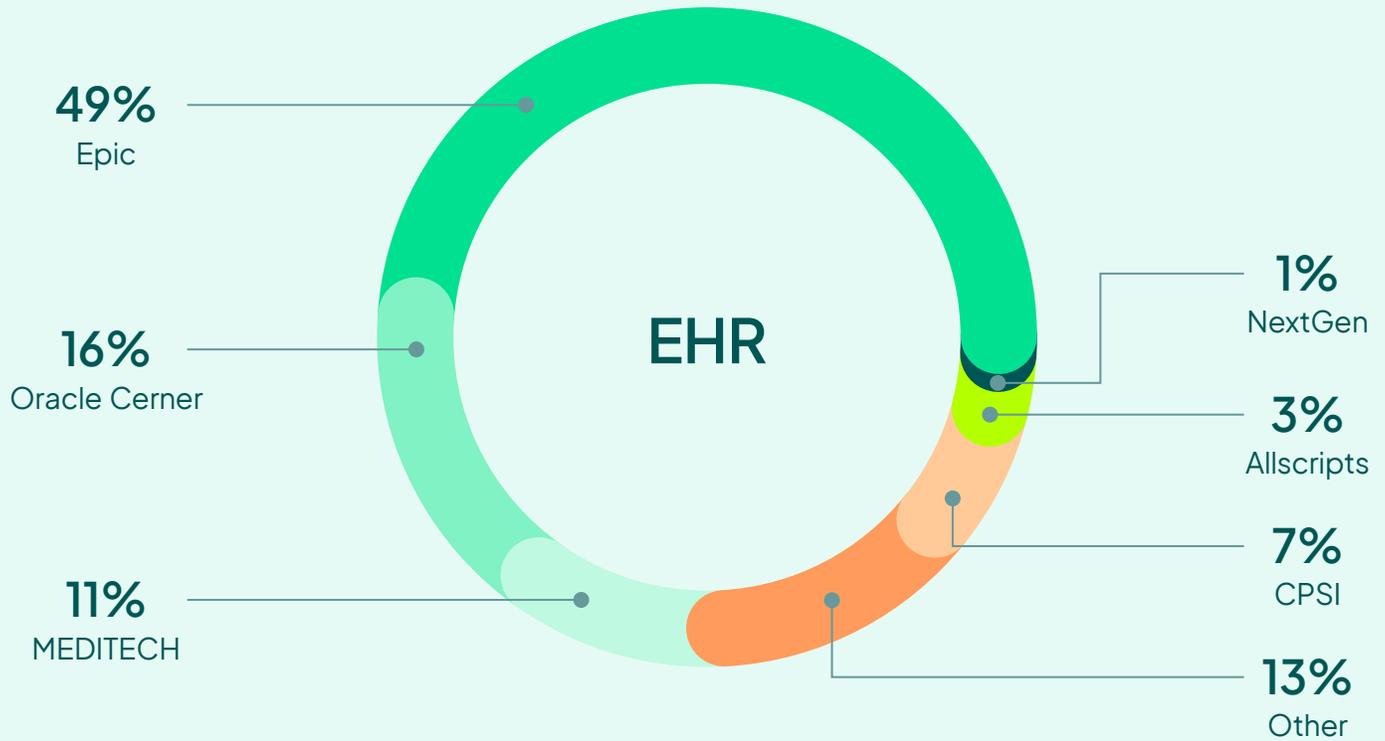
Survey Findings

Net patient revenue (NPR) was skewed heavily to lower-revenue organizations; 69% of respondents reported their NPR as less than $500M.

The chart below further breaks down the NPR of responding organizations:

NPR

- **38%** <$250M
- **11%** $251M to $500M
- **17%** $501M to $1B
- **11%** $1.1B to $3B
- **8%** $3.1B to $5B
- **15%** More than $5B

All respondents held **financial or technology leadership roles** in their organizations, with the majority at Director, Vice President or Senior Vice President levels.

