



The Overlooked Opportunity to Improve Healthcare Financial Performance

Five measurable financial outcomes driven by automated payment posting and reconciliation

Turn Payment Chaos into Optimized Financial Performance

Across healthcare, financial and revenue cycle leaders face increasing pressure to deliver stronger results with leaner teams.

According to the Healthcare Financial Management Association (HFMA), 84% of health system CFOs projected either flat or declining net patient revenue for 2025.¹

Tighter reimbursements, along with rising denial rates, higher labor costs, and increasing administrative complexity, place strain on the teams responsible for financial outcomes. At the same time, critical payment workflows, from paper conversion and posting to reconciliation and correspondence, remain slowed by manual processes and outdated systems.

According to the CAQH Index, the average cost to process a remittance manually is \$1.56, compared to \$0.19 when processed electronically. Yet nearly one in three remits still arrive on paper, driving up administrative costs and slowing cash flow.²

These aren't just workflow problems. They are financial pains.

Delays in posting and reconciliation lead to missed secondary billing, unresolved accounts, and write-offs that could have been prevented.



Automating payment posting and reconciliation is the overlooked opportunity to unlock lost revenue and reduce costs—ultimately transforming financial performance. Yet most organizations haven't acted.

Forward-thinking leaders approach these challenges differently. They invest in automation to address the root causes of financial friction, especially in areas that have long been overlooked, such as paper remits from the lockbox, unapplied cash, manual reconciliation, and unmanaged payer correspondence.

Let's look at five financial outcomes that improve when modern automation is applied to the payment lifecycle. You'll see how innovative financial leaders at health systems and ambulatory organizations optimize performance, accelerate cash flow, and build a more resilient revenue cycle.

¹ HFMA Outlook Survey Report, Winter 2024–25

² CAQH Index Report: From Transactions to Trust. 2024.



01

Lower Bad Debt

Turn Unapplied Cash into Recovered Revenue

Bad debt may not be the first metric you associate with automated payment posting, but for many health systems, it's one of the most surprising and highest-value areas of improvement.

Increased denials, fragmented payment sources, missed appeal opportunities, and inconsistent ERA/EOB data make it challenging to post payments accurately and on time. That delay creates a domino effect

When payment posting is held up or inaccurate, secondary claims go unfiled, and balances that could have been collected remain unresolved, often written off as bad debt.

These delays obscure financial visibility and increase staff workload. Without automation, teams spend valuable time cleaning up preventable errors instead of focusing on high-value recovery work.

How Automation Reduces Bad Debt

Modern payment posting and reconciliation automation directly addresses the root causes of bad debt: manual posting delays, fragmented remittance data, and unapplied commercial and patient payments. Advanced automation solutions convert paper EOBs into structured data, intelligently match payments to remittance information, categorize and index correspondence data, and capture self-pay revenue across multiple channels with minimal manual intervention.

Payments post faster, account balances resolve sooner, and write-off risk diminishes significantly.



“We used to spend 80% of our time pulling data manually. Now, automation allows us to focus on investigating missing remits and recovering revenue.”

VP OF REVENUE CYCLE
National Imaging Provider

Automation enables your team to:



Eliminate posting bottlenecks by digitizing paper EOBs and consolidating fragmented data sources.



Minimize unapplied cash through intelligent payment matching and consistent posting protocols.



Accelerate self-pay collections by streamlining patient payment posting and reducing aging balances.



Quickly follow-up on the highest value correspondence critical to revenue collection – appeal and denial notices



Enhance billing accuracy to support timely secondary claim submissions and targeted follow-up.



Strengthen financial visibility with precise reporting that eliminates month-end reconciliation surprises that risk becoming bad debt.

THE RESULT: Fewer write-offs. Less revenue leakage. Lower bad debt.

Hospital bad debt continues to climb. According to the American Hospital Association, U.S. hospitals reported \$56.5 billion in bad debt in 2018.³ More recently, HFMA reports that large hospitals saw an 18% increase in bad debt from 2022 to 2024,⁴ signaling persistent financial strain as more balances go unpaid. This upward trend underscores the need for earlier, more effective strategies to reduce write-offs and improve collections.

³ American Hospital Association. TrendWatch Chartbook 2019: Trends Affecting Hospitals and Health Systems. 2019.

⁴ Healthcare Financial Management Association (HFMA). Bad Debt, Charity Up 32% Since 2022. 2025.



02

Reduce Labor Cost

Shift from Manual Posting to High-Value Work

Manual posting remains one of the most time-consuming and resource-intensive steps in the payment process. Staff often spend hours keying data from EOBs and PDFs, interpreting different formats from multiple payers, rechecking mismatched remits, or searching for documentation to complete the posting process. These repetitive tasks add up to higher labor costs per transaction. It isn't easy to scale your team efficiently when each additional transaction requires an increased time investment from your team.

When you eliminate the need to touch each transaction, teams can reallocate their time toward higher-value efforts, such as resolving exceptions, managing denials, and improving patient collections.

