



YOU EARNED THE REVENUE. SO WHERE'S THE CASH?

Closing the Revenue Recovery Gap

Why busy back-end operations fail to move cash—and how to build a recovery model that does.

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Care has been delivered. Claims have been submitted. The revenue has been earned. But cash is still trapped in denials, underpayments, payer delays, aging A/R, and avoidable rework.

That is a financial performance failure. Your organization has done the work, but your recovery model isn't converting earned revenue into cash efficiently or predictably.

In 2025, providers spent an estimated \$43 billion pursuing insurer payments for care already delivered.¹ Meanwhile, 78% of surveyed revenue-cycle leaders said payer-related factors accounted for at least 10% of A/R lengthening.²

The revenue recovery gap is what sits between earned revenue and realized cash. It widens when teams optimize for queue movement and follow-up volume instead of recoverability, urgency, and expected return.

Closing the gap requires a recovery model that connects intelligence to action, in a model that identifies recoverable opportunity, prioritizes action before value declines, measures net recovery, and uses the outcome to reduce repeat leakage.

The recovery gap is earned revenue that hasn't become cash yet, and loses value every day it waits.

Busy A/R teams can still leave cash behind

A/R volume, collector touches, and completed tasks measure motion. They don't measure whether cash is moving.

A team can close tasks and work large queues while high-value accounts age, appeal windows narrow, and underpayments sit undiscovered. Activity can look like productivity even when recoverable cash is being deprioritized. High activity is not the same as high recovery.

The distinction matters when capacity is limited. A material underpayment or time-sensitive appeal may deserve attention before older inventory with limited recovery potential. Leaders need visibility into expected net value behind the work, not just the amount of work completed.



RECOVERY SIGNALS

Six signals that show where cash is trapped and value is eroding

No single KPI shows where recovery action will produce the greatest return. A combined view of value at risk, timing, effort, and recurrence shows where cash is recoverable and where delay is eroding return.

Underpayments are a clear example. **A claim can be paid and still be paid incorrectly.**

The Recovery Control View

See where earned revenue is trapped. Direct action to the work most likely to release cash.
Reduce the conditions that create repeat loss.

Recovery Signal	Decision It Informs	What to Measure
Aged A/R & collectability	Where to intervene before recovery potential declines	A/R age, payer behavior, deadline exposure, and expected recovery
Denial rate and denial write-offs	Where recurring failure is consuming recovery capacity and increasing avoidable collection expense	Denied claims or dollars as a share of total claims, plus denied dollars written off
Appeal & resolution time	Which opportunities need escalation before deadlines reduce recoverability	Time to resolution against filing and appeal deadlines
Underpayment and contract variance	Which “paid” claims may still contain recoverable margin leakage	Variance against contracts, fee schedules, authorizations, and adjudication expectations
Cost to collect	Whether the expected cash recovery justifies the effort	Recovery expense compared with expected net cash
Recurrence & root cause	Which recurring failures require upstream correction	Patterns by payer, service line, facility, claim type, or process step

Metric definitions are informed by HFMA MAP Keys®, which standardize key revenue-cycle measures, including aged A/R, remittance denial rate, denial write-offs, and net days in A/R.³

PRIORITIZATION & CYCLE

Rank recovery work by financial return, not queue order

Visibility is useful only when it changes what gets worked first. A financially disciplined recovery model asks four questions:

- **Recoverability:** Is there a viable path to payment?
- **Urgency:** Is the recovery window at risk?
- **Expected net value:** What is the likely cash return after collection costs?
- **Recurrence:** Could resolving this issue prevent additional loss?

Used consistently, this hierarchy turns follow-up, appeals, and escalation into a **capital-allocation decision**: direct capacity to the work most likely to release cash.

Recover the cash. Then close the leak.

A recovered account is not a solved problem if the same failure keeps creating new leakage. Every payment, denial, adjustment, outcome, or write-off should inform the next operating decision.

A closed-loop recovery model connects account-level action to enterprise financial control:



This is the difference between working the back end and controlling it. The loop creates financial control, improving near-term cash release while giving leaders the evidence to reduce denial, underpayment, and workflow failures that create future exposure.

RECOVER IN PRACTICE

What changes when recovery is managed for cash performance

A DME supplier had several collection vendors in place, but collections were declining, denial performance varied, and daily pending orders were rising.

Leaders needed to pinpoint where cash was getting stuck and which balances needed intervention.

By comparing collections, denials, and productivity across vendors, the supplier identified where recovery was underperforming. **The findings changed the operating model—not just the work queue.**

High-dollar and aged inventory was prioritized and routed to the appropriate collectors. Payer reimbursement and credentialing issues were resolved. Staffing was adjusted to reduce pending orders, and claim-status checks were automated to accelerate reimbursement.

Over 15 months, collections increased by **\$1.4 million**, denials fell **10%**, and average quarterly collections per FTE increased **117%**.

[Read the full case study](#) to learn more.