The breakdown of titles was as follows:

Role

- **15%** Manager
- **10%** CFO
- **9%** Other C-Suite or President
- **5%** CIO
- **35%** Director
- **25%** VP or SVP

The participants' **departments** represented a broad range of responsibilities across the revenue cycle, including billing, coding, process improvement and patient access, as well as information technology.

Department	Percent
Billing/Collections	49%
Revenue Integrity/Insurance Follow-up	45%
Patient Access/Registration	39%
HIM/Coding	29%
Managed Care/Payer Relations	28%
Scheduling/Intake	27%
Business Process Improvement/Innovation Team/Training	25%
IT Systems	16%
Executive Leadership	14%
IT/Technology	10%
All of the above	3%
Finance	2%
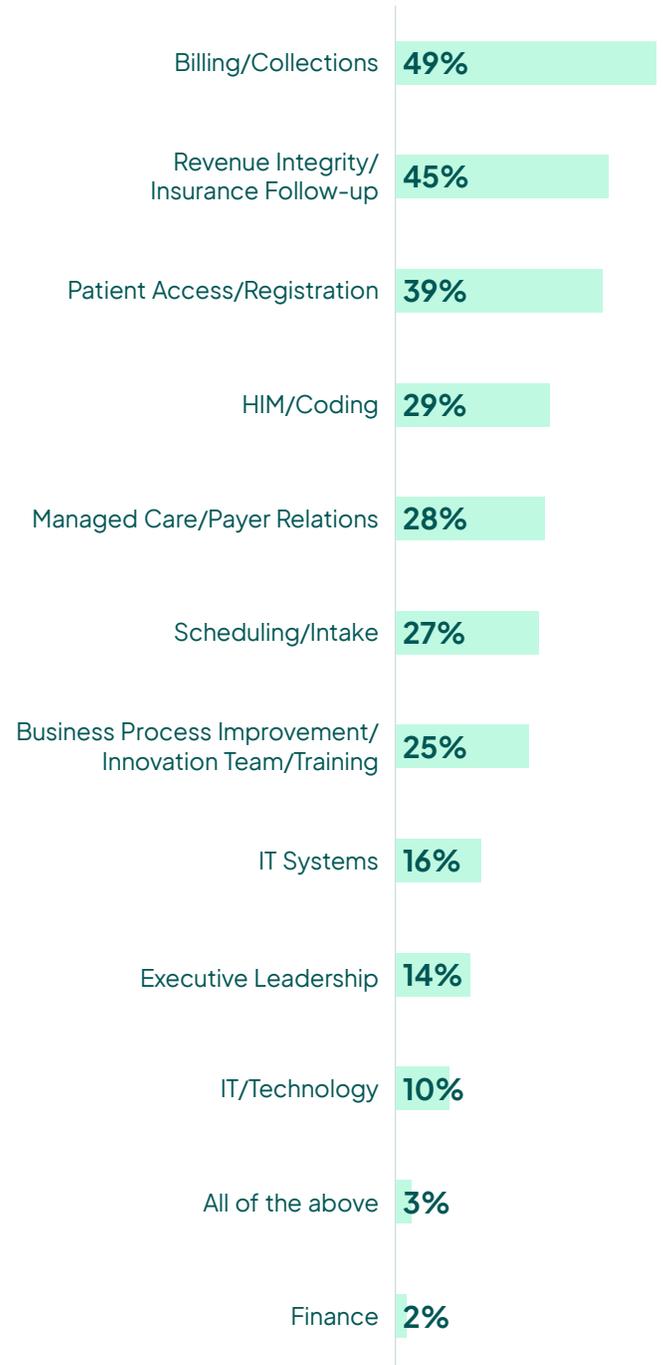
Front-End Workflows: Tech-Driven Transformations

The healthcare industry is experiencing a remarkable transformation driven by the rise of consumerism. Digital tools are empowering patients like never before—60% now rely on these tools to book their appointments, demonstrating a growing demand for accessible and convenient healthcare solutions.

