

Leading Healthcare Provider Turns to Auxis Nearshore Outsourcing to Solve Talent Shortages and Deliver Complex Work

Client Profile

Our client is a healthcare provider with hundreds of hospitals and clinics across the country delivering outstanding patient care. While the company already maintained sizable operations in the U.S. and Asia, U.S. labor shortages and offshore challenges had it looking for a nearshore healthcare business process outsourcing (BPO) partner in Latin America who could successfully deliver more complex revenue cycle management (RCM) processes.

Business Challenge

Healthcare providers need new solutions to labor shortages and rising costs

More than 80% of healthcare executives say they are struggling with revenue cycle management labor shortages - and nearly half are operating 10-20% below steady-state levels (2023 Becker's Hospital Review and PwC Healthcare Revenue Cycle Survey). Our client was no exception.

At the same time, rising healthcare costs leave nearly **half** of U.S. hospitals grappling with negative margins, states Everest Group's 2023 RCM Operations PEAK Matrix Assessment - making fast and effective revenue collection more critical than ever to financial stability.

Fraught with frustration and tedious processes, the healthcare industry traditionally struggles with high turnover in its revenue cycle management operations and other back-office related functions. But inflation and workforce shortages exacerbated the problem - making it difficult for our client's U.S. service center to attract and retain staff while significantly increasing labor costs.

Interest in **healthcare BPO** has surged in recent years as healthcare executives look for new solutions to their operational challenges. More than 60% of healthcare providers said they planned to outsource RCM processes in 2023 (RevCycleIntelligence report).

Our client had already outsourced some transactional, back-office functions to Asia. But its leadership team was concerned that its existing solution lacked the right skillsets, geographic proximity, and cultural alignment to successfully deliver a more advanced, judgment-intensive tier of key healthcare provider services.



The bottom-of-the-barrel pricing and overnight shifts needed to align with U.S. business hours in offshore locations like India leaves many healthcare organizations struggling to attract higher-level resources who can support complex healthcare processes. The organization was also struggling with traditional offshore challenges, including language, cultural, and time zone barriers.

As service needs expanded beyond standard activities, our client wanted to lower labor costs and enrich its capabilities with a **quality nearshore outsourcing partner**. By tapping into a top Latin American market with a highly educated population, it could access the critical-thinking skills, outstanding English proficiency, and real-time communication needed to deliver complex, time-sensitive RCM processes without constant support from the client's internal teams.



Solution & Approach

Auxis nearshore RCM outsourcing: a higher tier of talent for a higher tier of processes

After a successful pilot, the client outsourced 12 revenue cycle management processes to **Auxis' Global Delivery Center in Costa Rica** - effectively lowering costs and accessing a high-quality, cost-effective talent pipeline without sacrificing performance.

In-scope healthcare BPO services include payment applications, insurance verification and approvals, medical billing services, medical claims management, collections, and more.

The client's decision to partner with Auxis came down to its extensive shared services experience and well-established platform in Costa Rica, **Latin America's most mature shared services market**.

The client felt comfortable that the Auxis team combined the right cultural fit with the top-tier talent, extensive operational knowledge, detailed business understanding, and flexible outsourcing approach to integrate seamlessly with its internal operations and successfully deliver an advanced tier of front- and back-office processes.

A nearshore pioneer with more than 25 years of shared services experience in LATAM, **Everest Group's Finance and Accounting (FAO) Peak Matrix® Assessment 2023** recognizes Auxis as a Major Contender and the only true nearshore player on its list of top finance and accounting outsourcing companies. Auxis has also been recognized on IAOP's elite **Outsourcing Global 100** list for nine consecutive years.

Key solution steps and results for outsourcing revenue cycle management include:



Alleviating labor shortages with a shared services model that acts as an extension of the client's team

Auxis demonstrated the flexibility to customize an RCM shared services model that mirrors the client's internal organization, serving as an extension of the client's team. The company has been so pleased with Auxis' results that it nearly tripled the size of its Costa Rica operations to support additional processes.

