PITON Global

EXECUTIVE WHITE PAPER · WP-61

HEALTHCARE · PHILIPPINES

The care-grade standard: the executive economics of healthcare outsourcing to the Philippines.

An analysis of why tasks processed is a volume vanity metric, how care-grade compliance and clean-transaction outcomes across the value chain — never throughput — decide the true cost of a healthcare BPO once PHI exposure, denials, coding errors, and patient-experience failures are counted, and the vendor-selection discipline that delivers healthcare work a provider can stake its accreditation on.

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ABOUT THIS SERIES — VOLUME 61

This volume is the industry umbrella for healthcare: it spans the whole value chain a provider or payer outsources — patient access, revenue cycle, clinical support, claims, and health information management — and it is about the one outcome all of it shares. Every healthcare BPO proposal is priced per task; this paper is about the compliant, care-grade transaction underneath, the only unit a provider's accreditation, revenue, and patients actually depend on. The full series lives at piton-global.com.

THE PITON-GLOBAL LEADERSHIP TEAM

About the authors

John Maczynski

Chief Executive Officer

John has bought healthcare capacity for three decades, and learned that the fast operation that clears every task and treats PHI, coding, and claims as interchangeable throughput is the most expensive one a provider can hire — because one breach is a settlement, one wrong code is a denial or a recoupment, and one bad patient interaction erodes the trust care runs on. His standing question ignores the productivity report: of the healthcare work you processed, how much was compliant, accurate, and care-grade end to end? Applied at PITON-Global, that question is what clients get on every healthcare sourcing decision — personally, with no account layer in between.

Ralf Ellspermann

Chief Strategy Officer

Ralf has spent twenty-five years running Philippine healthcare floors across the value chain, and he judges a healthcare BPO by its compliance posture and clean-transaction rate, not its tasks-per-day: whether PHI was protected, the clinical and billing detail was right, and the loop closed for the patient — or whether a breach, a denial, or a complaint was building underneath. The care-grade contract in Section 3 codifies what he learned rebuilding teams that cleared healthcare tasks fast and left compliance and accuracy behind. He now reads healthcare providers the way he once ran them — from the audit log and the denial report backward.

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PITON Global

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 healthcare team's real compliance posture and clean-transaction rate rather than its tasks-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

-58%
Fully-loaded cost per compliant, care-grade transaction vs. US onshore

99%+
Care-grade clean-transaction rate on vetted teams, up from 86–93%

Zero
Reportable PHI breaches on vetted teams across the engagement base

6.4×
First-year ROI, reconstructed case (Section 6)

A healthcare engagement is bought on the price per task and paid for on the compliance it fails and the care it degrades. The vendor reports millions of tasks processed across patient access, revenue cycle, clinical support, claims, and health information management at a fraction of the onshore cost; the provider finds the PHI mishandled into breach exposure, the eligibility not verified so the claim denies, the codes assigned wrong so revenue leaks or recoupment looms, and the patients left on hold or misinformed. The operation hit its productivity number and the provider inherited a compliance liability, a denial backlog, and an eroded patient experience. The gap between processing a healthcare task and completing a compliant, care-grade transaction is where the real cost of cheap healthcare BPO hides, because a non-compliant or inaccurate transaction is not throughput delivered — it is regulatory exposure, leaked revenue, and a patient failed.

The Philippines — English-fluent, clinically literate, with the largest and most HIPAA-mature healthcare BPO talent pool offshore — is where healthcare is delivered with the most care-grade discipline, because that pool can run the PHI protection, clinical and billing accuracy, and end-to-end loop closure that care-grade delivery demands across the value chain. Five findings:

1 **Tasks processed is the industry's most flattering number.** Any floor can clear healthcare queues at speed. Vetted teams are measured on outcome: compliance posture, clinical and billing accuracy, and clean-transaction rate across the chain. Weak providers quote a low per-task price the provider repays in breaches, denials, and patient harm. Section 2 shows the gap.

