



EBOOK

SECOND EDITION

The Blended Shore Advantage

Why Health Systems Are Choosing People + Technology + Global Talent to Solve the Coding Equation



Amanda Corley, RHIT, CCS *SVP Mid-Revenue Cycle Solutions, e4health*

Foreword by Staci Josten, BSN, RN, CCDS *Chief Operating Officer, e4health*

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FOREWORD

Two Years On

When my colleagues Amanda Corley and Julie Seaman first published the original version of this eBook in Winter 2024 – then titled “***Did Your Offshore Coding Go Wrong? New Blended Shore Approaches to Consider***” – we were responding to a moment of frustration. Health systems were burning out trying to make offshore coding programs work the way vendors had promised. Quality was inconsistent. Onshore teams were carrying too much of the burden. The model needed a rethink.

Two years later, the landscape has shifted dramatically. Health systems are no longer asking “did this go wrong?” They are asking “how do we get this right – at scale, with AI, and with the workforce we actually have?”

The pressures haven’t eased. Operating margins remain razor-thin. The certified coder shortage has only deepened, with AAPC reporting a 12% talent gap and AHIMA documenting widespread reimbursement impacts from understaffing. At the same time, AI in revenue cycle has moved from experiment to operational necessity – 80% of health systems are now exploring, piloting, or implementing GenAI for RCM, according to recent HFMA research.

This second edition is a meaningful update, not a refresh. We’ve reframed the conversation around the benefits and the “why” rather than the cautionary tale. We’ve added real-world ROI data from the engagements we’ve grown into since 2024. We’ve woven in what we’ve learned about AI as an enabler – not a replacement – of the blended model. And we’ve grounded every major claim in industry research from AHIMA, AAPC, AMA, HFMA, and Kaufman Hall, so you can take this document into your own conversations with confidence.

The pace of change in mid-revenue cycle is the fastest it has ever been. We’re committed to staying ahead of it – and to helping you do the same.



Staci Josten, BSN, RN, CCDS

Chief Operating Officer

Summer 2026

Inside This eBook

Hospital margins are tight, payer denials are climbing, and the qualified coder shortage isn't going away. At the same time, AI and automation are reshaping what a high-performing coding operation looks like. The blended shore model – onshore expertise paired with credentialed global talent and AI-enabled workflows – has emerged as the most reliable answer to all three pressures at once.

This second edition walks you through why leading health systems are making the move, the measurable returns they're seeing, and how to evaluate whether a blended partner is right for your organization. All major industry data is cited; sources are listed on the final page.

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01 The State of Mid-Revenue Cycle in 2026

Three forces have converged to reshape how health systems think about coding operations – and they aren’t pulling in the same direction.

Margins remain compressed. The average hospital operating margin sat at just **2.4%** in 2025¹, leaving virtually no room for inefficiency in revenue-generating functions like coding, CDI, and denial management. At the same time, documentation has exploded: physicians now generate two to three times more content per encounter than a decade ago, with inpatient charts routinely exceeding 150 pages.

The talent pool can’t keep up. AAPC estimates a **12% nationwide coding talent gap in 2025²**, while AMA has reported a 30% shortage of certified medical coders nationally³. A 2023 AHIMA workforce survey found that **48% of HIM respondents experienced decreased reimbursement and slower claims processing due to understaffing⁴**. Competition for experienced inpatient coders has driven up salaries while extending vacancies.

AI has moved from experiment to operational necessity. HFMA and AKASA research finds that **80% of health systems are now exploring, piloting, or implementing GenAI for RCM in 2025** – a 38% jump in less than two years⁵. But the same research shows cost, IT bandwidth, and unproven ROI remain the largest barriers to successful adoption.



Figure 1. The three industry pressures shaping mid-revenue cycle strategy in 2026.

This is the environment that has made blended shore coding the fastest-growing operating model in mid-revenue cycle. Not because organizations have had bad experiences with domestic coding – most haven't. But because the math, the talent equation, and the technology curve all point in the same direction: a thoughtfully blended model delivers more for less, with quality intact.

"We outsource all of our inpatient accounts through e4health and it's been a great experience. We don't have to worry about call-outs anymore, and we don't have to worry about weekend coverage. Our turnaround time is one day by the end of the week."

Valethia Berry, Director of Coding (Facility) & HIM, Grady Health System



02

Why Health Systems Are Choosing Blended Shore

The conversation has shifted. Where the question used to be “do we outsource?” it’s now “what’s the right blend of onshore expertise, global talent, and technology to keep coding strong as everything else changes?”