Supplier improved collections by

\$1.4 MILLION

Reduced denials by

10%

Increased average quarterly collections per

FTE BY 117%

A four-step action plan to regain control of recovery performance

Start with one defined pool of earned revenue where delay, leakage, or collection expense is material. Prove the model there, then scale.

- 1. Set the recovery objective.** Define the pool, the cash at stake, the time available to recover it, and the financial result that would make the intervention worthwhile.
- 2. Turn intelligence into action.** Use the signals and prioritization criteria to determine what gets worked first, then translate that insight into the right intervention: account correction, appeal, payer escalation, workflow change, automation, capacity shift, or a combination.
- 3. Track what actually changes recovery.** Tie recovery results back to the decisions and interventions that produced them. Identify which prioritization decisions, payer interventions, workflow changes, or capacity shifts improved recovery—and which didn't.
- 4. Turn the result into an operating decision.** Use the evidence to determine what should become standard practice, what recurring leakage should be corrected upstream, and where the model should be applied next.

RECOVERY AT SCALE

CollectIQ: Turning recovery intelligence into accountable execution

Growing payer complexity, fragmented workflows, and manual follow-up have made the back office a growing source of preventable financial risk. Most organizations can see where revenue is stuck. The challenge is turning that visibility into timely, accountable action before recovery potential declines.

Dashboards don't collect cash. Recovery improves when intelligence changes what teams do next.

Powered by the Omega Intelligence Platform, **CollectIQ** connects intelligence, automation, and expert execution across A/R, denials, and underpayments. It helps provider organizations identify where earned revenue is delayed or leaking, then prioritize the work with the greatest expected financial return.

[Explore Omega's digital RCM model.](#)

Make Recovery a Financial Control

You earned the revenue. The question is whether your operating model can turn it into cash before value erodes.

Recovery should function as a financial control: prioritize the dollars with the strongest return, act before recoverability declines, measure the result, and use what you learn to stop the same leakage from returning.

The back end should do more than stay busy. It should move cash.

Operational scale behind the recovery model

\$19.8B

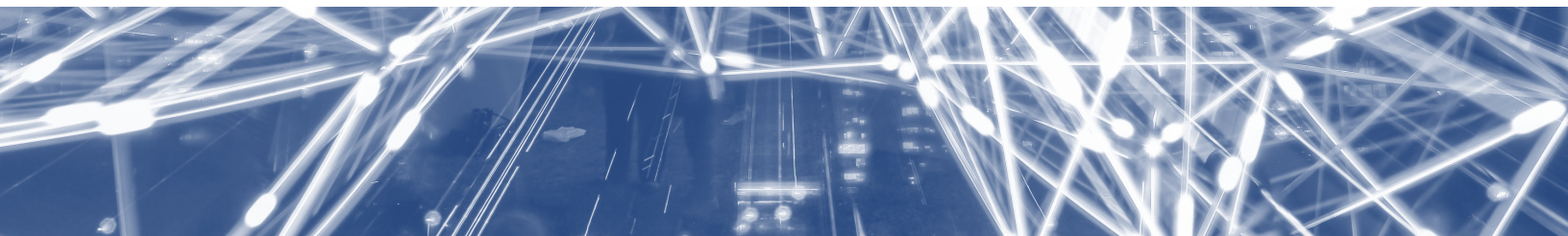
IN A/R COLLECTIONS
MANAGED ANNUALLY

199M+

CLAIMS

17,000+

ASSOCIATES



ABOUT OMEGA HEALTHCARE

Founded in 2003, Omega Healthcare Management Services® (Omega Healthcare) is an AI-driven healthcare solutions company that partners across the healthcare ecosystem to deliver breakthrough results by reimagining and elevating revenue operations. Powered by the Omega Intelligence Platform, our agentic AI engine leverages adaptive intelligence to drive automation, complemented by deep human expertise to help optimize performance and deliver sustained financial and clinical outcomes – while enhancing patient satisfaction.

Omega Healthcare empowers organizations across provider, payer, and life sciences sectors to navigate today's healthcare challenges while building the agility to adapt as healthcare and technology continue to evolve rapidly. Recognized by industry analysts, Omega Healthcare has consistently been ranked a leader in driving operational performance excellence. For more information, visit www.omegahms.com.

References

1 **American Hospital Association. *Costs of Caring*. Published 2026.**

The AHA estimates hospitals spent \$43 billion in 2025 pursuing insurer payments for care already delivered, including nearly \$18 billion overturning denials.

2 **McKinsey & Company. *Healthcare revenue cycle management at a strategic turning point: Survey insights*. Published April 30, 2026.**

The study surveyed 215 U.S. revenue-cycle leaders in September 2025.

3 **Healthcare Financial Management Association. *MAP Keys: Industry-standard revenue cycle KPIs*. Accessed September 11, 2026.**

<https://www.hfma.org/data-and-insights/map-initiative/map-keys/>