

# From \$14M Trapped to Cash Flowing

## How an orthopaedic practice freed \$6.7M and cut denials by 64%


**TOTAL AGED AR:**  
**\$13.8M → \$7.2M**


**TOTAL AR DAYS**  
**58 → 24**


**DENIALS:**  
**22% → 8%**

### EXECUTIVE SUMMARY

When revenue gets stuck in the billing pipeline, it impacts everything from cash flow to staff morale to your ability to invest in patient care.

This orthopaedic practice partnered with Advantum Health to transform their revenue cycle from a source of frustration into a competitive advantage, unlocking millions in previously trapped revenue.

What began as a revenue cycle struggling with bloated aging balances evolved into a streamlined operation delivering predictable cash flow.

The practice now operates with fundamentally healthier metrics: faster collections, reduced write-off exposure, and the financial predictability leadership needs to invest in growth and patient experience.

### CHALLENGE

The practice faced multiple revenue cycle challenges that were constraining cash flow and operational efficiency.

Their aging AR backlog was substantial, with 55% of insurance AR aged beyond 90 days and 42% over 120 days, clear indicators of systemic delays in claims adjudication and under-prioritized follow-up work.

Compounding this issue, denial rates had peaked at 22%, creating significant rework burden for the billing team and delaying cash collection.

Extended collection cycles were another pain point, with AR days reaching 58, nearly double the 30–35 day industry benchmark.

Revenue optimization was also underperforming, with charge per visit at just \$446 and payment per visit at only \$115, well below the practice's earning potential.

## Solution

Advantum Health implemented a comprehensive revenue cycle management program targeting both front-end prevention and back-end recovery:

- 01 AR remediation:** Systematic prioritization of aged claims with payer-specific follow-up workflows
- 02 Clean claims:** Enhanced front-end edits, eligibility verification, and coding controls
- 03 Denial Management:** Introduced structured tracking and root cause analysis to identify recurring issues and support more effective resolution
- 04 Revenue optimization:** Revenue integrity audits and charge capture optimization

## Results

The engagement delivered dramatic, sustained improvements across every key metric:

**AR days:**  
**58 → 24**  
(59% improvement)

**Denial rates:**  
**22% → 8%**  
(64% reduction)

**Payment per visit:**  
**\$115 → \$212**  
(84% increase)

**Total AR balance:**  
**\$13.8M → \$7.2M**  
(48% reduction)

**AR over 120 days:**  
**42% → 6%**  
(86% reduction)

**Insurance AR:**  
**\$14.0M → \$6.1M**  
(56% reduction)

## Conclusion

This transformation demonstrates what's possible when revenue cycle management becomes a strategic priority. By addressing root causes instead of symptoms, this orthopedic practice freed \$6.7M in working capital, cut denial rates by nearly two-thirds, and compressed collection timelines to well below industry benchmarks.

Most importantly, clinical and administrative staff can now focus on delivering exceptional patient care rather than chasing aged claims and managing preventable denials.

### Ready to achieve similar results?

Contact us to discuss how we can optimize your revenue cycle performance and improve your bottom line.

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