Delivering a seamless front-end experience has become a key priority for healthcare organizations. A thoughtfully designed digital experience not only enhances patient engagement but also streamlines administrative tasks, freeing up staff to focus on delivering exceptional care. This shift raises the bar for patient satisfaction and creates a strong foundation for trust and loyalty.

A robust digital presence can be a game-changer. By meeting patient expectations for convenience and accessibility, healthcare providers can stand out in a competitive marketplace, attract new patients and drive sustainable growth. This new era of connected care is redefining what it means to deliver exceptional healthcare, benefiting patients, providers and organizations alike.

Front-End Workflows

Patient Engagement	Pre-Service Clearance	Authorization	Patient Financial Engagement
Referral Management	Eligibility & Benefits Verification	Prior Authorization / Certification	Patient Out-of-Pocket (OOP) Estimation
Patient Scheduling	Patient Registration / Pre-registration	Medical Necessity / ABN	Propensity-to-Pay
Patient Portal / Mobile App	Registration Quality Management		Charity Care Evaluation
Pricing Transparency	Patient Financial Clearance		Point of Service (POS) Payment Capture
Virtual Front Desk	Patient Identity and Address Verification		Self-service Patient Payment
Patient Appointment Reminders	Insurance Discovery		Payment Plan Enrollment

Most Utilization: **EHR**

Most Utilization: **Third Party Vendor**

Patient Financial Engagement

Gathering payments from patients presents a significant challenge for staff in independent healthcare practices, but it's fundamental for financial stability. Not only do one-third of U.S. residents struggle to pay their medical bills, often seeking help in navigating healthcare costs and insurance coverage, but typically, healthcare organizations recuperate only 50-70% of patient payments once they've departed the office.

By employing omnichannel self-service payment methods—including online, mobile, in-person, email and phone—providers can greatly enhance their probability of successful collections. Also, accurate patient cost estimation has become a top five key performance indicator (KPI) for health system and hospital CFOs. Many technologies use predictive modeling with historical claims data, yet often fall short in accuracy. As a result, 55% of healthcare finance leaders are focusing on advancements in this area to elevate the patient experience.

The rising trend of employers shifting healthcare costs to patients through high-deductible health plans are at unprecedented levels in the past decade. The reality that "the patient is the new payer" underscores the need for effective payment processes.

Health systems that use third-party vendors for pre-visit payment plan enrollment report satisfaction levels more than 50% higher than those who use their native EHR system.*

*HIMSS Market Insights 2024 Survey on EHR RCM Tech Utilization

Technology Utilization Rates

How are healthcare organizations utilizing technology to enhance patient financial interaction? Pricing transparency shows the greatest disparity between third-party and EHR utilization (13%), but many key patient financial tasks show utilization rates differing by only a few percentage points.

Pricing Transparency	Point-of-Service (POS) Capture	Self-Service Patient Payment (Pre-Visit)	Pre-Visit Payment Plan Enrollment	Patient OOP Payment Estimation
39% Third-Party	35% Third-Party	30% Third-Party	24% Third-Party	30% Third-Party
26% Native EHR	32% Native EHR	31% Native EHR	22% Native EHR	31% Native EHR

Patient Engagement and Pre-Service Clearance

A recent study by FinThrive reveals that enhancing the patient experience was a primary corporate focus in 2024, with 60% of healthcare finance executives attaching significant importance to fostering patient loyalty.

In terms of front-end workflows, this is where native EHR systems align for users, particularly in contexts where seamless integration is paramount.

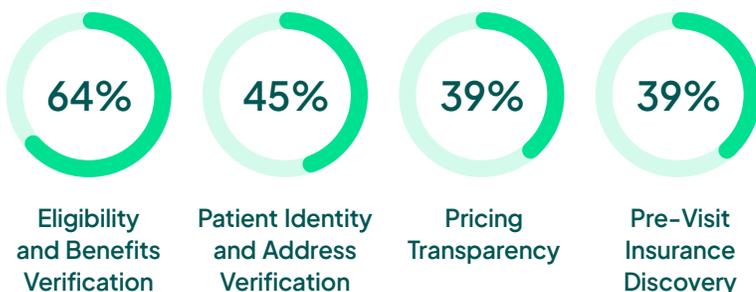### Top 3 Patient Engagement and Pre-Service Tasks Performed Using Native EHR

Workflow	EHR Utilization Rate Among Customers
Patient Scheduling	70%
Patient Registration/Pre-Registration	69%
Patient Portal/Mobile App	50%

Despite native EHR solutions being widely adopted across hospitals and health systems for critical patient-facing areas, healthcare finance leaders still prefer third-party solutions to send patient appointment reminders (44% utilization rate).

