



A Revenue Cycle Management Success Story: Advanced Diabetes Supply/US Medical Supply

THE CLIENT

Advanced Diabetes Supply (ADS) acquired US Medical Supply (USMed), a Florida-based durable medical equipment provider, in 2021. At the time, ADS and USMed generated \$400 million and \$250 million in revenue, respectively. Over the next three years, the combined organization experienced rapid growth, reaching over \$1 billion in annual revenue.

BACKGROUND

While the top-line growth was significant—59% over a three-year span—cash collections failed to keep pace. This created a classic case of an organization outgrowing its infrastructure. The foundational tools, technology, and operational structure simply weren't in place to support the accelerated growth, particularly on the revenue cycle side.

Compounding these challenges were issues stemming from the integration of the two companies, including billing inconsistencies and reimbursement delays. USMed, like many in the industry, was severely impacted by the Change Healthcare ransomware attack, disrupting billing and collections operations nationwide. At the time this project began, USMed was facing a \$40 million backlog in accounts receivable and struggling to meet payroll. The revenue cycle team was understaffed and overwhelmed.

HMA had previously performed a successful revenue cycle gap assessment at an ADS office in California. Based on those results, the newly hired CFO of ADS/USMed asked HMA to replicate the process for the Florida office. The goal: support the recently appointed VP of Revenue Cycle in stabilizing operations, implementing recommendations, and aligning practices to industry best standards.

\$38 million

In additional revenue

12% YoY increase in cash collections

\$16 million

Reduction in outstanding A/R within six months

38

New standard operating procedures created and rolled out

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"When I stepped into the role, the environment was fragmentedtwo teams on opposite coasts, multiple disconnected systems, and a lot of inefficiencies that came from rapid growth without the right infrastructure. It was a heavy lift to get our new leadership team fully ramped, but we never lost momentum thanks to the HMA team. HMA conducted a comprehensive RCM gap assessment that enabled us to clearly identify our key pain points. Through close collaboration with Linda Krish and the RCM team at HMA, we developed a strategic roadmap for success. HMA continued to provide valuable strategic guidance and transformation support throughout the project, contributing significantly to our progress. They stepped in as our interim leadership bench, brought structure to the chaos, and helped us stabilize operations quickly. I can directly attribute our ability to collect over \$1.1 billion in revenue to the expertise and hands-on support we had from HMA."



Melanie Montero

Senior VP, Revenue Cycle Advanced Diabetes Supply

APPROACH

HMA completed a thorough gap assessment and was retained to lead the implementation phase. Key actions taken:

- » Developed a 6-month roadmap outlining both quick wins and long-term priorities.
- » Led a financial turnaround strategy centered on people, processes, and technology. HMA provided interim staffing, restructured workflows, and redesigned the revenue cycle team's organizational chart.
- » Supported hiring efforts for key roles, including vendor selection and onboarding. A new financial reporting infrastructure was also introduced, replacing outdated systems with Power BI dashboards that now serve as the company's central source of truth.
- » Identified payer-related issues and implemented solutions to drive improved cash collections using insights from Power BI.
- » Navigated the Change Healthcare crisis by facilitating a rapid transition to a new clearinghouse. A process that typically takes 4–6 months was completed in just over 30 days thanks to HMA's healthcare IT expertise.
- » Implemented preventative measures to improve claim accuracy, reduce denials, and ensure long-term revenue cycle stability.

RESULTS

Thanks to HMA's hands-on support, USMed experienced a measurable financial turnaround:

- $\,$ » 12% YoY increase in cash collections, resulting in more than \$38 million in additional revenue.
- » \$16 million reduction in outstanding A/R within six months.
- » 38 new standard operating procedures created and rolled out.
- » Offshore training and onboarding of new RCM team members, including vendor management and leadership development.
- » Root-cause analysis and resolution of denial drivers and revenue leakage risks, with new upstream workflow improvement.
- » Full implementation of the Waystar billing system, replacing Change Healthcare. This included Medicare claims monitoring tools, custom workflows for rejections, and 30+ custom rules that led to the recovery of \$900K in payments over just five months.

HMA can help other organizations identify gaps in their revenue cycle, and by working with us can expect to see improvements in denial rates and reimbursement. Our experts have decades of experience in every facet of the revenue cycle. They come from all sides of the healthcare industry, including providers, payers, managed care organizations, and more. From gap assessment to strategic planning to implementation and backfilling front or back-office operations, HMA can help you improve your company's financial position. To learn more visit: healthmanagement.com/services/healthcare-revenue-cycle-management/



Linda Krish
Principal
Ikrish@healthmanagement.com



Ryan O'Connor Associate Principal roconnor@healthmanagement.com



Alex Smith, CRCR Senior Consultant alex.smith@healthmanagement.com