

Corvara Health × Solutions Strategy

Fix the hop, then the two

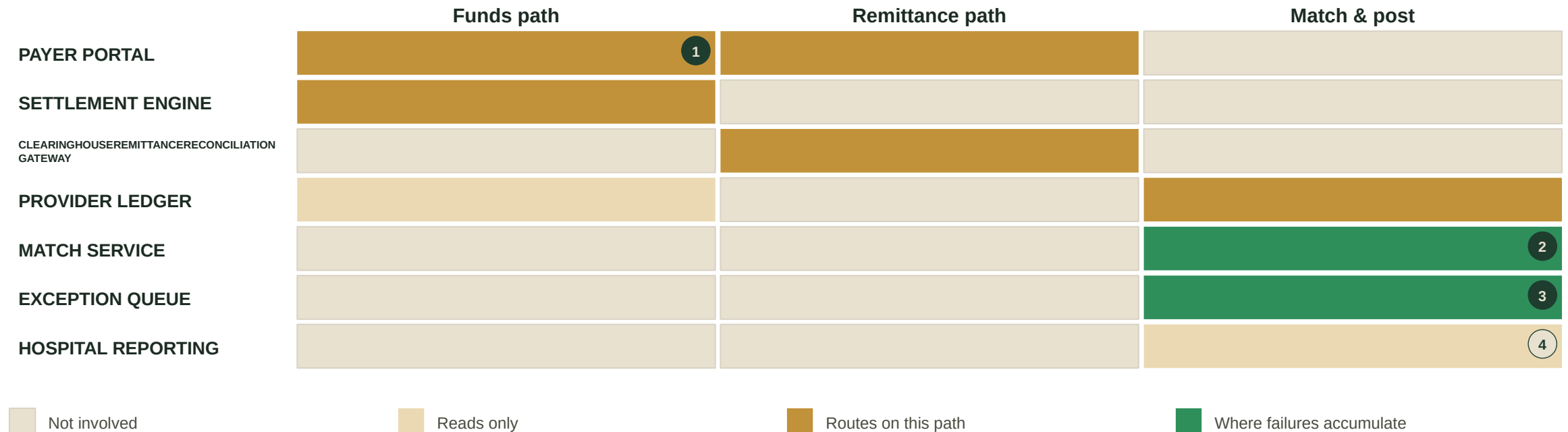
May 2026

OF EXCEPTIONS FAIL AT

58.0%

ONE HOP — MATCH SERVICE

Funds and remittance travel two independent paths from PAYER PORTAL and only meet at MATCH SERVICE, where \$38.0M sits unmatched.



1 PAYER PORTAL fans out here: funds instruction to SETTLEMENT ENGINE, remittance advice separately to the gateway.

2 The two paths only meet at MATCH SERVICE — where \$38.0M of remittance sits unmatched today.

3 EXCEPTION QUEUE loops back to MATCH SERVICE (re-keyed IDs) and to the gateway (malformed files re-requested from payer).

4 PROVIDER LEDGER publishes posted position downstream — only matched pairs reach HOSPITAL REPORTING.

Every failure loops back through **EXCEPTION QUEUE** into one of two upstream systems, depending on why the line failed.



1

EXCEPTION QUEUE

Unmatched lines from MATCH SERVICE land here. Each line is triaged by an operations analyst against one of two return paths based on the failure reason.

2

Triage split

Identifier-mismatch lines route back to MATCH SERVICE for re-keying. Malformed-file lines route back to CLEARINGHOUSE REMITTANCE RECONCILIATION GATEWAY for a fresh pull from the payer.

3

MATCH SERVICE re-key

An analyst re-keys the claim identifier by hand and resubmits the line to MATCH SERVICE. This is the identifier-mismatch path — the largest exception category by volume.

4

Gateway re-request

CLEARINGHOUSE REMITTANCE RECONCILIATION GATEWAY re-requests the remittance file from the payer, renormalises it, and pushes it back through to MATCH SERVICE. This is the malformed-file path.

Two return paths from one queue — the loop chosen depends on whether the line failed on identifier or on file format.

Unmatched balance is rising in every aging bucket month-over-month — the queue is accumulating structurally.

UNMATCHED BY AGE (\$M)			
AGE BUCKET	JUL → SEP	OCT → DEC	SIX-MONTH CHANGE
0-30 days	\$14.2M → \$17.1M	\$19.4M → \$22.6M	+59.2%
31-60 days	\$6.1M → \$7.2M	\$8.0M → \$9.4M	+54.1%
61-120 days	\$2.8M → \$3.6M	\$4.1M → \$5.0M	+78.6%
Over 120 days	\$0.7M → \$0.9M	\$1.0M → \$1.0M	+42.9%

WHAT THE TABLE SAYS

01

Every bucket rising

All four age bands grew every month from July to December. No cohort is clearing — the queue is accumulating structurally, not draining.

02

0-30 day inflow accelerating

The newest bucket grew from \$14.2M to \$22.6M in six months — a 59.2% jump. New exceptions are entering faster than analysts clear them.

03

Mid-age bucket nearly doubling

The 61-120 day band moved from \$2.8M to \$5.0M — cohorts that failed early are aging into the write-off zone rather than being resolved.

04

Over-120 stalls at the cliff

The oldest bucket flatlines at \$1.0M since October — consistent with the 0.03% write-off rate. Lines that reach 120 days are lost, not recovered.