With patients waiting an average of 28.8 minutes before seeing a doctor and 61% missing appointments due to scheduling challenges, the need for flexible and prompt tools is clear as revenue cycle leaders like you are placing patient experience at the forefront of their objectives.

Third-Party Utilization Rates

Healthcare organizations are also turning to third-party partners for other mission-critical patient engagement and pre-service clearance tasks, such as:

64% Eligibility and Benefits Verification

45% Patient Identity and Address Verification

39% Pricing Transparency

39% Pre-Visit Insurance Discovery

Why Should You Care?

Like many healthcare organizations, you've probably noticed an uptick in claim denials. These often stem from issues like missing demographic data, eligibility errors or failed prior authorizations.

A report from the U.S. Department of Health and Human Services found that 13% of prior authorization denials by Medicare Advantage plans should have been approved under traditional Medicare.

It's no wonder healthcare finance leaders are focusing on improving the prior authorization process to reduce these denials. Personalized solutions like electronic verification are becoming a priority, helping to lower costs, boost efficiency and cut down on denials and authorization headaches.

Our survey also shows that organizations are increasingly turning to technology partners for key tasks like eligibility and benefits verification, patient identity and address verification and insurance discovery—critical steps for ensuring smoother pre-service clearance.

This trend suggests that while native EHR systems provide value for some patient-facing tasks, third parties are used much more frequently for patient financial engagement and authorization tasks, although satisfaction rates vary and are inconsistent.

Mid-Cycle Gaps Exist in Native EHR Systems

Healthcare organizations must gain insights into mid-revenue cycle processes including its impact on total fiscal well-being and techniques to enhance processes for optimal charge capture and denial prevention.

How Healthcare Organizations Approach Mid-Cycle Technology

Overall, hospitals and health systems exhibit higher confidence in adopting their native EHR for utilization revenue and charge capture-related tasks, but often seek third-party vendors for many clinical documentation and coding workflows.

Mid-Cycle Workflows

Clinical Documentation	Encounter Coding and Charge Capture
Transcription	Coding
Ambient Clinical Intelligence (ACI)	Charge Capture
Clinical Document Integrity (CDI)	Chargemaster Management Technology
Provider Query Management	Discharge Planning
Computer-Assisted Physician Documentation (CAPD)	
Utilization Review	

Most Utilization:
EHR

Most Utilization:
EHR + Highest Satisfaction: **Third-Party Vendor**

Most Utilization:
Third Party Vendor

Charge Capture

Health systems can lose up to 1% of their potential net revenue due to leakage at charge capture, which is separate from documentation or coding errors. While industry best practices recommend charge capture be completed within 3 to 5 days, accurate charge capture capabilities are a major concern for revenue integrity professionals. The NAHRI Revenue Integrity Week report highlights that redesigning and enhancing revenue capture capabilities is frequently cited as their top objective.

Many organizations use provider query management and chargemaster management technology through third-party solutions, but leaders often opt for the native EHR to handle charge capture analytics, chargemaster and discharge planning. Typically, those who partner with an outside solution for essential tasks express greater satisfaction than those relying on native-EHR capabilities.