Organizations exploring blended shore aren’t reacting to a failure. They’re responding to opportunity. Guidehouse research finds that **nearly 80% of health system finance leaders plan to use some form of revenue cycle outsourcing in 2026⁶**, and Grand View Research reports outsourced segments account for 64.8% of the U.S. medical coding market⁷. The benefits driving the move are well-documented – here are the six health system leaders cite most often.

1

Cost efficiency without quality trade-off – Blended models combine domestic auditing expertise with credentialed offshore production capacity, delivering meaningful labor cost reductions while maintaining 95%+ accuracy.

2

Operational resilience and 24/7 coverage – Time zone differences become an advantage rather than a barrier. Charts coded overnight mean fully resolved accounts ready when your team logs in.

3

Workforce stabilization – End call-outs, weekend coverage scrambles, and chronic overtime. Free your domestic team for the work that requires onshore judgment.

4

Accelerated time to cash – Faster account resolution drives down DNFB and DNFC, with case studies showing CFB reductions from \$50M+ to under \$20M within months of go-live.

5

Scalability for surges and growth – Whether onboarding new facilities, recovering from a backlog, or managing seasonal volume, a blended partner scales up and down without permanent hiring commitments.

A platform for AI augmentation – A well-run blended operation is the right foundation for layering in autonomous coding, second-level AI review, and intelligent document processing without disrupting workflows.



Figure 2. The five brand pillars that anchor every e4health blended shore engagement.

"I do not see change management as something that has a beginning, a middle, and an end. It's a journey – we're getting better at it every day."

Johanna Weller, MBA, VP of System Revenue Cycle, Main Line Health

03 What “Blended” Really Means Today

“Blended shore” has become an industry buzzword, and not every model that uses the term delivers the same experience. Early blended models often coupled an offshore vendor with separately contracted domestic auditors – leaving HIM directors to manage two vendors, two contracts, and two sets of accountability.

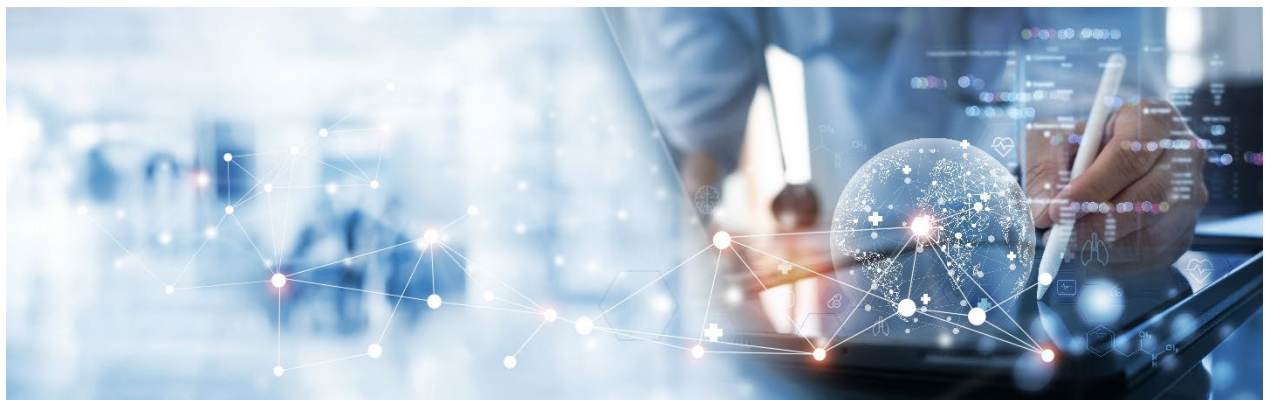
Today’s mature blended models look very different. They are single-partner engagements with unified accountability across onshore management, offshore production, US-based auditing, technology, and education.



Eight Requirements for a Modern Blended Shore Program

When evaluating partners, look for these eight non-negotiables. Each one represents a hard-won lesson from organizations that have made the move – and from those that wish they had structured their programs differently the first time around.