58.0% of exceptions fail at one hop — claim-identifier mismatch at MATCH SERVICE.

58.0%

IDENTIFIER MISMATCH

Claim identifier on the remittance does not match the funds line. Fails at MATCH SERVICE; loops back through EXCEPTION QUEUE for analyst re-key.

27.0%

TIMING FAILURE

Remittance arrives before the funds instruction settles, so MATCH SERVICE has nothing to pair against. Sits until the funds line lands.

12.0%

MALFORMED FILE

Remittance file is malformed at the payer. Loops back through EXCEPTION QUEUE to CLEARINGHOUSE REMITTANCE RECONCILIATION GATEWAY for re-request.

3.0%

UNCLASSIFIED

Reasons operations has not yet categorised — the residual bucket.

WHERE THE FIX LANDS

■ Backlog at that hop

\$22.0M

of the \$38.0M pile

The identifier-mismatch bucket alone accounts for 58.0% of the unmatched balance — \$22.0M sitting on one hop, addressable by one engineering change.

■ Deferred to later

\$14.9M

timing + malformed backlog

Timing (\$10.3M) and malformed-file (\$4.6M) categories require different fixes and stay in the queue until Phase 2.

Two of 61 health systems generate 44.0% of exception volume — both onboarded before MATCH SERVICE existed.

01

Two legacy systems

3.3% of the client base but 44.0% of exception volume. Both onboarded before MATCH SERVICE existed and still send remittance in a legacy format the platform normalises awkwardly.

02

Other 59 systems

96.7% of the client base and 56.0% of exception volume. Standard remittance format, onboarded against the current MATCH SERVICE identifier schema.

Analysts scale linearly against a structural failure — at 90/day and \$0.31/exception, headcount cannot outrun the trend.

Scale analysts

- 90 exceptions cleared per analyst per day
- \$0.31 fully loaded cost per cleared exception
- Every bucket in the aging table rose Jul → Dec — 0-30 grew 59.2%
- Linear headcount against a compounding queue: capacity added never catches inflow
- Touches zero of the four failure categories at the source



Fix the hop

- One engineering change at MATCH SERVICE
- Addresses 58.0% of exceptions at the source
- Applies across all 61 health systems simultaneously
- Shrinks the queue rather than staffing to it
- Frees analyst capacity for the 27.0% timing and 12.0% malformed categories

Staffing responds to symptoms; the fix removes the cause.

Fix the identifier mapping at MATCH SERVICE first — one hop, 58.0% of exceptions, all 61 systems.

Three recommendations, sequenced so engineering focus lands on the single hop that collapses the largest failure category.

01



Ship the fix

Build the identifier-mapping fix at MATCH SERVICE.

One hop clears 58.0% of exceptions across all 61 systems.

02



Defer categories

Hold timing and malformed-file work for later phases.

27.0% and 12.0% categories need different architecture; do not fragment focus.

03

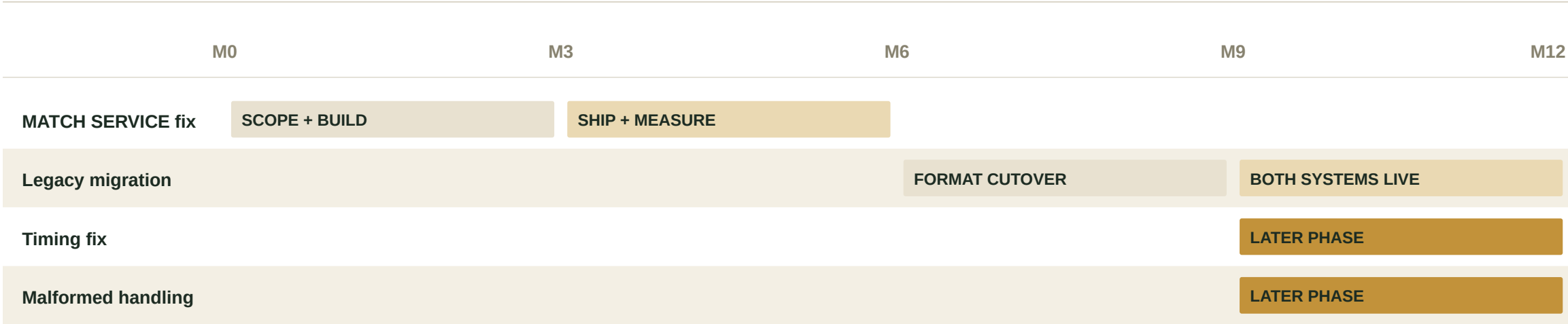


Hold legacy

Keep the two legacy systems in place through Phase 1.

They benefit from the platform fix; migrate in Phase 2, not before.

Phase 1 ships the MATCH SERVICE fix; Phase 2 migrates the two legacy systems.



Phase 1 clears 58.0% share

One engineering change at MATCH SERVICE addresses the identifier-mismatch bucket across all 61 systems, including the two legacy ones.

- Phase 2 is negotiated, not forced

The two legacy systems generate 44.0% of exceptions today; migrate them to the standard format after Phase 1 has absorbed what it can.

■ **27.0% timing deferred**

Timing failures need a hold-and-retry mechanism — a separate architectural workstream, opened after Phase 1 ships.

■ **12.0% malformed deferred**

Malformed-file failures require payer-side fixes and file-validation logic; scoped as a later phase once the platform fix has cleared.

**Fix the hop, then the
two**

**Thank
you**