Clinical Documentation

Physicians spend [more than 37.5 minutes on EHR tasks](#) for every hour of scheduled patient time, with 62% identifying excessive clinical documentation as the [leading cause of burnout](#). Technological advancements are crucial in addressing this growing challenge, with 83% of physicians believing that generative AI could help alleviate this burden. Similarly, 52% of patients believe AI can significantly enhance their healthcare experience.
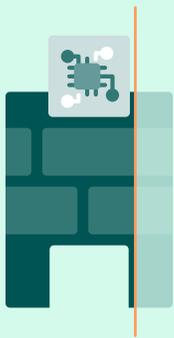
More than 75% of leading healthcare technology companies invest in Artificial Intelligence (AI) to [improve efficiency and patient outcomes](#).

Innovations like ambient clinical intelligence and real-time transcription transform clinical documentation by enabling voice-activated, real-time entries during patient interactions. These advanced technologies allow clinicians to focus more on patient care, as AI accurately transcribes and understands the context of their discussions.

Alongside clinical documentation integrity and computer-assisted physician documentation, these tools significantly reduce administrative burdens, boost clinician satisfaction and enhance the patient experience.

Consequently, healthcare organizations eagerly engaged with third-party vendors to adopt these forward-thinking technologies, except for utilization review.

Why Should You Care?

Critical gaps remain within mid-cycle workflows and addressing them effectively requires collaboration with external partners, as evidenced by the higher utilization rates across the board for solutions outside native EHR systems. The need for tailored, innovative tools is clear in areas like clinical documentation, charge capture and payment processing – driven by the evolving expectations of both patients and providers.

In a dynamic healthcare landscape, having specialized, customizable tools deliver a competitive advantage. This helps ensure you provide exceptional patient care, staying ahead of industry demands with confidence and innovation.

Back-End Workflows Require Third-Party Customization

Back-office solutions play a crucial role in maximizing revenue capture and reducing leakage, underlining the complex decision-making process providers navigate when selecting between native EHR solutions and outside vendors.

Back-End Workflows

Claims Processing and Payment	Insurance Collections	Patient Payment and Billing	Revenue Recovery / Protection
Claims Edits	Contract Management	Call Center Automation / IVR	Insurance Discovery
Claims Status	Contract Modeling	Paper Patient Statements	Bad Debt Collection
Claims Clearinghouse	Collections Management	Consolidated Patient Amount / E-statement	Underpayment Recovery
Remittance Matching	Third-Party Liability	Self-Service Patient Payments	Denials Management
Encounter Clearinghouse		Payment Plan Enrollment	Transfer DRG
Complex Claims		Early-out Collections	Disproportionate Share Reporting

Most Utilization: **EHR**

Most Utilization: **EHR** + Highest Satisfaction: **Third-Party Vendor**

Most Utilization: **Third Party Vendor**

Claims Processing and Payment

Denials are on the rise, with insurers initially rejecting approximately 10% to 20% of all claims, according to a study by the American Medical Association. Compounding this issue, a Becker's Hospital Review report found that up to 80% of medical bills contain errors, significantly contributing to claim denials.

In response, claim scrubbing serves as providers' first line of defense, helping to catch and correct errors before submission.

External vendors play a crucial role in streamlining processes, minimizing errors and boosting overall efficiency. Their contributions not only strengthen the financial performance of the healthcare organizations they serve but also drive high satisfaction rates among stakeholders.

Technology Utilization Rates

Organizations overwhelmingly rely on external parties for mission-critical tasks, such as:

Claims Edits	Claims Status Monitoring	Claims Clearinghouse
44% Third-Party	**38%** Third-Party	**57%** Third-Party
38% Native EHR	**31%** Native EHR	**21%** Native EHR

Contract Management

Healthcare organizations must continuously navigate an evolving terrain of regulations. In this complex environment, efficient contract management technology is crucial for success. However, many U.S. health systems and hospitals struggle with manual contract tasks and fragmented processes.

According to a 2019 Black Book Market Research survey of 1,275 CFOs, 96% of American health systems and provider organizations reported either lacking a contract management system entirely or relying on outdated systems inadequate for value-based care.

Recent research from FinThrive indicates that 10% of revenue cycle leaders plan to invest in advanced contract management technology, driven by the critical need to renegotiate payer contracts to boost revenue.

Similar to claims-related tasks, revenue cycle leaders also turn to third parties for contract and collections management in insurance collections.