How Automation Reduces Labor Cost

Modern payment posting and reconciliation automation eliminates the manual bottlenecks that make posting labor-intensive, such as data entry from PDFs and scanned EOBs, switching between systems to locate documentation, manually updating spreadsheets to match cash to ERAs, and repetitive transaction handling. Advanced automation solutions automatically match payments to remittance information, centralize all supporting documents, and streamline posting workflows across payer and patient payments.

Staff can focus on strategic work instead of repetitive data entry and document hunting.



According to HFMA, one in three CFOs projected higher labor costs, and many reported stagnant staffing levels, making workforce efficiency a financial imperative.⁵

Automation enables your team to:



Eliminate manual data entry by automatically and accurately extracting and structuring payment data from PDFs, scanned EOBs, image-based remits, and payer portals.



Access all documentation centrally without switching between systems or searching for backup files.



Reduce the need for any manual reconciliation on 99%+ of all claims, enabling teams to only work true exceptions requiring review and follow-up.



Reduce posting time for commercial payments, self-pay checks and portal payments through automated workflows.



Redeploy staff to high-value work like exceptions, denials, and collections rather than routine posting.



Improve retention by removing low-value, high-friction tasks that contribute to burnout.

THE RESULT: Lower cost per transaction. Higher staff productivity. Better job satisfaction.

⁵ HFMA Outlook Survey Report, Winter 2024–25.



03

Increase Denial Recovery

Catch Denials Earlier, Respond Faster, Recover More

Denied claims represent one of the most significant sources of lost revenue for provider organizations. But the bigger challenge isn't just the denials themselves. The manual processes and fragmented data involved prevent teams from responding quickly and efficiently.

When denial letters and payer correspondence arrive by mail or as unstructured PDFs, they can sit in queues, go to the wrong team, or be overlooked entirely. The entire process is costly.

By the time staff see the denial, the appeal window may already be closed. Without structured data and automation, RCM teams can't identify denial patterns or root causes. Instead of preventing denials, they're forced to react to them. This complexity is built into the system. Payers rely on disconnected data and unstructured correspondence, making it harder for providers to collect for care they've already delivered.

How Automation Increases Denial Recovery

Modern automation for denial management streamlines workflows encumbered by paper correspondence, scattered documentation, and manual routing processes. Advanced automation solutions digitize and categorize denial letters, apply intelligent routing rules, and create searchable repositories of all correspondence and supporting documents. These solutions must also capture denials that appear on paper as zero-pay EOBs.

Finance and revenue cycle teams can identify patterns, respond faster, and recover more revenue.

According to the American Hospital Association, hospitals spent nearly **\$20 billion** in 2023 appealing denied claims, with more than half of that spending considered avoidable because the claims were ultimately approved and paid.⁶

⁶ American Hospital Association. The 2024 Costs of Caring Report.



“Now that we have an automated solution, when correspondence hits the lockbox, it’s in our workflow the next day.”

VP OF CASH APPLICATIONS,
National HME Provider

Automation enables your team to:



Route denials instantly to the appropriate staff member based on payer, document type, reason code, or dollar threshold.



Access complete denial documentation in one searchable portal without hunting across systems, including both denial letters and “zero-pay EOBs”.



Analyze denial patterns by payer, procedure, or reason code to drive upstream prevention.



Meet appeal deadlines consistently and improve win rates through faster response times.



Shift from reactive to proactive denial management with data-driven insights.

THE RESULT: Higher recovery rates. Faster appeal responses. Lower revenue leakage.



04

Reduce Days in Accounts Receivable (A/R)

Accelerate Posting to Drive Cash and Clean Up Accounts

Delayed payment posting leads to more than just internal inefficiencies. It significantly affects the speed at which providers can follow up on outstanding balances and receive payments. When payments are not recorded promptly, it results in delays with secondary claims, prolongs patient responsibility notifications, and keeps accounts open longer than needed. This ultimately contributes to the growth of accounts receivable (A/R) days and higher scrutiny on the revenue cycle team.

Manual posting slows this process even more, especially when staff are buried in paper EOBs or trying to reconcile incomplete or inconsistent remittance data.

Each day of delay not only inflates A/R but also reduces the likelihood of collecting in full.

⁷ American Hospital Association. Survey: Commercial health insurance practices delay care, increase costs [Infographic]. 2023.

How Automation Reduces Days in A/R

Modern payment posting and reconciliation automation eliminates manual processing of paper remits, fragmented payment workflows, and posting backlogs that slow downstream collections. Advanced automation converts all remittance data into structured, postable formats and integrates all payments and remittances into unified workflows.

Payments post faster, accounts resolve sooner, and follow-up accelerates.

According to the American Hospital Association, 50% of hospitals and health systems reported having more than \$100 million in A/R claims aged six months or older.⁷



“Automation shaved off several days of manual work. What used to take four or five days now happens much faster—and that accelerates everything downstream, including patient billing and A/R reduction.”

CASH POSTING LEAD,
Regional Health System

Automation enables your team to:



Post payments immediately with accurate matching, even from incomplete or scanned remittance documents.