- **US-based auditors** who ensure compliance, quality, and reimbursement optimization on every chart type.
- **Auditors who work for your organization** – not for the offshore coding company – so the chain of accountability runs through your partner, not around them.
- **Full service-line coverage** across inpatient, outpatient, ProFee, HCC, and ancillary, with the depth to handle high-acuity and high-dollar cases.
- **Complete onshore management** of workflow, work queues, productivity, and daily operations – so your team doesn't inherit vendor management as a second job.
- **Phased implementation** that builds offshore knowledge of your protocols, EMR, and coding conventions before scaling volume.
- **Real-time transparency** into quality, productivity, turnaround time, and denial trends through frequent performance reporting.
- **Enterprise-grade security** including HIPAA, HITECH, SOC 2 Type 2, ISO, and PCI DSS compliance – with documented vendor selection standards.
- **A technology roadmap** that shows where AI augmentation fits in and how it will be governed.



Real-World ROI: Three Health System Case Studies

The benefits of blended shore are no longer theoretical. Below are three e4health client engagements that illustrate how the model performs when it's implemented thoughtfully – and how the returns compound over time.



Case Study 1 | Academic Health System

Large urban academic health system, GA

This customer turned to e4health to solve a chronic problem: weekend and after-hours coding coverage that strained the domestic team and created turnaround inconsistencies. The engagement now spans inpatient outsourcing with a small onshore team and an offshore coder pool in the Philippines.

Results

- 1-day turnaround time by end of each week, sustained year over year

- Eliminated weekend coverage requirements and call-out coverage gaps
- Mortality removed as a facility quality indicator after coder-driven Vizient documentation improvements
- Three-day turnaround on high-dollar account audit reviews (\$100K+ encounters)
- Offshore coders treated as integral team members – collaborating directly with CDI on retro queries

“They are 12 hours ahead of us, which allows the coders to code at night. When we come in, accounts are fully coded. They’re part of our team – I recognize them, I communicate with them, and they know our book of business.”

Valethia Berry, Director of Coding (Facility) & HIM, Grady Health System



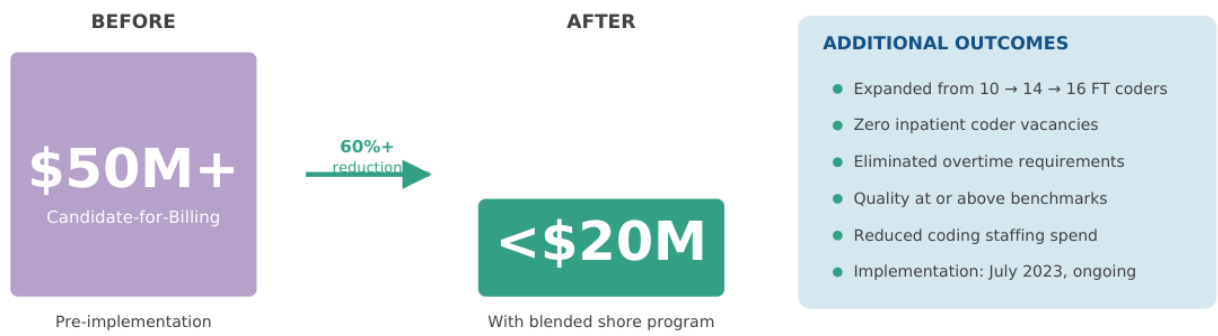
Case Study 2 | Virginia Academic Health System

Five-hospital academic / trauma system, 250 care sites, 20,000 healthcare professionals

Admissions growth combined with chronic coder vacancies had left the inpatient coding team overworked and stressed. The organization engaged e4health in July 2023 for a phased blended shore program, starting with 10 full-time coders. The financial impact was immediate and durable.

CFB Reduction: Virginia Academic Health System

Candidate-for-billing dollars before and after blended shore implementation



Source: e4health client engagement data, 2023-2026.

Figure 3. Quantified outcomes from the Virginia engagement, 2023-2026.



Case Study 3 | Suburban Philadelphia Health System

Suburban Philadelphia health system, post-COVID restructuring

After a strong post-pandemic financial review, this customer needed to right-size mid-revenue cycle costs without sacrificing the quality of its coding output. The organization had never used offshore resources before. e4health led the change management journey alongside the operational build.

Results

- First successful offshore engagement after years of in-house-only operations
- Coding overtime reduced significantly while maintaining quality targets
- DNFB and CFB monitored daily, with twice-weekly huddles preventing month-end surprises
- QA process recalibrated to balance compliance protection without slowing revenue flow

Across e4health's blended shore client base, the aggregate impact tells a consistent story: third-party audited accuracy consistently exceeds 96%, and clients regularly report meaningful labor cost reductions, one-day sustained turnaround, and significant CFB / DNFB improvements within the first six months of mature operation.



