



THE REVENUE RECOVERY PLAYBOOK:

Three AI Strategies to Put Your Revenue Leakage on Lockdown

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Executive summary

Healthcare collections are under quiet but sustained pressure.

Patient responsibility continues to rise, and many organizations are absorbing the impact as a cost of doing business even though much of this revenue is still recoverable with better prioritization and engagement. Revenue leaders are managing more work with fewer people, while key data remains dispersed across siloed systems, and the processes and tools in place were never designed for consumer-scale financial engagement.

What's changed is not simply the size of the problem, but its nature. Insured patients now account for a growing share of bad debt. **Kodiak analysis of 3 million claims found that insured patients account for more than half of bad debts in 2023¹.** Balances age faster because patients face a more complex "what do I actually owe?" moment — deductibles, coinsurance, copays, coverage denials, and timing gaps between EOBs and provider billing can create

confusion and hesitation. When patients don't trust the number or don't understand the path forward, they delay. As time passes, accounts become harder to reach and less likely to resolve. Staff turnover compounds the issue, leaving revenue unrealized not because it is unbillable, but because it is unreachable.

AI is reshaping this equation. Not as a blunt automation layer, but as a system of intelligence that prioritizes the right accounts, engages patients in the channels they already use, and scales empathy without sacrificing control or compliance. When applied intelligently, AI turns collections from a reactive cost center into a predictable, measurable driver of margin stability.

This paper outlines three ways AI is quietly closing revenue gaps in healthcare today and offers a practical framework for leaders who are ready to act.

Key takeaways:

- ❑ Patient collections are no longer a back-office issue; they are a margin and patient experience risk.
- ❑ Insured patient balances now drive most of the bad debt, requiring earlier and more precise engagement.
- ❑ AI improves recovery by prioritizing "likelihood to pay" (a behavior-based estimate that considers signals like past payment patterns, engagement responsiveness, balance characteristics, and channel preferences), not just balance size or age.
- ❑ Agentic AI and two-way engagement captures revenue that manual teams cannot reach.
- ❑ Organizations that start small can scale quickly without disrupting core systems.

Aha moment:

Collections are failing not because effort is lacking, but because prioritization and engagement are misaligned.



The revenue recovery challenge has evolved

For decades, healthcare revenue cycle models assumed insurance would absorb most financial complexity. Patient balances were manageable, and collections followed predictable patterns. That assumption no longer holds.

High-deductible health plans have shifted responsibility to patients, but the tools and workflows used to collect have not evolved with them. The result is a mismatch between volume and capacity. Manual outreach cannot scale. Phone-first engagement no longer reflects how people manage finances. Accounts age while teams prioritize based on antiquated, static rules that ignore patient behavior.

The financial impact is visible. Patient collection rates have fallen below 50%². CFPB analysis estimated an outstanding balance of about \$88 billion³ in medical debt collections on consumer credit reports (from one consumer reporting company) as of June 2021. Insured patients account for the majority of bad debt write-offs. Once balances cross certain thresholds, collectability drops sharply and often permanently.

Less visible, but equally damaging, is operational fatigue. Revenue cycle teams spend time on low-probability accounts while higher-likelihood balances sit untouched. Burnout and employee turnover further erode consistency. Over time, organizations begin treating lost revenue as inevitable.

It isn't.

Hidden revenue leak #1: prioritizing the wrong accounts

Traditional collections focus on balance size or age. That approach assumes all accounts behave similarly. In practice, they don't — and bill size is one of the clearest predictors of repayment. A large, peer-reviewed study in *JAMA Health Forum* found repayment rates decline as bills grow, with privately insured repayment for bills over \$1,000 typically below 35% in 2023, and a "U-shaped" pattern where very small and very large bills underperform mid-sized bills⁴.

Kodiak RCA benchmark data shows the same step-down effect in operational terms: collections fall from about 69% for balances ≤\$100 to about 29% for balances >\$5,000, reinforcing why "likelihood to pay" segmentation beats blunt balance-and-age rules⁵. And the environment is getting tougher, Kodiak reported the collection rate from commercially insured patients declined from 37.6% (2023) to 34.4% (2024)⁶.

AI introduces behavioral intelligence into the process. By analyzing historical payment patterns, interaction data, balance characteristics, and demographic signals, AI can predict which patients are likely to pay and under what conditions. This allows organizations to segment accounts based on propensity, not assumptions.

