REVENUE CYCLE MANAGEMENT · PHILIPPINES

# The net-collections standard: the executive economics of revenue cycle management outsourcing to the Philippines.

An analysis of why claims worked is a volume vanity metric, how net collections and denial prevention — never RCM activity — decide the true cost of a revenue cycle operation once denials, write-offs, aging AR, and lost cash are counted, and the vendor-selection discipline that collects the dollar the payer owes.

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# Contents



**ABOUT THIS SERIES — VOLUME 21**

Every RCM proposal is priced per claim worked or as a percentage of collections, because activity is easy to count. This volume is about the only revenue-cycle outcome a provider's finances actually depend on: the dollar the payer owes, collected in full, on time, without a denial, a write-off, or an account left to age past recovery. The gap between working a claim and collecting on it is where net revenue leaks. The full series lives at piton-global.com.

THE PITON-GLOBAL LEADERSHIP TEAM

# About the authors


## John Maczynski

**Chief Executive Officer**


John has bought revenue-cycle capacity for three decades, and learned that the busy vendor who works every claim and collects on few of them is the most expensive one a provider can hire — because every claim worked without cash behind it is a denial to appeal, an account aging toward write-off, and net revenue quietly leaving the building. His standing question ignores the productivity report: of the workload you paid for, how many dollars the payers owed did you actually collect? Applied at PITON-Global, that question is what clients get on every RCM sourcing decision — personally, with no account layer in between.


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## Ralf Ellspermann

**Chief Strategy Officer**


Ralf has spent twenty-five years running Philippine revenue-cycle floors, and he judges an RCM team by its net collection rate and denial rate, not its claims-per-day: what cash actually posts and what leaks to write-off. The RCM contract in Section 3 codifies what he learned rebuilding teams that worked claims fast and collected slowly. He now reads RCM providers the way he once ran them — from the aged-AR report and the write-off log backward.


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ABOUT PITON-GLOBAL

PITON-Global is a buyer-side advisory practice, Manila-based since 2001, that has never operated a delivery floor or taken a placement commission. Its stock-in-trade is knowing the Philippine provider market at the operating level — 1,000+ mapped operations, re-verified continuously, including each RCM team's real net collection rate and denial performance rather than its claims-per-day headline — and converting that knowledge into a shortlist of six to ten genuinely qualified partners per engagement. Buyers from Tripadvisor, Garmin, TSYS, HealthPartners, Yetipay, Workrise, and Norman Disney & Young have run their searches through the practice.

SECTION 01

# Executive summary

| −59% | 99%+ | −63% | 6.4× |
|---|---|---|---|
| Fully-loaded cost per unit of collected workload vs. US onshore | Net collection rate on vetted teams, up from 92–96% | Reduction in denial rate on vetted teams | First-year ROI, reconstructed case (Section 6) |

A revenue-cycle engagement is bought on the price per claim, or a percentage of collections, and paid for on the cash it never collects. The vendor reports half a million claims worked at a fraction of the onshore cost; the provider finds the denials that were never prevented, the appeals nobody filed before the deadline, the accounts that aged quietly into write-off, and the net collection rate that slipped two points while activity looked healthy. The operation hit its claims-worked number and the provider inherited a denial backlog, an aging AR, and net revenue walking out the door. The gap between working a claim and collecting on it is where the real cost of cheap RCM hides, because a claim worked without cash behind it is not throughput delivered — it is revenue left with the payer.

The Philippines is where revenue cycle management is delivered with the most net-collections discipline, because a deep, finance-literate, payer-trained talent pool can run the denial prevention, work-to-resolution, and AR discipline that collections demand. Five findings:

1. **Claims worked is the industry's most flattering number.** Any team can touch a claim and log the activity. Vetted teams are measured on outcome: net collection rate, denial rate, and AR days. Weak providers quote a low per-claim price the provider repays in denials, write-offs, and lost cash. Section 2 shows the gap.

2. **The prevented denial, not the worked claim, is the product.** Collected revenue comes from getting the claim right before it goes and resolving the ones that come back — not from touching accounts to log activity. Teams that prevent denials collect the first time; teams that work volume generate a denial-and-appeal queue that costs more than the claim is worth.

3 **Aging is the silent write-off.** An account that is worked but not resolved slides across aging buckets until it is uncollectible, and a percentage of denied revenue is never recovered. Vetted teams hold net collections above 99% and AR days low precisely because every day an account ages is cash the provider is less likely to ever see.

