Reducing Administrative Burden.

Three Strategies to Improve Financial Performance and Patient Care

Allen Fredrickson

Founder and Executive Chairman | Signature Performance, Inc.

Healthcare organizations are facing mounting financial and operational pressures. Rising labor costs, shrinking reimbursement, workforce shortages, and increasingly complex administrative requirements are forcing leaders to do more with fewer resources. While these challenges are significant, **one area remains largely within an organization's control: administrative efficiency.**

Today, hospitals devote an extraordinary amount of time and resources to billing, claims management, prior authorization, compliance, and documentation. These activities divert clinicians from patient care, delay reimbursement, increase operating costs, and create unnecessary friction throughout the healthcare experience.

Organizations that intentionally reduce administrative burden can unlock meaningful improvements in financial performance, workforce engagement, and patient outcomes. **The following three strategies provide a practical framework for driving those improvements.**

Administrative Complexity is Costing More Than Money

Administrative work has evolved from a necessary business function into one of healthcare's largest operational challenges. Hospitals now spend up to 40% of their operating budgets on administrative activities, while clinicians report spending nearly half of their working hours completing documentation and other non-clinical tasks. At the same time, patients continue to experience delays in care caused by prior authorizations, billing issues, and reimbursement processes.

These inefficiencies affect far more than operating expenses. They contribute to clinician burnout, slow organizational growth, reduce cash flow, and ultimately limit the resources available to invest in patient care. Reducing administrative burden should not be viewed simply as a cost-cutting initiative. It is a **strategic opportunity to improve organizational performance** while strengthening the experience for providers and patients alike.

Healthcare facilities now spend up to 40% of their total operating budgets on administrative functions and activities.

1. Optimize Clinical Workflows Before Adding New Technology

Many organizations assume that technology alone will solve operational inefficiencies. Technology often amplifies broken processes if those workflows are never redesigned.

Electronic Health Record (EHR) systems are a common example. Over time, additional documentation requirements, duplicate data entry, and inconsistent workflows create unnecessary complexity for clinicians. Rather than supporting patient care, the technology becomes another administrative burden.

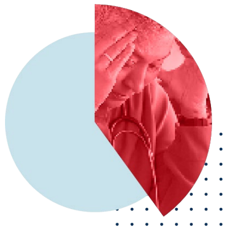
Healthcare organizations should routinely evaluate how clinicians interact with their EHRs, eliminate unnecessary steps, standardize documentation practices, and provide ongoing education as systems evolve. Equally important is improving interoperability so information flows seamlessly between clinical and administrative systems. Even modest workflow improvements can reduce frustration**, increase provider satisfaction, and return valuable time to patient care.**

2. Modernize Revenue Cycle Operations

Revenue cycle performance remains one of the greatest opportunities to improve both financial health and operational efficiency. Rather than viewing registration, coding, claims management, billing, and denial prevention as isolated functions, leading organizations manage them as one integrated process. Continuous monitoring, standardized workflows, automation, and cross-functional collaboration allow organizations to identify problems earlier, reduce rework, and accelerate reimbursement.

Performance should be measured against established industry benchmarks, including clean claim rates, coding accuracy, denial rates, and accounts receivable days. These metrics provide visibility into operational health while identifying the areas with the greatest opportunity for improvement.

The financial impact can be substantial. After assessing and optimizing the revenue cycle for a rural health system, **Signature Performance helped increase revenue by 10% while reducing accounts receivable days by 27.** The resulting financial stability enabled the organization to expand services instead of reducing them.



3. Make Technology Investments with Purpose

Healthcare organizations continue to invest heavily in digital transformation and artificial intelligence. Yet technology delivers value only when it supports clearly defined operational goals. Before implementing new solutions, leaders should evaluate whether the technology simplifies existing workflows, integrates with current systems, and addresses a measurable business need. Investing in automation before resolving data quality or process issues often produces disappointing results.

When implemented strategically, however, technologies such as AI can dramatically reduce administrative workload. Intelligent automation can support coding accuracy, identify documentation deficiencies, streamline prior authorization, improve claims quality, and assist clinicians with documentation, allowing staff to focus on higher-value work.

The Department of Veterans Affairs demonstrated this approach by modernizing its claims processing platform with Signature Performance. The initiative achieved **99.9% claims accuracy, processed 96% of payments within 30 days, and redirected approximately 130,000 full-time equivalent hours toward higher-value mission priorities.**

Turn Administrative Efficiency Into Strategic Advantages

Administrative complexity is unlikely to disappear. However, organizations that proactively redesign workflows, strengthen revenue cycle operations, and implement technology with intention can **transform administrative functions from a financial burden into a competitive advantage.**

The most successful healthcare organizations recognize that operational excellence is not achieved through technology alone. It requires aligning people, processes, and technology around a common objective: reducing unnecessary work so **clinicians can focus on patients,** organizations can improve financial performance, and **healthcare systems can better fulfill their mission.**

By taking deliberate action today, healthcare leaders can create more resilient organizations that are better positioned to navigate future challenges while delivering higher-value care.