2 **The compliant, care-grade transaction, not the fast task, is the product.** Work a provider can stake its accreditation on comes from protecting PHI, getting the clinical and billing detail right, and closing the loop for the patient — not from clearing a queue. Teams that deliver care-grade get paid and stay compliant; teams that clear volume generate breaches, denials, and complaints at a cost far above the per-task price.

3 **The chain is only as strong as its weakest link.** A perfect coding team behind an eligibility step that skips verification still produces denials; a great patient-access desk feeding a sloppy claims team still leaks revenue. Vetted teams hold care-grade across every link

precisely because a failure anywhere surfaces downstream as denial, breach, or complaint.

4 **The breach and the denial, not the keystroke, are what cost.** A non-compliant or inaccurate transaction costs the breach settlement, the denied and reworked claim, the recoupment, and the patient lost — many times the per-task saving. Teams that deliver care-grade protect compliance and revenue, and that protected integrity — not the offshore rate alone — is where the case study's return is built.

5 **Contract on the care-grade transaction, not the processed task.** The contracting failure of healthcare BPO is paying per task and hoping compliance and accuracy held. Vetted deals price against clean-transaction floors, compliance-audit standards, and patient-experience targets, making care-grade delivery the team's problem, which is where it belongs.

The intended reader is a health-system COO, revenue-cycle or HIM leader, payer operations executive, or CFO buying healthcare BPO per task and paying for it in breaches, denials, and patient harm. Sections 2–4 separate the teams that deliver care-grade from the teams that clear volume; Sections 5–7, the method and the proof. Individual functions have their own volumes in this series; this paper is the umbrella that ties the value chain together.

SECTION 02

The volume mirage: tasks processed versus care-grade transactions

Figure 1 walks the healthcare value chain link by link — patient access, revenue cycle, clinical support, claims, health information management — and shows each one two ways: the tasks-processed headline a weak vendor bills, and the care-grade clean-transaction rate the provider's compliance, revenue, and patients actually experience. The headline is identical in spirit to a chatbot's containment rate — engineered to look like output while breaches, denials, and complaints accumulate underneath.

FIG. 1 — THE HEALTHCARE VALUE CHAIN: CARE-GRADE RATE VS. REPORTED VOLUME, LINK BY LINK

Each link bills at "100% processed." The green bar is the share that is actually care-grade — compliant, accurate, loop closed — on a vetted team; the hair-line marks the weak-provider baseline.

Source: PITON-Global healthcare engagement instrumentation, 2025–26, compliance- and accuracy-audited across the value chain. Weak-provider baseline is a composite of pre-engagement vendor reporting reviewed in diligence.

The economics follow the care-grade rate, not the task count. On a vetted operation every link clears above ninety-eight percent care-grade, so PHI stays protected, claims pay first-pass, and patients are served — and because the chain holds end to end, nothing leaks downstream. On a weak one, each link bills 100% processed while sitting six to fourteen points lower on care-grade, and those gaps compound: an eligibility miss becomes a denial, a coding error becomes a recoupment, a mishandled record becomes a breach. A low per-task price that is not care-grade is not a saving; it is compliance and revenue leakage, delayed and sometimes catastrophic. The care-grade audit across the chain is the cheapest due-diligence instrument in this paper.

SECTION 03

The care-grade contract: protect the patient, get the detail right, close the loop

Figure 2 lays out the three clauses of a working healthcare contract — the machinery a floor read verifies across every link before any per-task price is believed.

FIG. 2 — THE CARE-GRADE CONTRACT, AS OPERATED ON VETTED TEAMS

PROTECT THE PATIENT

PHI is handled under HIPAA and the BAA on every task, in a secured environment with access controls, minimum-necessary discipline, and breach-response readiness — and a privacy-sensitive edge case is escalated rather than improvised. Compliance is built into the transaction, not audited in after, so the provider's accreditation and the patient's trust are never the price of throughput.

GET THE DETAIL RIGHT

Eligibility, clinical data, codes, and claims are captured and verified against the record and payer rules, with a QA check on anything that drives payment or care — and an ambiguous case queried, not guessed. The detail is made correct at the source, so revenue is earned first-pass and clinical information is trustworthy downstream.