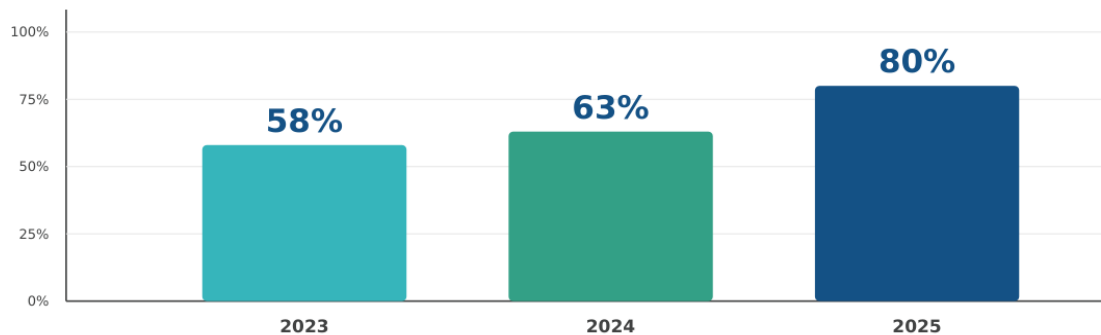
05 The Role of AI in a Modern Blended Model

AI is not a separate conversation from blended shore. It's the next chapter of the same one. The same operational discipline that makes a blended program work – standardized workflows, mature data governance, strong QA, integrated education – is exactly what determines whether AI investments deliver ROI.

The growth in adoption is steep. HFMA reports that **GenAI for revenue cycle has moved from 58% adoption in 2023 to 80% in 2025⁵**. But the same research surfaces a sobering caveat: cost (57%), lack of IT resources (55%), and unknown ROI (41%) remain the largest barriers to capturing value⁸.

Health System GenAI Adoption for Revenue Cycle

Percent exploring, piloting, or implementing



Source: HFMA / AKASA Pulse Survey, December 2025; HFMA, "80% of health systems adopt GenAI for revenue cycle" (2025).

Figure 4. The acceleration of GenAI adoption in revenue cycle.

That's why the most effective AI in mid-revenue cycle today is not deployed as standalone software. It's embedded in service delivery, with humans and machines working together against clearly defined outcomes.

Where AI Adds the Most Value Today



Figure 5. Three high-ROI applications of AI in a mature blended model.



Why an AI-Enabled Service Beats Software Alone

Hospitals weighing AI investments often face a choice between buying technology to deploy internally or partnering with an AI-enabled service. The right answer depends on operational maturity, workforce stability, and how fast the organization needs results.

Choosing an AI Operating Model			
Operating Model	Time to Value	Operational Burden	ROI Risk
AI software only Internal deployment	Medium	High	High
Traditional outsourcing Human workforce only	Fast	Low	Medium
Blended + AI-enabled service Humans augmented by AI	Fast	Low	Low

Adapted from Raup, N., "Determining AI ROI in Mid-Revenue Cycle and CDI," e4health / SePHIMA, 2026.

Figure 6. Three operating model options, compared on time to value, operational burden, and ROI risk.

"AI success is not about buying technology. It is about redesigning the operating model. Successful organizations combine human expertise, AI augmentation, and optimized workflows."

Nicholas Raup, Chief Strategy & Innovation Officer, e4health

06 Quality, Compliance & Governance

The hardest thing to get right in a blended model is also the most important: a quality system that catches issues before they reach the bill, without slowing revenue flow.

Done well, quality assurance becomes an integrated loop – audits inform education, education improves accuracy, and improved accuracy reduces downstream denials. Done poorly, QA becomes a bottleneck that drives DNFB up and frustrates everyone involved.