4 **The denial and the write-off, not the keystroke, are what cost.** A claim handled badly costs the rework, the appeal, the days in AR, and the fraction written off — many times the per-claim saving. Teams that prevent denials and resolve fast lift net collections and drop AR days, and that protected cash — not the offshore rate alone — is where the case study's return is built.

5 **Contract on net collections, not claims worked.** The contracting failure of RCM is paying for activity and hoping cash follows. Vetted deals price against net-collection floors, denial-rate ceilings, and AR-days targets, making the collected dollar the team's problem, which is where it belongs.

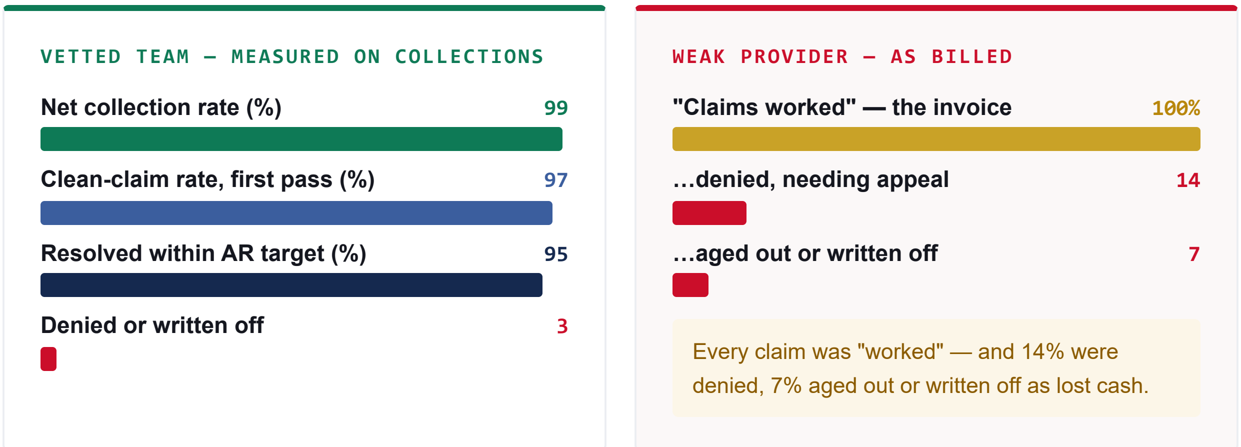
The intended reader is a revenue-cycle VP, CFO, or practice leader buying RCM per claim or per percentage point and paying for it in denials, write-offs, and aging AR. Sections 2–4 separate the teams that collect from the teams that work volume; Sections 5–7, the method and the proof.

SECTION 02

## The volume mirage: claims worked versus net collections

Figure 1 shows one month of a provider's claims two ways: as the productivity report a weak vendor bills, and as the net-collections reality the provider's bank account experiences. The claims-worked number is identical in spirit to a chatbot's containment rate — a figure engineered to look like output while denials, write-offs, and aging AR accumulate underneath.

FIG. 1 — ONE MONTH OF CLAIMS: NET-COLLECTIONS QUALITY VS. REPORTED PRODUCTIVITY




Left: PITON-Global engagement instrumentation, 2025–26, collections audited. Right: composite of pre-engagement vendor reporting reviewed in diligence.

The economics follow the collections, not the claim count. On the left, ninety-nine percent of the workload is collected and ninety-seven percent of claims go clean on the first pass, so cash posts on time and nothing ages to write-off; on the right, a cheap per-claim price denies fourteen percent and writes off seven, paying in appeals, aging AR, and lost cash at once. A low per-claim price that leaves cash with the payer is not a saving; it is net revenue leakage, delayed and partly permanent. The net-collections audit — net collection rate, denial rate, AR days — is the cheapest due-diligence instrument in this paper.

SECTION 03

## The RCM contract: prevent the denial, work to resolution, protect net collections

Figure 2 lays out the three clauses of a working RCM contract — the machinery a floor read verifies before any per-claim price is believed.

FIG. 2 — THE RCM CONTRACT, AS OPERATED ON VETTED TEAMS

**PREVENT THE DENIAL**

Eligibility, authorization, coding, and claim edits are checked before submission so the claim goes clean the first time, and denial root causes are fed back upstream to stop the next one. The dollar is protected at the source, not chased after a denial.