As healthcare finance leaders face increasing financial pressures, accurately forecasting and optimizing contract reimbursements has become essential. Effective contract modeling technology is pivotal in this endeavor, enabling them to navigate complex payer agreements with greater precision and confidence. Many organizations are leaning on external parties for advanced contract modeling solutions to achieve these objectives.

Revenue Recovery and Government Reimbursements

Hospitals face razor-thin margins, with the average net operating margin at just 4.6%, according to a KFF report. As financial leaders prioritize revenue recovery solutions to combat rising bad debt and underpayments, many are turning to external parties for their expertise and robust technology platforms.

In 2022, Medicare paid only 82 cents for every dollar hospitals spent on caring for Medicare patients, leading two-thirds of hospitals to experience negative Medicare margins and accumulate bad debt.

82¢

For enhanced financial performance, alleviation of administrative burdens and compliance with intricate healthcare regulations, healthcare organizations are progressively leaning on the expertise of third-party solutions. They're specifically seeking help in revenue recovery processes which include insurance discovery, bad debt collection, underpayment recovery, transfer DRG adjustments and disproportionate share reporting.

Moreover, third parties are frequently employed for crucial patient financial engagement and revenue recovery procedures. Services such as paper patient statements, call center automation and early out collections are typically outsourced to specialist vendors who provide efficient, cost-effective and patient-friendly solutions.

Their advanced technology and operational expertise are highly advantageous, particularly when managing large volumes and guaranteeing positive patient interactions.

Why Should You Care?

Just as with front-end and mid-cycle operations, back-office functions are enhanced using innovative technologies, primarily due to tailored solutions.

The high levels of satisfaction derived from industry-leading involvement in mission-critical and high-value back-office duties illustrate their effective role in bridging vital gaps within the revenue cycle for healthcare leaders.

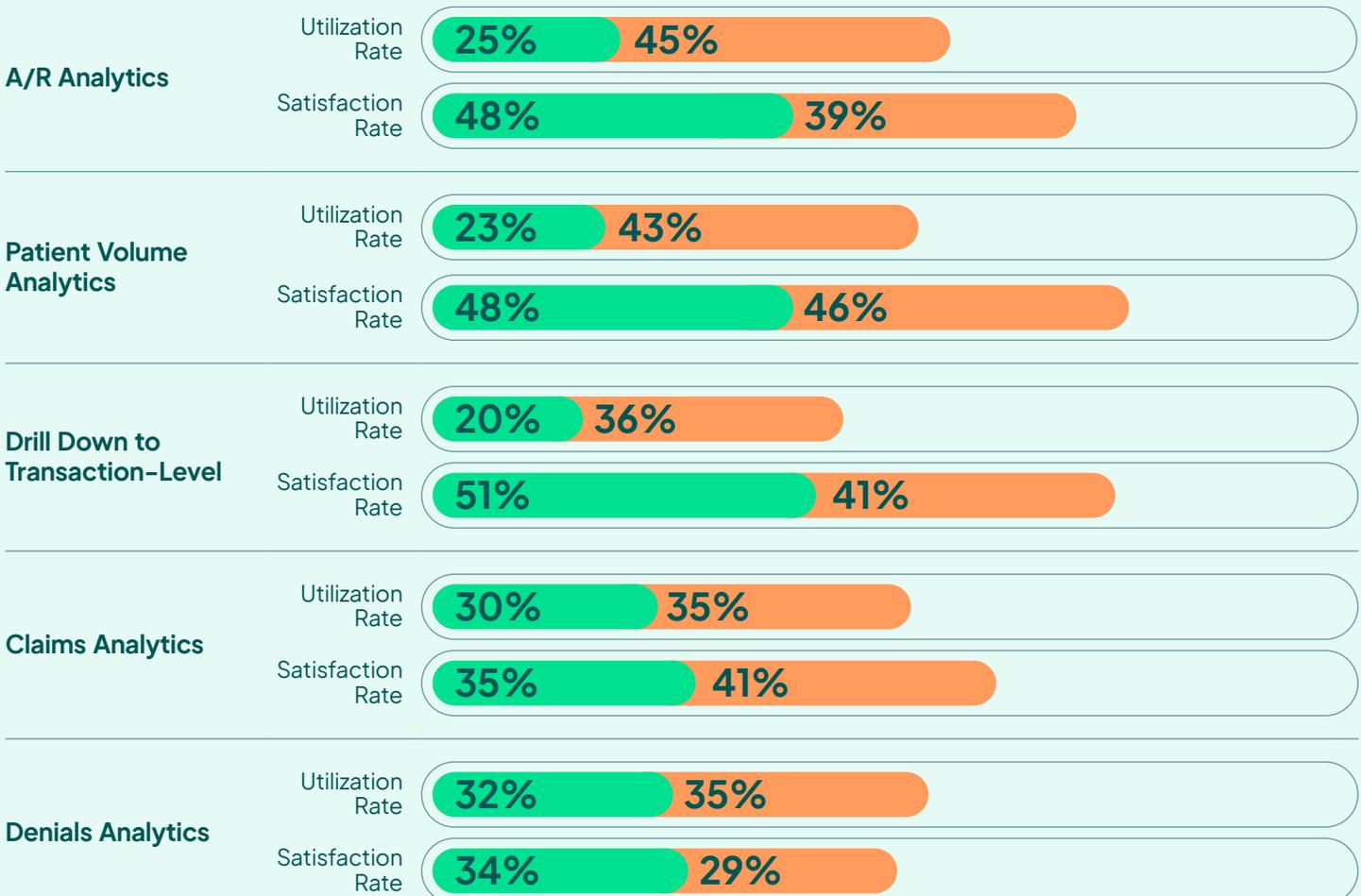# The Shift in Analytics for Healthcare Organizations