High-likelihood accounts can be engaged early and lightly. Moderate-likelihood accounts can be routed to structured payment conversations. Low-likelihood accounts can be handled with automation or diverted to appropriate assistance pathways without draining staff time.

The result is not “more outreach.” The result is smarter outreach: fewer wasted touches, more timely resolution, and more staff time reserved for conversations where human judgment matters. Automation absorbs repetitive work. Revenue is recovered earlier, when it is still recoverable.

Hidden revenue leak #2: one-way, channel-limited outreach

Patients manage nearly every aspect of their lives digitally. Healthcare collections often remain stuck in phone queues and paper statements.

AI-enabled engagement changes this dynamic. Governed, two-way systems support interaction across SMS, chat, and other digital channels — allowing patients to ask questions, clarify balances, select or set up payment plans, and complete payments on their own terms. These systems can operate beyond business hours, reducing friction that leads to abandonment and improving continuity when patients return later.

This matters because a meaningful share of “lost” revenue isn’t a refusal, it’s non-completion. The patient intended to pay, but couldn’t get a clear answer quickly, didn’t want to sit on hold, missed a call, or felt uncomfortable discussing finances live. Two-way AI helps remove those failure points. A patient can resolve the basics privately, at their pace, and pay directly in the same interaction — without needing to speak to a person unless they want to.

Importantly, this is not broadcast messaging. Done correctly, Agentic AI is context-aware, auditable, and constrained by clear guardrails. It can route complex questions or sensitive moments to staff, maintain consistent disclosures and tone, and reduce the risk that comes from ad hoc outreach. Patients receive clarity instead of pressure. Organizations recover revenue without increasing headcount.

So what?

Precision beats volume. The fastest way to improve collections is to stop treating every account the same.

Bottom line?

Precision beats volume. The fastest way to improve collections is to stop treating every account the same.

 CASE STUDY SPOTLIGHT

42 North Dental

42NORTH
DENTAL

A leading dental support organization (DSO) in New England, 42 North Dental, supports 39 practice brands across 108 locations. To address appointment scheduling complexity, staffing constraints, and outbound reminders/payment outreach, the organization deployed SmartAgent for inbound voice/SMS/webchat plus outbound engagement workflows and managed support.

Transformation highlights:

- \$8M outstanding debt collected
- 65.3 hours saved in one month (so staff can focus on patients)
- 84% patient contact rate

Hidden revenue leak #3: treating revenue recovery as adversarial

Financial stress is emotional. Collections interactions often ignore this reality, and the result is predictable: confusion, avoidance, escalation, and delayed resolution.

The reality?

Empathy is not a brand value alone. It is a measurable revenue lever.

A modern approach separates inability, uncertainty, and unwillingness — and responds accordingly. AI can help detect intent and sentiment signals that indicate a patient is confused, disputing the bill, anxious about affordability, or simply trying to find the easiest path to resolve. That enables the organization to respond with the right next step: a plain-language explanation, a payment plan option, a financial assistance route, or a warm handoff to staff when needed.

This is also where shame and friction quietly kill resolution. Many patients will avoid a human conversation about money, even when they can pay. When you provide a respectful, self-directed path — clear answers, simple options, and a private way to complete payment — you reduce avoidance and increase follow-through.

Empathy at scale is not about softening standards. It is about increasing the likelihood of resolution while protecting patient relationships and brand trust. Organizations that adopt this approach typically see higher self-service adoption, improved patient experience, and lower cost to collect, because fewer interactions end in stalemate.

We shrunk collections ... now let's grow with AI

Collections is often the first place organizations apply AI because the impact is immediate and measurable. But the longer-term value is broader.

Once AI is embedded into patient financial workflows, organizations begin applying the same intelligence to adjacent areas: eligibility clarification, estimate communication, denial prevention, and post-service engagement. Each step reduces friction earlier in the revenue cycle, preventing bad debt before it forms.

Analytics is the accelerant here. You can't improve what you can't measure — and most teams can't clearly see, in one place, where friction is occurring or which outreach is working. When AI-driven engagement is paired with strong analytics, leaders can track performance by segment, channel, message, and workflow step, then continuously refine what works. The result is a collections function that gets smarter over time rather than simply working harder.