Eliminate paper backlogs that create downstream delays for collections and follow-up teams, with 24-hour TAT SLAs.



Accelerate patient payment resolution by capturing and posting self-pay revenue without manual intervention.



Enable real-time follow-up without waiting for payment reconciliation to complete.



Improve cash flow predictability through consistent, timely posting across all payment types.

THE RESULT: Faster payment posting. Lower Days in A/R. More predictable cash flow.



05

Accelerate the Month-End Close Cycle

Build Confidence and Speed into the Financial Close

Accurate, timely posting is crucial for closing the books on time each month. However, cash remains unapplied in many organizations, reconciliation is incomplete, and documentation is spread across systems or on paper.

Finance teams are often forced to spend the month's final days tracking down information, making manual adjustments, and trying to piece together what is missing.

These delays erode confidence in financial reporting and increase risk. Leaders lack real-time visibility into where revenue stands. Meanwhile, revenue cycle teams stay stuck in clean-up mode instead of focusing on forward-looking insights or projects.

How Automation Speeds Month-End Close

Modern payment posting and reconciliation automation addresses reconciliation challenges like manual payment matching, scattered supporting documents, and suspense account buildups that delay the monthly financial close. Advanced automation reconciles payments continuously throughout the month, maintains centralized archives of all remittance data, and eliminates the data gaps that create last-minute surprises.

Finance and revenue cycle teams can close confidently with clean, complete data.



“We operate on a four-day close. That window gives us just enough time to complete journal entries, run checks, and be locked and loaded. My team should never be the reason we miss a close.”

**DIRECTOR OF CASH
RECONCILIATION,**
Large Regional Health System

Automation enables your team to:



Reconcile continuously

with automated payment matching that eliminates month-end catch-up work.



Minimize suspense

accounts and reduce manual journal entries through accurate, real-time posting.



Access supporting documents

instantly for audits and reporting without searching across systems.



Eliminate document chasing

that delays close while teams hunt for files across departments.



Finish strong

with predictable close cycles and fewer last-minute corrections.

THE RESULT: Fewer manual adjustments. Faster close. More predictable month-end.

MediStreams Drives Measurable Results in Your Revenue Cycle

For healthcare financial and RCM leaders, the pressure to improve financial performance is constant. Rising denials, shrinking margins, and staffing constraints make improving financial performance harder, especially when posting, reconciliation, and denial management still rely on manual work.

Those metrics improve when outdated processes are replaced with automation that accelerates payment posting, eliminates waste, and gives your team the tools to focus on what matters most.

MediStreams was built to address the most overlooked drivers of revenue leakage, from paper EOB conversion and unapplied cash to hidden paper denials, and fragmented remittance files. That's how we help healthcare organizations reduce bad debt, cut labor costs, recover more denials, shrink A/R, and close the books faster.

Competitive performance demands modern technology. With MediStreams, finance and RCM leaders finally have a way to post, reconcile, and report quickly and accurately, without scaling up staff.

MediStreams Capabilities

Operational Improvements

Financial Outcomes

PAPER EOB TO 835 CONVERSION

Convert paper EOBs into structured electronic 835 remits.

AUTOMATED RECONCILIATION

Match and post payments using ERA and EOB data, even when incomplete.

CORRESPONDENCE MANAGEMENT

Digitize and route denial letters, audit requests, and payer messages.

PATIENT PAYMENT PROCESSING

Capture, normalize, and post patient payments from checks, portals, and processors.

DOCUMENT & DATA PORTAL

Provide access to remits, EOBs, and correspondence in a searchable portal.

POST PAYMENTS ACCURATELY

Ensure 99%+ accuracy to reduce errors and manual work.

OPTIMIZE STAFF WORKFLOWS

Eliminate manual tasks so staff can focus on high-value work.

POST CASH FASTER

Accelerate cash posting and revenue recognition.

CENTRALIZE PAYMENT DATA

Access all remits, denials, and payments in one place.

UNCOVER REMIT & DENIAL TRENDS

Analyze patterns to drive upstream process improvements.

LOWER BAD DEBT

Prevent billing delays, clarify unapplied cash, improve accuracy

REDUCE LABOR COSTS

Minimize manual posting and reconciliation of payments

INCREASE DENIAL RECOVERY

Recover more revenue through faster denial action.

REDUCE DAYS IN A/R

Collect payments faster and accelerate payment posting.

ACCELERATE MONTH-END CLOSE CYCLE

Reduce delays and surprises during reconciliation by reducing unapplied cash and unresolved payment items.



Ready to Improve Your Financial Outcomes?

- Start with the outcomes that matter,
and let automation transform your results.

**LEARN MORE AT
[MEDISTREAMS.COM](https://www.MediStreams.com)**

MediStreams provides healthcare payment and remittance automation solutions that streamline complex payment processes. With industry-leading accuracy, real-time visibility, and rapid configurability, the MediStreams Cascade™ product suite turns manual processes into automated workflows that empower organizations to post and reconcile payments faster, more efficiently, and in a scalable, cost-effective way. Learn more at www.MediStreams.com.