Hospitals and health systems typically have the option to utilize their own EHR's analytics solution, however, latest trends indicate that providers are diversifying their RCM analytics strategy.

Based on a KLAS RCM Analytics study, many organizations opt for third-party solutions to counteract the deficiencies found in their EHR offerings. These shortcomings often include a lack of essential features such as advanced performance visualizations and customizable reporting.

However, within our study, healthcare leaders overwhelmingly lean on the native EHR analytics capabilities for RCM insights, rather than implementing an outside solution. Their EHR is viewed as a cost-effective solution, but those who overcome the budget restrictions are more satisfied using a third-party vendor to handle key analytical tasks.

Top 5 Analytics Utilization/Satisfaction Rates

Legend: Third-Party | Native EHR

A/R Analytics
- Utilization Rate: 25% (Third-Party) / 45% (Native EHR)
- Satisfaction Rate: 48% (Third-Party) / 39% (Native EHR)

Patient Volume Analytics
- Utilization Rate: 23% (Third-Party) / 43% (Native EHR)
- Satisfaction Rate: 48% (Third-Party) / 46% (Native EHR)

Drill Down to Transaction-Level
- Utilization Rate: 20% (Third-Party) / 36% (Native EHR)
- Satisfaction Rate: 51% (Third-Party) / 41% (Native EHR)

Claims Analytics
- Utilization Rate: 30% (Third-Party) / 35% (Native EHR)
- Satisfaction Rate: 35% (Third-Party) / 41% (Native EHR)