The Blended Shore Quality Framework

Mature programs run quality across two layers, with clearly defined ramp-down thresholds and continuous feedback loops:

Offshore Audits | First Line of QA

- 100% of new coder accounts audited until 95%+ accuracy reached
- Phased reduction: 80% → 60% → 40% → 20% over an 8-week ramp
- Specialty-matched audits – auditors review only chart types they're credentialed in

Onshore Overlay Audits | US-Based Validation

- 5% targeted audits on all new coders until onshore quality reaches 95%+
- Monthly post-implementation audits maintain ongoing accuracy benchmarks
- Findings drive both individual coder education and program-wide protocol updates

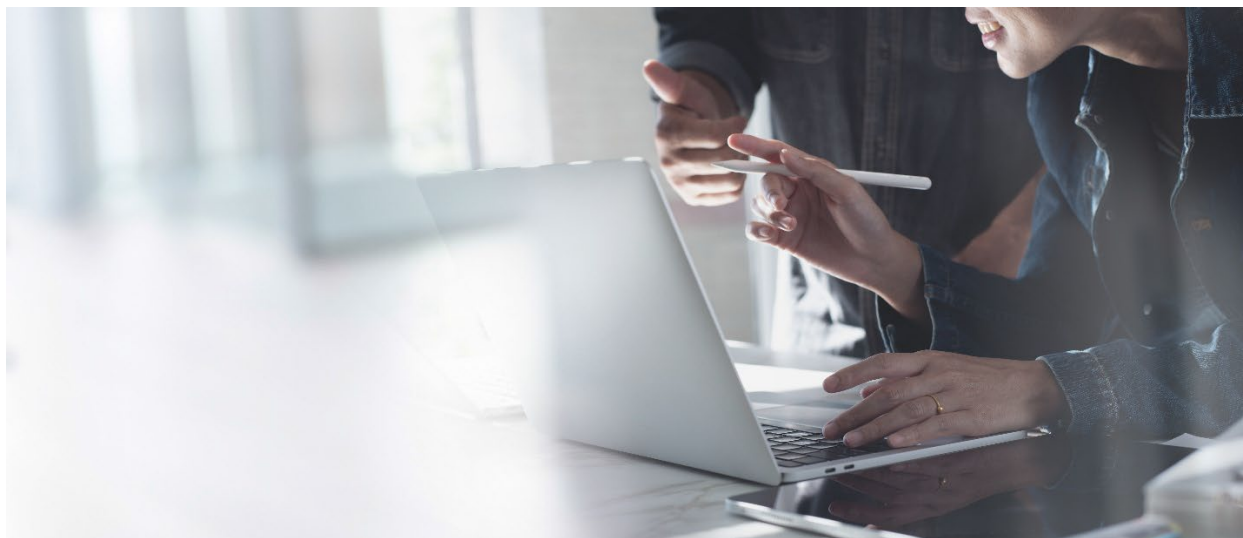
Beyond Accuracy: A Broader View of Quality

Accuracy is necessary but not sufficient. The most operationally mature health systems track a broader basket of quality indicators that connect coding output to revenue outcomes.

- **Coding days outstanding** – how long charts sit in pre-bill, by chart type
- **Clean paid claims rate** – how often claims process through without rework
- **Claim error days** – cycle time on edit and rebill activity
- **First-pass resolution rate** – percent of accounts billed and paid without intervention
- **Denial trend by root cause** – whether coding-specific denials are flat, rising, or falling
- **Missed charges and underdocumented MCCs/CCs** – the revenue you're leaving on the table

"We spent a long time creating our own bottlenecks with the utmost good intentions – we wanted to QA and QA the QA. We had to recalibrate to do the proper amount of auditing without hurting revenue flow."

Johanna Weller, MBA, VP of System Revenue Cycle, Main Line Health



Change Management: The Underrated Success Factor

Every health system that has successfully implemented a blended model points to the same lesson: the operational design is the easier half. The cultural transition is where programs succeed or stall.

Domestic coders worry about job security. Managers worry about managing a remote, global team. Frontline staff worry that quality will slip. None of these concerns are unreasonable – and addressing them transparently from the start is how organizations get to the other side.



Five Practices That Make Change Manageable

1

Lead with the why – Frame the transition in terms of margin pressure, talent constraints, and the long-term health of the department. Be honest about the trade-offs.

2

Treat offshore coders as team members – Use shared email, shared work queues, shared educational sessions. The most successful organizations describe their offshore partners as part of their internal team.

3

Communicate transparently and frequently – Don't let rumors fill the gap between announcements. Standing meetings, written updates, and open Q&A sessions reduce resistance dramatically.

4

Reposition domestic coders into higher-value roles – Upskill toward auditing, revenue integrity, denial management, AI validation, and CDI partnership – work that requires onshore judgment and clinical context.

5

Develop your future leaders – Identify high-potential team members early and invest in their leadership skills. Change management is easier when you have champions at every level.

"We need leaders who are not afraid of change and can take that message down to the frontline staff. You can be a leader without a title – as a coder, you can be a leader by taking that initiative."