**WORK TO RESOLUTION**

Every denied and unpaid claim is worked to a resolution — appealed with documentation, corrected and resubmitted, or escalated — before it ages, and no account is touched and abandoned to log activity. A claim is closed when it is paid or genuinely uncollectible, not when it is touched.

**PROTECT NET COLLECTIONS**

AR is worked oldest-and-highest-value first, aging is held inside target, and net collection rate is defended against write-off — with a collections report the provider can read. Protected net collections is cash posted in full and on time, which is the only outcome the finances actually feel.

↓ yields ↓

**THE PROTECTED CASH** 99%+ NET COLLECTIONS DENIALS PREVENTED AR HELD LOW

Claims go clean the first time, denials fall and get resolved before they age, and net collections hold near the ceiling — so the provider's cash posts on time and nothing leaks to write-off. The operation gets cheaper per collected dollar and healthier at the same time, which is the entire promise of outsourcing RCM to people who measure net collections, not claims worked.

Operating parameters from PITON-Global revenue-cycle engagements, 2025-26.

In diligence, the contract is tested from the ledger's side: pull the net collection rate and denial rate and re-derive them from the remittance data; read the aged-AR report for accounts touched but never resolved; review the write-off log for revenue abandoned. Perhaps one team in ten survives it cleanly. Steps 3 and 5 of the framework exist to find that one before the contract does — because everything in Table 3 of Section 6 depends on net collections, not claims worked.

SECTION 04

# Cost and performance: cost-per-collected-

# dollar economics and benchmarks

| TABLE 1 — FULLY-LOADED COST PER UNIT OF COLLECTED WORKLOAD: THREE OPERATING MODELS (2026) | | |
|---|---|---|
| OPERATING MODEL | COST / COLLECTED UNIT | VS. US BASELINE |
| US onshore in-house RCM team | **$5.90** | baseline |
| Low-cost offshore claims mill (per-claim) | **$4.05** | **−31%** |
| **Vetted Manila team — prevented, resolved, collected** | **$2.42** | **−59%** |

Basis: PITON-Global engagement pricing 2025–26; cost per unit of collected workload = fully-loaded operating cost divided by workload actually collected (denied and written-off excluded); the claims mill looks cheap per claim but rework, appeals, and write-offs lift its true cost per collected unit; US comparator fully-loaded in-house cost.

| TABLE 2 — REVENUE-CYCLE BENCHMARKS, VETTED VS. BASELINE (2025–26) | | | |
|---|---|---|---|
| METRIC | VETTED TOP TIER | BASELINE | EXECUTIVE READING |
| **Net collection rate** | **99%+** | 92–96% | The only RCM number cash follows |
| **Clean-claim rate (first pass)** | **97%+** | 80–90% | Paid now, or worked twice |
| **Denial rate vs. baseline** | **−63%** | baseline | "Prevent the denial" — held or not |
| **Days in AR** | **<32** | 48–65 | Cash posted, or aging out |
| **AR > 90 days** | **<12%** | 22–35% | Recoverable, or written off |

Source: PITON-Global revenue-cycle engagement data 2025–26; baseline = typical pre-engagement operations billed on claims worked.

The strategic read: the claims mill's −31% per claim is a false economy — rework, appeals, and write-offs lift its true cost per collected dollar far above the per-claim gap, and net revenue lost to aging never returns. The vetted Manila team's −59% is real because it is measured where the value is: the dollar collected, prevented from denial and protected from write-off. Buy on claims worked and you buy the right column of Figure 1; buy on cost-per-collected-dollar and you buy net collections — the same discipline every volume in this series keeps arriving at from a different door.

SECTION 05

# Sourcing discipline: the 7-Step Vendor Vetting Framework, applied to RCM

RCM diligence adds one hard requirement to every step: a per-claim price is real only when the net collection rate behind it survives a re-derivation from the remittance data. The funnel below is representative of a 40–80-seat revenue-cycle search.