CLOSE THE LOOP

Each transaction is carried to its end for the patient and the next link — the claim paid, the record complete, the caller resolved, the handoff clean — with a care-grade report the provider can read across the chain. A closed loop is a patient served and revenue realized, which is the only outcome a health system's mission and margin actually feel.

↓ yields ↓

THE CARE-GRADE TRANSACTION

99%+ CLEAN-TRANSACTION | HIPAA-COMPLIANT | LOOP CLOSED

PHI is protected, the clinical and billing detail is right, and every loop is closed across the value chain — so breaches disappear, denials fall, and patients are served. The operation gets cheaper per care-grade transaction and safer at the same time, which is the entire promise of outsourcing healthcare to people who measure compliance and clean transactions, not tasks processed.

Operating parameters from PITON-Global healthcare engagements, 2025–26. All work under HIPAA and a Business Associate Agreement; nothing here substitutes for the provider's clinical or compliance judgment.

In diligence, the contract is tested from the audit's side: pull a sample of transactions from each link and re-check them for PHI compliance, clinical and billing accuracy, and loop closure; read the breach, denial, and complaint logs; walk the security environment. Perhaps one team in ten survives it cleanly across the whole chain. 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 care-grade compliance, not tasks processed.

SECTION 04

Cost and performance: cost-per-care-grade-transaction economics and benchmarks

TABLE 1 — FULLY-LOADED COST PER CARE-GRADE TRANSACTION: THREE OPERATING MODELS (2026)

OPERATING MODEL	COST / TXN	VS. US BASELINE
US onshore in-house healthcare team	$6.80	baseline
Low-cost offshore healthcare mill (per-task)	$4.60	−32%
Vetted Manila team — compliant, care-grade	$2.86	−58%

Basis: PITON-Global engagement pricing 2025–26; cost per care-grade transaction = fully-loaded operating cost (including compliance, security, and QA overhead) divided by transactions delivered compliant, accurate, and loop-closed (breached, denied, and reworked excluded); the healthcare mill looks cheap per task but breaches, denials, and rework lift its true cost per care-grade transaction; US comparator fully-loaded in-house cost. Blended across value-chain functions; function-level economics appear in the dedicated volumes.

TABLE 2 — HEALTHCARE BENCHMARKS, VETTED VS. BASELINE (2025–26)

METRIC	VETTED TOP TIER	BASELINE	EXECUTIVE READING
Care-grade clean-transaction rate	99%+	86–93%	The only number compliance & revenue follow
Reportable PHI breaches	Zero	>0	Protected, or a settlement in waiting
Claim-denial rate vs. baseline	−62%	baseline	"Get the detail right" — held or not
Patient-experience (CSAT) vs. baseline	+22%	baseline	Trust built, or eroded
Compliance-audit pass rate	98%+	85–92%	Accreditation defended, or at risk

Source: PITON-Global healthcare engagement data 2025–26; baseline = typical pre-engagement operations billed on tasks processed.

The strategic read: the healthcare mill's −32% per task is a false economy — breaches, denials, and rework lift its true cost per care-grade transaction far above the per-task gap, and a breach settlement or lost accreditation is a cost no rate recovers. The vetted Manila team's −58% is real because it is measured where the value is: the transaction delivered compliant, accurate, and loop-closed across the chain. Buy on tasks processed and you buy the weak column of Figure 1; buy on cost-per-care-grade-transaction and you buy compliance and clean revenue — 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 healthcare

Healthcare diligence adds one hard requirement to every step: a per-task price is real only when the care-grade rate behind it survives a compliance-and-accuracy re-audit across the value chain. The funnel below is representative of a 60–150-seat multi-function healthcare search.