This progression matters. Organizations that treat AI as a point solution often stall. Those that treat it as governed operational capability build momentum, expanding from a narrow use case into repeatable, measurable improvements across the revenue cycle.

What to do next: a 90-day path forward

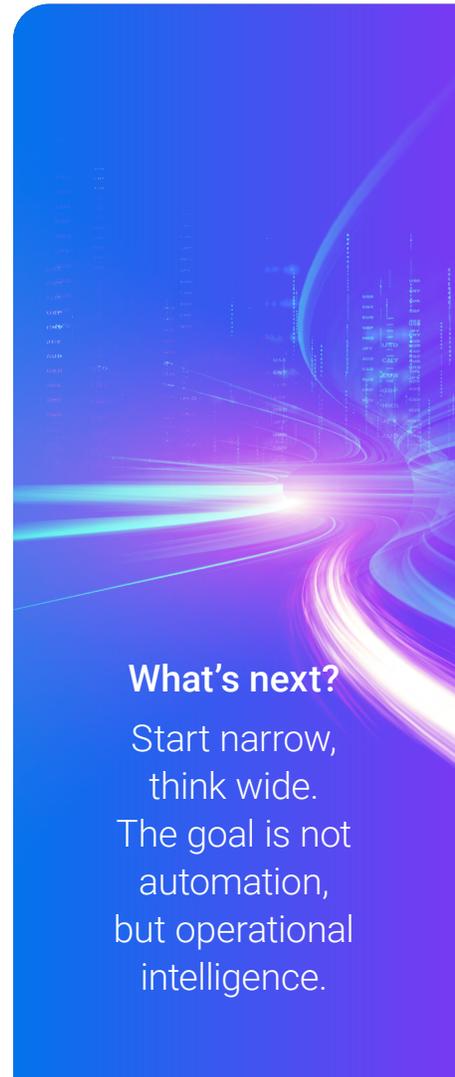
The most successful organizations do not start with transformation. They start with focus.

In the first 30 days, leaders assess where revenue leakage is highest and friction is greatest. Small-balance insured accounts, aging self-pay balances, or abandoned statements often reveal quick wins. Mapping the patient experience from the patient's perspective exposes barriers teams no longer notice.

The next 30 days are about controlled action. Organizations pilot digital, two-way engagement for a defined segment. Staff are trained on oversight, not replacement. Metrics focus on cost to collect, time to payment, and digital adoption. McKinsey estimates AI-enabled revenue cycle automation can reduce cost to collect by 30–60%⁷.

In the final phase, results guide expansion. Messaging is refined. Additional segments are added. Intelligence gained from collections informs upstream workflows.

This approach limits risk while creating momentum.



What's next?

Start narrow,
think wide.
The goal is not
automation,
but operational
intelligence.

AI-enabled revenue
cycle automation
can reduce cost
to collect by

30–60%

The opportunity is **practical**, not theoretical.



Conclusion

Healthcare collections are no longer a downstream inconvenience. They are a reflection of how well organizations align operations with modern patient behavior and whether they are willing to modernize the experience without compromising safety or trust.

AI does not eliminate complexity, but it can manage it safely and at scale. By prioritizing the right accounts, engaging patients where they already are, and scaling clarity and empathy within guardrails, healthcare organizations can recover revenue that has quietly slipped away for years.

The opportunity is practical, not theoretical. The remaining question is whether organizations continue to accept leakage as inevitable or decide to run collections as a measurable, modern function built for today's patients.



Frequently asked questions

How is agentic AI different from traditional automation or chatbots?

Traditional automation executes predefined rules or scripts. Agentic AI operates at the workflow level. It can interpret intent, respond dynamically, and complete actions across systems while maintaining guardrails. Instead of automating a single step, it manages portions of the process, such as patient engagement, payment conversations, or appointment coordination, while escalating to humans when necessary.

Will this replace existing revenue cycle or communications systems?

No. Agentic AI is designed to operate within existing environments rather than replace core systems. Most healthcare organizations already have EHRs, billing platforms, and communication tools in place. The goal is to orchestrate workflows across those systems and remove manual friction without requiring a full technology overhaul.

How does AI remain compliant and safe in regulated healthcare environments?