| | STEP | WHAT IT ELIMINATES IN AN RCM SEARCH | FIELD REMAINING |
|---|---|---|---|
| FIG. 3 — THE 7-STEP FRAMEWORK AS A REVENUE-CYCLE FUNNEL | | | |
| 1 | **Requirements definition** | Activity-first scoping: fixes the net-collection floor, the denial-rate ceiling, the AR-days target, and the clean-claim standard the operation must meet by payer mix | 1,000+ |
| 2 | **Market mapping** | Claims mills: operations that bill activity and treat denials and write-offs as the client's problem, and generalist floors with no payer or revenue-cycle depth | ~48 |
| 3 | **Capability screening** | Teams without the machinery: audited net-collection history, a denial-prevention workflow, a work-to-resolution discipline, and payer-mix coverage across your book | ~14 |
| 4 | **Compliance & security audit** | Weak data governance: HIPAA and PHI protection, access controls on the practice-management and clearinghouse systems, HITECH breach discipline, SOC 2 scope covering the RCM stack | ~8 |
| 5 | **Operational diligence** | The ledger read: re-derive net collection rate and denial rate from remittance data; read the aged-AR and write-off logs; interview on how they prevent a denial and work an aged account | 4–6 |
| 6 | **Competitive RFP & negotiation** | Activity pricing: finalists bid against net-collection floors, denial-rate ceilings, and AR-days targets — all carrying credits for cash lost to denial or write-off | 2–3 |
| 7 | **Transition & launch governance** | Cold cutover: the team calibrates against your payer mix and systems on a sample book before it owns AR, with the net-collection floor certified before steady state, PITON-Global embedded buyer-side | 1 |

Field-remaining counts represent a 40–80-seat revenue-cycle search, PITON-Global engagements 2024–26.

The standing guarantees hold: **vendor neutrality** — PITON-Global operates no RCM floors, works no claims, and takes no placement economics, so the shortlist reflects audited net-collection performance, not inventory; **right-sizing** — teams for whom your operation is a flagship account. Six to ten genuinely qualified providers, delivered within 48–72 hours, free to the buyer, competing through a fully transparent, fair, comprehensive, and highly competitive RFP.

SECTION 06 · ANONYMIZED CASE STUDY

# Re-basing the operation on net collections: a 58-seat RCM rebuild, reconstructed

Engagement RCM-042 is a US multi-specialty physician group — running roughly $310M in annual net patient revenue across a mixed commercial and government payer book — that had offshored revenue cycle management to a per-claim vendor. The claim price was excellent; the collections were not: the net collection rate sat near 94%, the denial rate ran high, days in AR had crept past 55, and AR over 90 days was climbing. The revenue-cycle VP wanted the arbitrage without the denials and the aging. Identifying details are anonymized under NDA.

### SELECTION (WEEKS 0–8, LEDGER READS)

Requirements fixed a 99% net-collection floor, a denial-rate ceiling, and a sub-32-day AR target, with a mandatory denial-prevention and work-to-resolution workflow. Mapping produced 48 claimants; the machinery screen — audited net-collection history, prevention workflow, resolution discipline, payer-mix coverage — left 14; the HIPAA-and-compliance audit left 8. Ledger reads re-deriving each finalist's net collection rate from remittance data shortlisted 5. A Manila team won priced against net collections and AR days, with a re-derivation written into the reporting spec.

### TRANSITION (MONTHS 2–7, AR CLEARED FIRST)

The team calibrated against the group's payer mix and systems and worked down the aged-AR backlog before owning steady-state collections; the net-collection floor was certified in month 3. The denial-prevention feedback loop ran from day one. By month 7 the net collection rate reached 99.2%, the denial rate fell 63%, days in AR dropped below 32, and AR over 90 days fell below 12%. PITON-Global chaired the net-collections review board to steady state.

| TABLE 3 — RCM-042 FIRST-YEAR VALUE BUILD-UP (US$) | | |
|---|---|---|
| VALUE COMPONENT | YEAR 1 | BASIS |
| Labor arbitrage on the 58-seat RCM operation | $1.74M | 108.8k productive hrs × ($25.90 − $9.90) |
| Recovered net collections (denials prevented + resolved) | $1.05M | ~34 bps of net revenue restored on $310M book |
| Cash accelerated (AR days 55→32) | $0.22M | Working-capital value of ~23 days released |
| Rework & appeal-handling reduction | $0.17M | Lower rework and appeal load vs. baseline |
| **Gross value created** | **$3.18M** | |
| Less: engagement & transition costs | ($0.50M) | Calibration, AR backlog work-down, PM/clearinghouse integration; advisory fee $0 (provider-paid model) |
| **Net value ÷ cost = first-year ROI** | **6.4×** | $3.18M ÷ $0.50M |

Figures rounded; net-collection, denial, and AR effects audit-verified. Method in Methodology & notes.