FIG. 3 — THE 7-STEP FRAMEWORK AS A HEALTHCARE FUNNEL

	STEP	WHAT IT ELIMINATES IN A HEALTHCARE SEARCH	FIELD REMAINING
1	**Requirements definition**	Throughput-first scoping: fixes the care-grade clean-transaction floor, the compliance-audit standard, the denial ceiling, and the patient-experience target the operation must meet by function	1,000+
2	**Market mapping**	Healthcare mills: operations that bill task volume and treat breaches, denials, and complaints as the client's problem, and generalist floors with no clinical, RCM, or HIM depth	~44
3	**Capability screening**	Teams without the machinery: audited care-grade history, credentialed clinical/coding staff, a compliance-and-QA workflow, and coverage across the value-chain functions you outsource	~13
4	**Compliance & security audit**	Weak governance: HIPAA and BAA readiness, PHI access controls, HITECH breach discipline, secure facilities, SOC 2 / HITRUST scope covering the healthcare stack	~8
5	**Operational diligence**	The re-audit: re-check sampled transactions per link for compliance, accuracy, and loop closure; read breach/denial/complaint logs; interview on how they handle a PHI edge case and a payer-rule ambiguity	4–6
6	**Competitive RFP & negotiation**	Per-task pricing: finalists bid against care-grade floors, compliance-audit standards, denial ceilings, and patient-experience targets — all carrying credits for breached, denied, or reworked transactions	2–3
7	**Transition & launch governance**	Cold cutover: the team calibrates against your systems, payer mix, and protocols on a sample before it owns production, with the care-grade floor and compliance posture certified before steady state, PITON-Global embedded buyer-side	1

Field-remaining counts represent a 60–150-seat multi-function healthcare search, PITON-Global engagements 2024–26.

The standing guarantees hold: **vendor neutrality** — PITON-Global operates no healthcare floors, processes no PHI, and takes no placement economics, so the shortlist reflects audited care-grade 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 care-grade compliance: an 80-seat healthcare rebuild, reconstructed

Engagement HC-071 is a US health system and affiliated payer operation — running roughly 6,400,000 transactions a year across patient access, revenue cycle, clinical support, claims, and health information management — that had offshored healthcare BPO to a per-task vendor. The task price was excellent; the care-grade was not: the clean-transaction rate sat near 90%, a PHI near-miss had triggered an internal review, denials ran high, and patient CSAT was slipping. The health-system COO wanted the arbitrage without the compliance exposure and the leaked revenue. Identifying details are anonymized under NDA.

SELECTION (WEEKS 0–9, RE-AUDITS)

TRANSITION (MONTHS 2–8, CALIBRATED FIRST)

Requirements fixed a 99% care-grade floor, a zero-reportable-breach standard, a denial ceiling, and a patient-experience target, with a mandatory compliance-and-QA workflow across every link. Mapping produced 44 claimants; the machinery screen — care-grade history, credentialed staff, value-chain coverage — left 13; the HIPAA-and-HITRUST audit left 8. Care-grade re-audits across the chain shortlisted 5. A Manila team won priced against care-grade and compliance, with the re-audit written into the reporting spec.

The team calibrated against the system's EHR, payer mix, and protocols per function on sample volume before owning production; the care-grade floor and compliance posture were certified in month 3. The compliance-and-QA loop fed education from day one. By month 8 the clean-transaction rate reached 99.1%, reportable breaches held at zero, denials fell 62%, and CSAT rose 22%. PITON-Global chaired the care-grade review board to steady state.

TABLE 3 — HC-071 FIRST-YEAR VALUE BUILD-UP (US$)

VALUE COMPONENT	YEAR 1	BASIS
Labor arbitrage on the 80-seat operation	$2.34M	150.0k productive hrs × ($25.40 − $9.80)
Revenue recovered (denials + coding accuracy)	$0.88M	Net collections restored by care-grade delivery
Breach & compliance exposure avoided	$0.42M	Breach settlement and audit exposure removed
Rework & patient-retention value	$0.20M	Lower rework and higher patient retention
Gross value created	**$3.84M**	
Less: engagement & transition costs	($0.60M)	Calibration, compliance build, EHR/clearinghouse integration; advisory fee $0 (provider-paid model)
Net value ÷ cost = first-year ROI	**6.4×**	$3.84M ÷ $0.60M

Figures rounded; care-grade, breach, and denial effects audit-verified. Method in Methodology & notes.

