



The Risks of Fully AI-Driven Revenue Cycle Management

■ Kimberly Hardin; Josh Rainey

As healthcare organizations look to modernize operations, the idea of a fully artificial intelligence (AI)-driven revenue cycle management (RCM) system is increasingly appealing in urgent care. Automating everything from coding and charge capture to claims submission and denial management promises efficiency, speed, and reduced labor costs. However, moving to a truly autonomous AI model introduces a range of risks that organizations must carefully evaluate before making the leap.

Financial Exposure and Revenue Integrity

One of the most immediate concerns with full AI RCM in urgent care is financial accuracy. AI systems rely on pattern recognition and training data, which means they can misinterpret clinical documentation. This can result in undercoding—which leads to lost revenue—or overcoding—which increases the risk of audits and penalties.

More concerning is the scale at which errors can occur. A human mistake might affect a small percentage of claims, but an AI-driven error can propagate across thousands of submissions before it is detected and resolved. Without strong monitoring, small inaccuracies can quickly become significant financial liabilities.

Additionally, many AI systems operate as “black boxes,” making it difficult to understand how decisions are made. This lack of transparency complicates denial appeals and root-cause analysis, limiting an organization’s ability to recover revenue effectively.

Compliance and Regulatory Challenges

Healthcare billing practices are heavily regulated, and the use of AI does not remove accountability. Urgent care or-

ganizations remain responsible for compliance with payer rules and federal regulations, including HIPAA.

AI systems generally need access to large volumes of patient data, raising concerns about maintaining data privacy and security—especially when third-party vendors are involved. Any mishandling of protected health information (PHI) can result in significant legal and financial consequences. Furthermore, auditors and payers expect clear justification for coding and billing decisions. If an AI system cannot provide explainable reasoning, organizations may find it challenging to defend their claims during audits. There is also the risk that AI may apply rules inconsistently, potentially creating piecemeal compliance gaps.

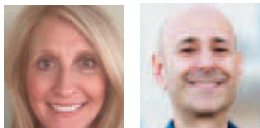
Operational Vulnerabilities

Implementing a fully AI-driven RCM system can create operational dependencies that are difficult to unwind. Vendor “lock-in” is a common issue, as deeply integrated platforms can be costly and complex to replace. Integration challenges also persist. AI systems must work seamlessly with electronic health records, clearinghouses, and payer systems. Misalignment in any of these areas can introduce errors or delays in the urgent care billing process.

System downtime presents another major risk to business operations. If the AI platform experiences outages or failures, the entire revenue cycle—from claim creation to reimbursement—can come to a halt.

Workforce Implications

While automation can reduce manual workload, it also introduces additional workforce challenges in the urgent care space. As AI takes over more functions, staff may lose foundational coding and billing expertise. This erosion of skills can make it harder to identify and correct errors when they occur. There may also be resistance to adopting AI tools, particularly if staff do not trust the system or feel displaced by it. At the same time, leaner teams may lack



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the capacity to provide adequate oversight, increasing the likelihood that systemic errors go undetected.

Loss of Transparency and Control

Full AI RCM often means relinquishing a degree of control. Many systems offer limited customization, making it difficult to adapt to specific payer requirements or local workflow nuances. The lack of transparency in AI decision-making further compounds this issue. Without clear insight into how claims are processed, organizations may find it challenging to intervene at critical points or optimize performance over time.

Strategic Considerations

From a strategic perspective, the biggest risk may come from moving too far, too fast. Fully automating the revenue cycle without a phased approach can magnify existing inefficiencies and introduce new ones. AI systems may also struggle with the variability of payer rules, particularly in specialized or regionally complex markets. Organizations that expect immediate return on investment may be disappointed if increased denials, compliance risks, or rework offset the anticipated gains.

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Balanced Path Forward

While there are risks, it doesn't mean AI should be avoided in RCM. Instead, successful organizations tend to adopt a balanced approach. They use AI to augment—not replace—human expertise, focusing first on high-impact, lower-risk areas such as eligibility verification or claim scrubbing. Maintaining strong quality assurance processes, ensuring vendor transparency, and closely monitoring key metrics like denial rates and audit outcomes are essential. A human-in-the-loop model allows organizations to benefit from AI's efficiency while preserving control, accuracy, and compliance.

In the end, the goal is not full automation for its own sake, but a smarter, more resilient revenue cycle that combines the strengths of both technology and human judgment. ■



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