Denials Analytics
- Utilization Rate: 32% (Third-Party) / 35% (Native EHR)
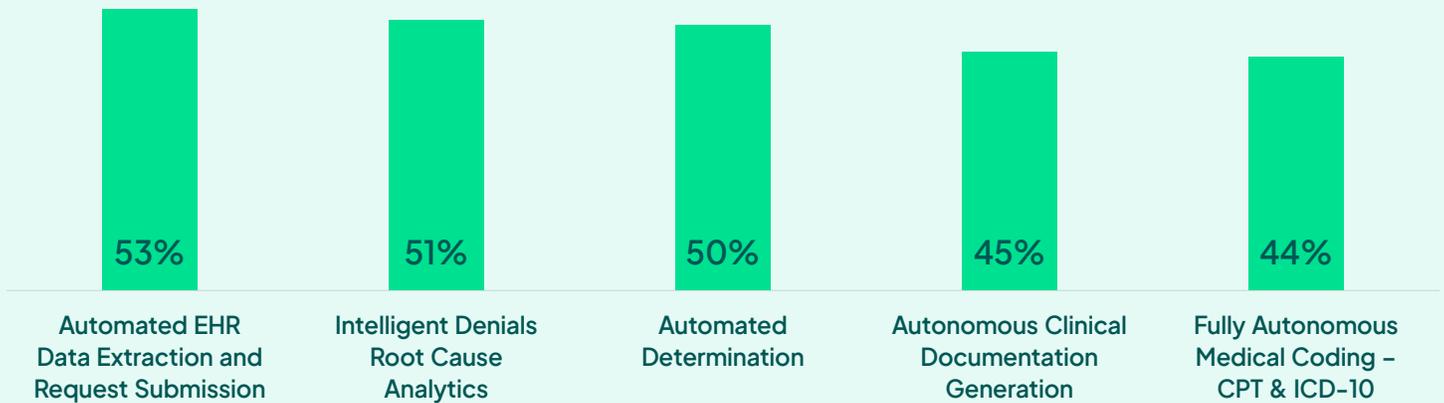- Satisfaction Rate: 34% (Third-Party) / 29% (Native EHR)

How Healthcare Organizations Embrace AI and Automation

Automation and AI are transforming healthcare, offering powerful solutions to improve efficiency and accuracy. By 2022, nearly 20% of U.S. hospitals had adopted AI, and healthcare organizations are embracing this shift with purpose.

A 2024 HFMA and FinThrive study highlights providers focus on reducing revenue leakage, decreasing administrative costs and minimizing manual errors in revenue cycle tasks.

Currently, healthcare finance leaders are seeing the greatest value from the following AI and automation use cases:

53%	51%	50%	45%	44%
Automated EHR Data Extraction and Request Submission	Intelligent Denials Root Cause Analytics	Automated Determination	Autonomous Clinical Documentation Generation	Fully Autonomous Medical Coding – CPT & ICD-10

Additionally, leaders primarily plan to invest more in AI and automation tools for denials and underpayments (63%) and prior authorization (57%) over the next 12 months.

While budget constraints remain a challenge, the growing ROI and early results are paving the way for expanded adoption. As automation reshapes healthcare, the focus remains on creating smarter, more efficient processes that ultimately enhance outcomes for both providers and patients.

The Next Steps for Healthcare Organizations in a Dynamic RCM Landscape

The findings presented in this report underscore the dynamic landscape in which hospitals and health systems must navigate when optimizing their RCM technology stack. As the challenges of rising denials, underpayments and patient expectations for more consumer-friendly financial experiences continue to grow, providers are increasingly balancing native EHR capabilities with third-party vendor solutions to enhance RCM operations.

For healthcare leaders, it becomes clear that while the EHR is more utilized in front-office patient engagement and access functions, critical gaps remain in mid-cycle and back-office workflows that can be more effectively addressed through external partnerships. The need for customized, specialized tools in areas such as clinical documentation, charge capture and payment processing reflect the evolving expectations of both patients and healthcare providers.

With tighter margins and a focus on revenue recovery, investing in third-party vendors for key RCM functions has become essential. These solutions bring advanced technologies like AI and automation, reduce administrative burdens and boost satisfaction rates for overstretched revenue cycle teams.

Hospitals and providers can combine the integration power of their EHR systems with the expertise of third-party RCM vendors to optimize financial performance, improve patient satisfaction and drive long-term success.

By staying ahead of these trends and continuously assessing their technology stack, leaders can keep their organizations competitive, agile and prepared for the future of healthcare.

Interested in learning how FinThrive can help your hospital or health system optimize workflows at every stage of the revenue cycle?

We'd love to talk more about your unique needs and the FinThrive solutions to help you meet your financial goals.

FinThrive™