

# Reaping the Financial Benefits of Provider Consolidation

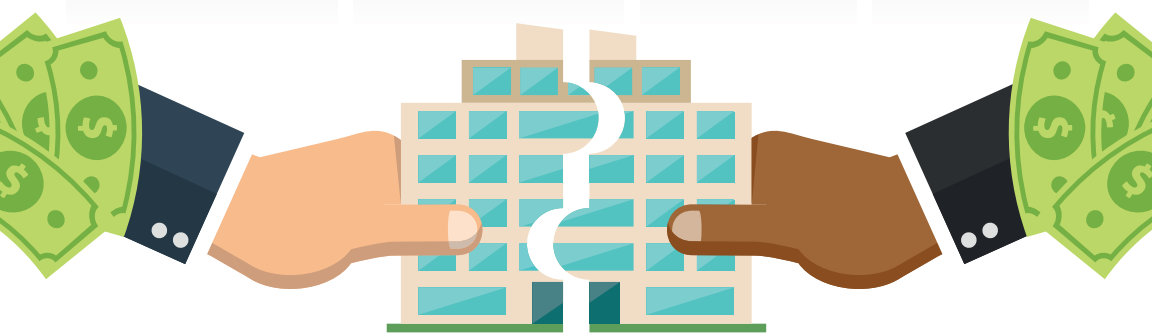
The pandemic's financial impact has escalated M&A activity

**133%**  
YOY increase in healthcare megamergers (\$1B+ in revenue)<sup>1</sup>

**\$8.8B**  
Average size of M&A transaction in Q1 2021 – nearly a historical high<sup>2</sup>

**31%**  
of CFOs plan to acquire physician practices<sup>3</sup>

**28%**  
of CFOs plan to merge with another organization<sup>4</sup>



Health systems often underestimate the work required to financially benefit from consolidation

BARRON'S

Consolidation's promised economies of scale have proven elusive.<sup>5</sup>



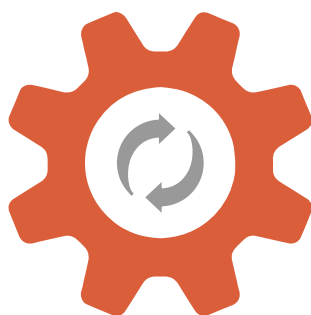
HARVARD UNIVERSITY

Hospitals' post-consolidation patient experience scores deteriorated as much as 16%.<sup>6</sup>



A number of health systems have had buyer's remorse [with acquired hospitals]. They run into technology issues...and fail to gain market share.<sup>7</sup>

To attain consolidation's expected returns, a solid RCM foundation is imperative



**Processes**

Best practices  
Enterprise standardization  
Streamlined end-to-end workflow



**Technology**

Hardwired optimized processes  
Automated workforce  
Digital self-service



**Talent**

Specialization  
Extensive training  
Performance management

Health systems can realize the financial benefits of their newly acquired entities through an R1 partnership

R1 clients achieve financial improvements up to:

✓ **40%** increase in patient satisfaction

✓ **5%** increase in net patient revenue

✓ **20%** decrease in cost to collect

✓ **50%** reduction in denial write-offs

✓ **25%** decrease in bad debt expense

✓ **15%** reduction in A/R days



Get the most out of your health system's growth

Download the ebook, [Achieving Sustainable Financial Resilience](#), listen to the [HFMA podcast](#) on the risks and benefits of provider M&A – or [contact us](#) for a revenue cycle assessment to learn where you may have opportunities to increase revenue, expand market share or enhance your patient experience.



R1 RCM is a leading provider of technology-driven solutions that transform the patient experience and financial performance of healthcare providers. R1's proven and scalable operating models seamlessly complement a healthcare organization's infrastructure, quickly driving sustainable improvements to net patient revenue and cash flows while reducing operating costs and enhancing the patient experience.

Learn more at [r1rcm.com](http://r1rcm.com) or contact us [contact@r1rcm.com](mailto:contact@r1rcm.com).

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