Shiny George, MS, RHIA, VP of Revenue Cycle, Thomas Jefferson University



08 A Proven Implementation Roadmap

If there is one consistent lesson from decades of outsourced coding implementations, it's this: rushed launches fail. Phased onboarding, careful protocol transfer, and disciplined ramp-up are non-negotiable.

e4health's implementation framework moves through three phases over the first 90 to 180 days, with quality and productivity gates at each transition.



Figure 7. The three implementation phases, with characteristic activities at each stage.

Across every phase, the principle is the same: nothing scales without proven quality. Onshore overlay audits run continuously, education is woven into the audit loop, and KPI dashboards keep the entire program transparent to client leadership.

09 Your Blended Shore Partner Checklist

Use this checklist when evaluating prospective blended shore partners. Each item maps to a real-world failure mode that has cost health systems time, money, and credibility.

Operational & Quality Standards

- Onshore project leadership with strong communication and HIM experience
- Training materials and onboarding equal to or stronger than onshore standards
- Resources aligned to client skill needs by chart type and acuity
- Same quality and productivity expectations as employed onshore coders
- Offshore audits as the first line of QA, with phased ramp-down to maintenance
- Onshore overlay audits as standard operating procedure
- Auditors specialty-matched to the chart types they review
- Coding and audit operations kept in a cohesive operational loop
- Real-time KPI monitoring and rapid issue resolution

Partner Accountability

- Accountable for quality, compliance, productivity, and optimization
- Customizes the program to your protocols – doesn't force you into theirs
- Screens and credentials coders rigorously
- Integrates your KPIs into the program from day one
- Conducts pre-bill audits and meetings to eliminate billing delays
- Includes onshore team in training, auditing, and weekly client meetings

Technology, Security & Roadmap

- SOC 2 Type 2, HIPAA-HITECH, ISO, and PCI DSS compliance documented
- Vendor selection standards that hold partners to the same security bar
- MFA, end-to-end encryption, DLP, vulnerability assessments, penetration testing
- Transparent roadmap for AI augmentation and how it will be governed
- Demonstrated track record with EMRs your organization uses



10 The Path Forward

The next decade of mid-revenue cycle will be defined by organizations that get the balance right – between people and technology, between onshore expertise and global scale, between speed and quality.

Blended shore coding, paired with thoughtfully governed AI, is the operating model that gets you there. Not because it's trendy, but because it solves the actual problems health systems are facing today: margin compression, workforce shortages, documentation complexity, and rising denial pressure.

Whether you're exploring the model for the first time, evaluating partners, or refining an existing program, e4health is built to meet you where you are.



What e4health Brings to Every Engagement

- 20+ years of mid-revenue cycle and HIM expertise
- 400+ health systems served nationwide
- #1 HIM Advisory & Consulting Firm by Black Book™ (three consecutive years)
- 96%+ third-party audited coding accuracy across blended programs
- 1,000+ certified coders, auditors, CDI specialists, and HIM professionals
- Full mid-revenue cycle coverage: coding, CDI, auditing, denials, AI

Ready to explore what blended could do for you?

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Web: e4.health/solutions



About the Authors

Staci Josten, BSN, RN, CCDS

Chief Operating Officer, e4health

Staci is a Registered Nurse and Certified Clinical Documentation Specialist (CCDS) with a BSN and 25+ years of healthcare experience. After starting in critical care nursing, she transitioned into Clinical Documentation Integrity (CDI) in 2008 and rose to National Director for a large health system, overseeing 35+ CDI programs and 100+ professionals. She later led CDI teams and initiatives at a healthcare staffing and consulting organization before joining e4health in 2023. Recently promoted to Chief Operating Officer over Coding and CDI, Staci drives operational excellence and quality improvement, and is a recognized industry leader who has presented at ACDIS and AHIMA conferences.

Amanda Corley, RHIT, CCS

SVP Mid-Revenue Cycle Solutions, e4health

Amanda brings over two decades of specialized experience across medical coding, CDI, and high-level health information operations. She has led optimization of medical coding processes, the assurance of health information documentation compliance, and the orchestration of high-level operational strategies. Amanda holds deep expertise managing both onshore and offshore services and is a recognized authority in blended shore program design and execution.

Sources & Citations

This eBook draws on industry research and published data from leading associations and analyst firms. Numbered references correspond to superscript citations in the body of the document.

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info@e4.health
888.443.4782
e4.health

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