Strong recruiting, onboarding, and retention practices keep attrition below industry averages. Costa Rican resources also consider shared services roles prestigious work and take pride in performing RCM activities that American Millennial/Gen Z employees often consider beneath them – driving additional consistency and performance.



Maximizing nearshore advantages to execute complex, time-sensitive processes

Not all outsourcing solutions are created equal. Partnering with Auxis to establish revenue cycle management operations in Costa Rica delivered a **solution that goes beyond labor arbitrage**.

It offers high-level talent, cultural alignment, time zone compatibility, one of the highest English proficiencies in LATAM, and analytical skills that enable successful execution of time-sensitive, non-standardized work.

The depth of Costa Rica's skilled talent pool also helped the RCM provider combat labor shortages: The World Economic Forum ranks Costa Rica among the **top 3** countries in Latin America on its 2023 Global Talent Competitiveness Index, and #1 in LATAM for talent attraction.



Not surprisingly, **Costa Rica** has emerged as a primary hub for finance and accounting operations like revenue cycle management – ranking among the top 10 shared services destinations worldwide (Deloitte 2023 Global Shared Services & Outsourcing Survey). It provides the deepest experience delivering North American business practices and **shared services** in Latin America, making it easier for its workforce to absorb complex work.

Nearly 85% of Costa Rica’s shared services centers support North American companies and more than 350 multinational organizations maintain business operations within its borders.



Driving process efficiency through automation

Rife with error-prone, tedious, and manual processes, the RCM function is ripe for automation that can speed revenue collection, increase productivity, alleviate labor shortages, build an accessible audit trail, and provide meaningful data.

Auxis’ **Robotic Process Automation (RPA)** team is supporting the healthcare provider’s automation journey by providing experienced resources to expedite the design and implementation of innovative, customized solutions. That includes automation that performs validation of insurance policy and customer details; collects and uploads documentation from customers’ physicians for prior authorization submissions; verifies payer billing information; populates data collected from several sources into a centralized database for account reconciliations; and more.



Reducing costs without sacrificing quality

The significant labor arbitrage and top-tier talent in Costa Rica helped the client lower labor costs without impacting the quality of revenue collection. In turn, that helps the client support cost reduction initiatives that don’t impact the quality of patient care.



Building the right combination of structure, training, and experience to boost productivity

Due to the complexity of the client’s processes, Auxis focused on staffing more experienced talent and added an additional managerial structure to ensure teams have the support they need to execute judgment-intensive tasks. Auxis also created an extensive training program and robust documentation that details workflows for process exceptions and variations, helping teams ramp up faster and mitigating typical RCM industry turnover due to frustration.





Performance visibility drives continuous improvement

Since the RCM provider's high transaction volumes have multiple teams performing different parts of a process, Auxis teams must execute the client's process design exactly, without any of the process improvements it typically recommends when taking ownership of an end-to-end activity. To ensure operational excellence, Auxis and the client implemented robust service-level agreements to drive performance and quality.

Advanced analytics provide visibility into team performance, making sure areas of improvement are quickly identified and addressed. That transparency negates the "black box" approach that often characterizes traditional outsourcing solutions, causing clients to lose control of service delivery.



Stringent security framework ensures healthcare regulatory compliance

To meet the requirements of healthcare regulations like HIPAA and PCI DSS, Auxis established a stringent compliance framework for its Costa Rica organization – adopting the client's security processes, systems, and controls to ensure data privacy and adherence to billing and coding guidelines.

For example, client systems can only be accessed through a controlled connection, and data and documents are only stored in client-controlled locations. Auxis also implemented high-performing security software that manages local access controls and "locks down" devices.

Want to learn more about the benefits of nearshore revenue cycle management outsourcing?

Schedule a consultation with our RCM experts today!

Or, **check out our resource center** for RCM tips, insights, and success stories.

You can also download a complimentary copy of **Everest Group's PEAK Matrix® for Finance & Accounting Outsourcing (FAO) Services 2023 Assessment** to learn why Auxis was recognized as a Major Contender and Nearshore Leader.