Fifty-five percent arbitrage, forty-five percent from recovered net collections, accelerated cash, and reduced rework — a typical split for the series, earned because the operation was re-based on net collections rather than claims worked. Every line traces to a diligence step: the net-collection floor to Step 1, the collections-based pricing to Step 6, the denial-prevention workflow to Step 3's contract. The revenue-cycle VP's line at the year-one review: "The claim price barely moved. What moved is the cash — it posts faster, and it stops leaking to write-off."

SECTION 07

# The executive playbook: governance for the first 180 days

An RCM transition succeeds when the team is measured and paid on net collections and AR days — client in command throughout.

DAYS 0–30

**Define collections, contract on it**

Set the net-collection floor, the denial-rate ceiling, and the AR-days and clean-claim thresholds with revenue-cycle leadership before launch, and document the denial-prevention workflow by payer. Contract against net collections and AR days —

never per claim alone — with floors and ceilings carrying credits. Stand up the net-collections re-derivation as the program's arbiter of truth.

| | |
|---|---|
| DAYS 30–90<br>**Calibrate, clear the aged AR** | Calibrate the team against your payer mix and systems and work down the aged-AR backlog before it owns steady-state collections; certify the net-collection floor and resolution discipline. Switch on the denial-prevention feedback loop from day one. Publish the collections dashboard: net collection rate, clean-claim rate, denial rate, days in AR, AR over 90 days. |
| DAYS 90–180<br>**Own AR, certify steady state** | Hand steady-state collections to the team only after it holds the net-collection floor and AR-days target. Review the net-collections board monthly with the aged-AR and write-off logs on the table. Certify steady state on two months at floor including a payer-policy change cycle; hand over on documented criteria; keep the quarterly ledger re-derivation standing. |

THE FIVE FAILURE MODES WE ARE HIRED TO PREVENT

Paying per claim while net collections slip · working volume instead of preventing denials · touching accounts and abandoning them to age · letting AR over 90 days climb toward write-off · owning collections before net-collection rate is proven. All five are settled at selection and contract.

The revenue-cycle argument, in one sentence: a worked claim is activity and a collected dollar is revenue in the bank, and a vetted Philippine team delivers −59% cost per collected dollar with a 99%+ net collection rate and denials cut by nearly two-thirds — for buyers who re-derive the net collections instead of counting claims worked, and compete the finalists through a fully transparent, fair, comprehensive, and highly competitive RFP. Anyone can work a claim. We make sure you buy the team that collects on it.

METHODOLOGY & NOTES

## How the numbers were built

**Net-collection and denial figures** (Fig. 1, Table 2) derive from engagement instrumentation in PITON-Global revenue-cycle engagements, 2025–26. Net collection rate is re-derived from remittance and adjustment data; clean-claim rate, denial rate, days in AR, and AR over 90 days are measured against the client's pre-engagement baseline. The weak-provider column is a composite of pre-engagement vendor reporting reviewed in diligence, shown for contrast.

**Cost-per-collected-dollar figures** (Table 1) are fully loaded — wages, benefits and statutory charges, facilities, technology and RCM-platform tooling, management and QA overhead including denial-prevention and AR specialists, attrition-driven recruiting — divided by workload actually collected, with denied and written-off workload excluded from the denominator; US comparators reflect fully-loaded in-house cost on the same basis. A collected unit is workload that posts as net revenue, not merely worked.

**The case study** (RCM-042) is anonymized under NDA; volumes and dates are generalized, figures rounded. Net-collection, denial, and AR effects are audit-verified; the recovered-collections line reflects restored net revenue, and the cash-accelerated line is a conservative working-capital estimate. ROI = net first-year value ÷ all engagement-related client costs. PITON-Global's advisory fee is provider-paid and appears at $0 in the client cost base; neutrality safeguards are documented at piton-global.com.

**Market context** draws on IBPAP reporting and PITON-Global's proprietary provider mapping (1,000+ operations; net-collection and denial performance re-verified May 2026). Estimates and projections are PITON-Global analysis and should be cited as such. The full series is available at piton-global.com.

**Would your provider's claim price survive a net-collections re-derivation?**

Thirty minutes with John will tell you. Free to buyers, strictly vendor-neutral — a collections-verified shortlist within two to three business days.

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