

CASE STUDY · REVENUE CYCLE TRANSFORMATION

A six-month AR transformation

From board concern to measurable progress

A board mandate to reduce AR days by 25% became a repeatable model for cash acceleration — beginning with a no-fee assessment and a 15% reduction within six months.

hoag. Nonprofit health system • Orange County, California

15%	25%	3	$0
AR days reduced in six months	Board target — on track to exceed by end of 2026	Workstreams: charge capture, unbilled, denials	Cost of the initial revenue cycle assessment

inneo ALLIANCE

The challenge

Hoag Hospital's board set a clear mandate: improve financial performance and increase cash flow by cutting AR days, which were well above HFMA benchmarks. The board asked EVP & CFO Andrew Guarni to reduce AR days by 25%. The revenue cycle team demonstrated measurable progress across multiple initiatives, with opportunities to further streamline efforts and increase the pace of results. Sustained improvement required deep understanding of root causes, not just the symptoms — and building a foundation that would hold as the health system grew. Mr. Guarni recognized the need for outside experts to evaluate the full revenue cycle.

The assessment

Before recommending new vendors or drastic measures, Inneo set out to understand the operational, process, and technology factors driving AR days above benchmark. The team conducted an at-risk revenue cycle assessment — surveys, interviews with team members, and a data review — to identify where the greatest impact could be made in the least amount of time. The assessment surfaced immediate operational opportunities alongside foundational fixes and produced a prioritized project plan.

The transformation strategy

What began as a no-fee assessment quickly became a six-month engagement, as the findings gave Hoag Hospital a clear, quantified case for action across a balanced approach — pairing immediate AR reduction with long-term operational improvement. The work focused on three high-impact workstreams: charge capture, unbilled accounts, and denials. Evaluating people, process, and technology across each workstream enabled the Hoag Hospital team to remove barriers to cash acceleration, strengthen accountability, and build the operational discipline that sustains results.

The outcome

Working directly with Hoag Hospital's revenue cycle team and leadership, Inneo achieved a 15% reduction in AR days over the six-month engagement. Operational fixes alone could not have produced this result. Just as important, revenue cycle leaders gained visibility into the drivers of performance and laid a foundation for continued improvement. Hoag Hospital remains on track to exceed the board's original 25% target by the end of 2026.

FROM THE CFO

"From day one it felt like a partnership. This is unlike any consulting group I've ever worked with. Inneo listened to what we had to say and then gave us a plan that responded to what we had told them."

— Andrew Guarni, EVP & CFO, Hoag Hospital

The ongoing partnership

The first engagement was successful, and the partnership is now in its second phase. The focus has shifted from operational recovery to strategic transformation — from tactical fixes to the systems and disciplines that compound over time. With AR days trending toward the board's target, attention is turning to the next measure of progress: sustained net revenue improvement across the revenue cycle.

How are your AR days tracking?

Inneo begins every engagement with a no-fee revenue cycle assessment.

Request an assessment

Inneo (formerly The Innovation Institute) is owned and managed by a nationwide group of nonprofit health systems. We run innovation programs for our members across clinical innovation and strategic business services, embedding with their teams at no charge. Inneo identifies the partners or services best aligned with each system's priorities, negotiates terms on their behalf, and reinvests the resulting vendor fees into the innovation program. That flywheel sustains the innovation lab without additional capital calls on members. We are your ally. We are Inneo Alliance.