Sixty-one percent arbitrage, thirty-nine percent from recovered revenue, avoided breach exposure, and patient retention — a typical split for the series, earned because the operation was re-based on care-grade compliance rather than task volume. Every line traces to a diligence step: the care-grade floor to Step 1, the compliance-based pricing to Step 6, the compliance-and-QA workflow to Step 3's contract. The COO's line at the year-one review: "The task price barely moved. What moved is that compliance stopped keeping me up at night — and the revenue we'd been leaking came back."

SECTION 07

The executive playbook: governance for the first 180 days

A healthcare transition succeeds when the team is measured and paid on care-grade compliance and clean transactions — client in command throughout.

DAYS 0–30

Define care-grade, contract on it

Set the care-grade clean-transaction floor, the zero-breach and compliance-audit standards, and the denial and patient-experience thresholds with clinical, revenue-cycle, and compliance leadership before launch, and document the compliance-and-QA workflow per function. Execute the BAA and contract against care-grade and compliance — never per task alone — with floors and standards carrying credits. Stand up the care-grade re-audit as the program's arbiter of truth.

DAYS 30–90

Calibrate per function, prove compliance

Calibrate each function against your EHR, payer mix, and protocols on sample volume before it owns production; certify the care-grade floor and the compliance posture across the chain. Switch on the compliance-and-QA loop from day one. Publish the care-grade dashboard: clean-transaction rate, breaches, denial rate, CSAT, compliance-audit pass — by link and end to end.

DAYS 90–180

Own production, certify steady state

Hand production to the team only after it holds the care-grade floor and zero-breach standard across every link. Review the care-grade board monthly with the breach, denial, and complaint logs on the table. Certify steady state on two months at floor including a payer-rule or coding-update cycle; hand over on documented criteria; keep the quarterly compliance re-audit standing.

THE FIVE FAILURE MODES WE ARE HIRED TO PREVENT

Paying per task while PHI and compliance are at risk · clearing queues instead of delivering care-grade · letting one weak link leak denials or breaches downstream · treating patient experience as out of scope · owning production before compliance and care-grade are proven. All five are settled at selection and contract.

The healthcare argument, in one sentence: a processed task is activity and a care-grade transaction is compliance protected, revenue realized, and a patient served across the whole value chain, and a vetted Philippine team delivers −58% cost per care-grade transaction with a 99%+ clean-transaction rate, zero reportable breaches, and denials cut by nearly two-thirds — for buyers who audit the care-grade instead of counting tasks processed, and compete the finalists through a fully transparent, fair, comprehensive, and highly competitive RFP. Anyone can process a healthcare task. We make sure you buy the team you can stake your accreditation on.

METHODOLOGY & NOTES

How the numbers were built

Care-grade and compliance figures (Fig. 1, Table 2) derive from engagement instrumentation in PITON-Global healthcare engagements, 2025–26. The care-grade clean-transaction rate is measured by re-auditing sampled transactions per value-chain link for PHI compliance, clinical and billing accuracy, and loop closure; breaches, denial rate, CSAT, and compliance-audit pass rate are measured against the client's pre-engagement baseline. The weak-provider baseline is a composite of pre-engagement vendor reporting reviewed in diligence, shown for contrast.

Cost-per-care-grade-transaction figures (Table 1) are fully loaded — wages, benefits and statutory charges, facilities, technology, and management, plus compliance, security, and QA overhead including HIPAA officers and clinical/coding QA — divided by transactions delivered compliant, accurate, and loop-closed, with breached, denied, or reworked transactions excluded from the denominator; US comparators reflect fully-loaded in-house cost on the same basis. Figures are blended across value-chain functions; function-level economics appear in the dedicated volumes of this series.

The case study (HC-071) is anonymized under NDA; volumes and dates are generalized, figures rounded. Care-grade, breach, and denial effects are audit-verified; the revenue-recovered line reflects restored net collections, and the breach-exposure-avoided line is a conservative 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; care-grade and compliance performance re-verified May 2026). All healthcare work is performed under HIPAA and a Business Associate Agreement and never substitutes for the provider's clinical or compliance judgment. 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 task price survive a care-grade re-audit?

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

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