



## **CASE STUDY: Hospital System Cost Optimization**

**Title: Driving EBITDA Expansion through RCM Labor Arbitrage & Technology Integration**

**Location: Tampa, FL**

**Sector: Acute Care / Hospital System**

**Financial Impact: \$540,000 in Annualized Operational Savings**

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### **I. Executive Snapshot**

#### **The Challenge**

A legacy, fully in-house Revenue Cycle Management (RCM) department comprising 15 full-time employees (FTEs) had evolved into a structurally inefficient, high fixed-cost cost center. Rising payroll expenses, benefits overhead, and limited access to advanced analytics were materially compressing margins and constraining scalability.

#### **The IHS Intervention**

Imperial Healthcare Systems executed a controlled migration to its Dedicated Staffing Model, layered with predictive analytics and workflow automation to modernize performance without disrupting clinical operations.

#### **The Outcome**

- 60% reduction in direct staffing expenditures
- 45% acceleration in claim processing velocity
- \$540,000 in recurring annual savings
- Zero disruption to clinical or billing continuity

*Efficiency, in this context, was not a cost-cutting exercise—it was a capital reallocation strategy.*

## **II. Client Context**

The hospital system operated in a competitive Tampa healthcare market with escalating administrative overhead. Maintaining a 15-member in-house RCM team resulted in disproportionate exposure to payroll taxes, benefits, attrition risk, and managerial complexity for a non-core function. Leadership's mandate was clear: convert a rigid, high fixed-cost structure into a variable, performance-aligned operating model while improving outcomes.

## **III. The Business Challenge**

### **The Cost of In-House Complexity**

- **Bloated Operating Expense:** Fixed labor costs exceeded benchmark RCM-to-Revenue ratios, eroding contribution margins.
- **Technological Lag:** Absence of advanced denial intelligence and predictive analytics drove manual rework and recurring front-end errors.
- **Scalability Constraints:** Recruiting and retaining specialized RCM talent in Florida's competitive labor market created persistent HR friction and operational drag.

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## **IV. The IHS Solution: Strategic Transition & Technology Overlay**

Imperial Healthcare Systems implemented a phased transition architecture designed to de-risk migration while materially upgrading output quality through a hybrid offshore/onshore delivery construct.

### **Key Strategic Interventions**

1. **Dedicated Staffing Model:** Replaced high-cost domestic administrative labor with a specialized, 24/7 IHS-managed team aligned to hospital-specific workflows.
2. **Advanced Analytics Integration:** Deployed proprietary automation and validation tools to pre-empt claim errors and reduce downstream denials.
3. **Transition Risk Management:** Applied a structured "Shadow & Shift" protocol to ensure zero downtime, zero data loss, and uninterrupted cash flow.
4. **SLA-Driven Accountability:** Shifted governance from management-by-presence to management-by-KPI, embedding measurable performance discipline.

## **V. Measurable Results**

### **Operational Transformation Benchmarks**

Metric	Pre-Transition (In-House)	Post-Transition (IHS)	Efficiency Gain
Total Staffing Cost	\$900,000+ (est.)	\$360,000	60% savings
Claim Accuracy (CCR)	92%	99%	Precision uplift
Processing Velocity	Baseline	45% faster	Cycle-time reduction
Operational Continuity	N/A	100%	Zero disruption

## Financial Impact

- Annualized Bottom-Line Savings: \$540,000
- EBITDA Impact: Direct \$540K increase in net income
- Transition Period: Seamless 60-day implementation

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## VI. Strategic Outcome

By partnering with Imperial Healthcare Systems, the hospital system structurally decoupled growth from administrative headcount. The engagement delivered:

- Capital Redeployment: Savings were reinvested into clinical infrastructure and patient-facing capabilities.
- Institutional Rigor: Access to a world-class analytics and governance platform previously unattainable in-house.
- Risk Mitigation: Material reduction in HR, compliance, and continuity risks associated with large administrative teams.

The organization successfully transformed a legacy cost center into a scalable, analytics-driven engine for institutional growth.

## Contact Us

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