



# Exploring Industry Data and Trends to Grow Revenue and Decrease Costs

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# Introduction

Healthcare organizations today are caught in a perfect storm of rising costs, declining revenues per FTE, and the urgent need to modernize financial operations. This eBook offers strategic insights backed by industry data to help healthcare financial leaders identify new revenue streams, optimize operational costs, and evaluate technologies that promise a measurable ROI.



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# Learning Objectives

1. Evaluate trends and industry disruptors relevant to today's financial leaders
2. Justify strategic budgeting decisions that support enterprise resilience
3. Learn how to leverage technologies to cut expenses and improve collections

# The State of Healthcare Revenue Trends

Revenue per physician has declined significantly in physician-owned practices, while hospital/IDS-owned practices have experienced moderate to strong growth, particularly in multispecialty settings.

## Key Trends

- Primary Care (Physician-Owned): Revenue down 16.7% over 5 years
- Nonsurgical (Physician-Owned): Revenue down 13.7% in 5 years
- Multispecialty (Hospital-Owned): Revenue up 14.28% in 5 years





# Productivity vs. Revenue

Work RVUs have increased in many segments despite declining revenues, especially in physician-owned nonsurgical groups. This suggests a mismatch between work effort and reimbursement.

## Key Insight

Many physicians are working harder, yet generating less revenue.



# Revenue Erosion: Real-World Insights

- A surgical group lost \$300K per FTE due to scheduling delays and undercoding.
- A multispecialty IDN saw +18% revenue by centralizing operations and improving documentation.
- Specialty practice with rising visits but lower revenue due to misaligned visit types.



# Volume vs. Value

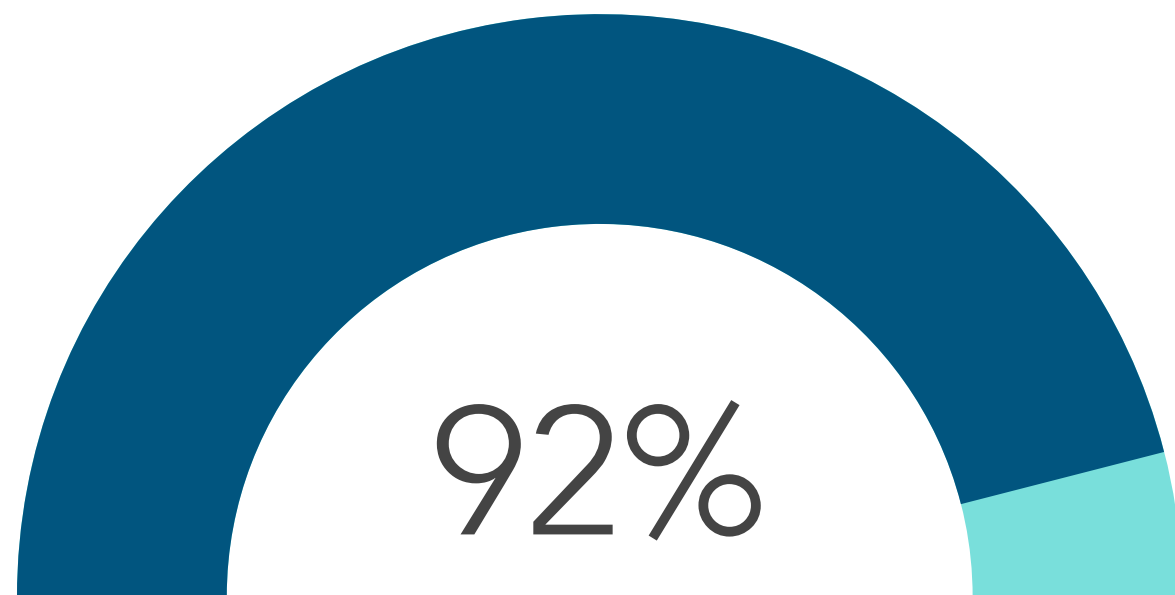
The shift from volume-based to value-based care is slow, especially in physician-owned settings. Declining Medicare conversion factors exacerbate revenue pressures.

## Key Questions for Leaders

- Are better payer rates the only reason hospitals are performing better?
- Are we leveraging alternative payment models (APMs) to our advantage?
- Are we prioritizing productivity or billable value?



## The Reality of Rising Costs



MGMA surveys confirm: 92% of practices have seen rising operating costs.

### Contributors to Cost Pressures

- Cost increase 59% for advanced practice providers
- Support staff costs rose sharply, especially clinical and ancillary roles
- Operating expenses are rising faster than revenue in many segments

# Expense Benchmarks Across Practice Types

- Multispecialty practices face 20% higher costs over 5 years
- Primary care practices see APP and clinical support costs spiking
- Hospital-owned practices have greater revenue but rising overhead



# Workforce Trends and Cost Pressures

Cost increases are most visible in

- Labor
- Clinical operations
- Technology maintenance





# AI-Driven Solutions for Financial Improvement



## Grow Revenue

Optimize schedule and improve documentation.



## Improve Access

Determination of eligibility checks and data tracking.



## Reduce Costs

Improve patient no shows and late cancels. Drive RVUs.



## Deliver Outcomes

ML resolves denials with 94.1% accuracy



# Case Study: A Regional MSO's \$22M Opportunity

## Profile

18 locations, 5 infusion centers, hybrid billing model



## Challenges

- 56-day appointment wait times
- 9% no-show rate
- 12% denial rate
- 23% of AR aged over 90 days

## Revenue Opportunities Identified

- \$1.5M No-show Reduction
- \$6.9M Denial Management
- \$2.5M Aging AR Clean-up
- \$2M Bad Debt Recovery



# Bridging the Gap with Human-in-the-Loop AI

AI + Human Expertise = Outcomes

- Scribe tools to automate documentation
- AI-powered appeals, denial segmentation
- Slot repurposing and late cancel backfill engines

## Impact

- Increase collections
- Reduce AR costs
- Improve clean claim ratio





# Strategic Cost Management

## Where to Start

- Identify cost centers with rising trends
- Determine ROI potential of AI investments
- Create financial visibility with benchmarking and KPIs

## Essential KPIs

- Cost to collect
- Cash per visit/FTE
- Denial rates
- Days in AR



## Conclusion

While revenue pressures and cost escalations are inevitable in today's healthcare environment, financial leaders who embrace data-driven strategies and AI-driven solutions stand to gain significant operational and financial advantages. It's not just about where to save or where to grow but how to create measurable, sustainable value.





## About the Author



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Sudhir Kshirasagar serves WhiteSpace Health as VP of Client Services. Sudhir has deep experience in revenue cycle outsourcing. Based in Atlanta, Sudhir is known for driving successful client implementations that result in strong return on investment.

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