Safety and governance are foundational. AI workflows operate within defined policies and escalation rules. For sensitive scenarios, such as clinical decision-making or safety-related interactions, the system escalates to a human rather than acting independently. Auditability, transparency, and data security controls ensure organizations maintain oversight and compliance.

Where does AI deliver the fastest ROI in healthcare revenue recovery?

Organizations often see early impact in areas with high volume and repeatable workflows, such as outbound patient engagement, payment reminders, appointment coordination, and self-service interactions. Automating early-stage outreach helps prevent balances from aging and reduces cost-to-collect while improving patient experience.

Does adopting agentic AI require large internal teams or long implementation timelines?

Not necessarily. Many organizations begin with a focused use case and expand over time. Starting with a targeted workflow allows teams to demonstrate measurable outcomes quickly while building internal confidence and governance practices before broader adoption.

How does AI improve patient experience rather than making interactions feel automated?

Effective AI focuses on clarity, responsiveness, and accessibility. Patients can interact through familiar channels such as SMS or voice, receive immediate answers, and resolve issues without long hold times. The goal is not to remove human interaction but to reserve human time for complex or sensitive situations where empathy and expertise matter most.

How should leaders think about AI beyond revenue recovery?

Collections often serve as an entry point because the ROI is measurable and workflows are well defined. Over time, agentic AI can expand into other operational areas such as scheduling, intake, billing support, and broader customer engagement workflows. Organizations that succeed treat AI as an operational layer that evolves with business priorities.

What should executives evaluate when selecting an AI partner?

Look for proven deployment in regulated industries, strong governance controls, integration flexibility, and measurable outcomes rather than theoretical capabilities. The right partner demonstrates how AI fits into existing workflows and provides a roadmap for incremental adoption rather than requiring a disruptive rebuild.

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Endnotes

- 1 Kodiak, Insured Patients Account for More Than Half of Bad Debts Written off by Provider Organizations in 2023, According to Kodiak Solutions Analysis (Revenue Cycle Intelligence Benchmarking Reports, Feb. 2024).
- 2 Mariah Taylor, "Patient collections fall to 48%," *Becker's Hospital Review* (Feb. 29, 2024) (citing Kodiak Solutions analysis showing 47.8% patient collection rate in 2022 and 2023).
- 3 Consumer Financial Protection Bureau, *Medical Debt Burden in the United States* (Feb. 2022), p. 6 ("...estimated outstanding balance of about \$88 billion in medical debt collections on consumer credit reports... as of June 2021.").
- 4 Benjamin Ippolito, et al., *Patient Repayment of US Hospital Bills From 2018 to 2024*, JAMA Health Forum (2025), Figure 4 / Results text (reporting that among privately insured patients, repayment rates for bills over \$1,000 were typically below 35% in 2023, and repayment varies by bill size with lower repayment on the smallest and largest bills).
- 5 CommerceHealthcare, "Patient collection rate by dollar amount owed" (Figure 6), *Healthcare Finance Trends for 2025: Accelerating Change* (2024), citing Kodiak RCA (reporting collection rates by balance bracket: ≤\$100: 69%; \$101–\$500: 60%; \$501–\$1,000: 49%; \$1,001–\$5,000: 41%; >\$5,000: 29%).
- 6 "Healthcare Providers Facing Stiff Headwinds on Revenue Cycle Performance, Kodiak Solutions Data Show," Business Wire (Feb. 27, 2025) (reporting commercially insured collection rates fell from 37.6% in 2023 to 34.4% in 2024); see also "Revenue cycle challenged by low collection rates, high denials," *Healthcare Finance News* (Feb. 28, 2025).
- 7 McKinsey & Company, *Agentic AI and the race to a touchless revenue cycle* (2025), estimating AI-enabled revenue cycle automation could reduce cost to collect by 30–60%.



ABOUT INTELEPEER

IntelPeer streamlines customer interactions, enabling businesses to lower costs, improve customer experience, and accelerate return on investment. Harnessing the power of agentic AI, IntelPeer's conversational AI solutions deliver speed, observability, visibility, and flexibility — all built on top of a global, secure communications network. Producing human-like interactions, IntelPeer solutions automate voice and digital customer service capabilities, work seamlessly with existing enterprise software and infrastructure, have easy-to-use tools that can be utilized by anyone, and provide industry-leading time-to-value. For more information, visit intelepeer.ai.



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