



5 Reasons to Streamline Healthcare Accounts Payable Today



Healthcare executives face tremendous pressure to provide quality care to patients, streamline registration experiences, and comply with data privacy regulations — all while being tasked with increasing operational efficiencies and decreasing costs. These pressures land heavily on Accounts Payable (AP) departments struggling to tie activity to the primary objectives of the organization. In fact, cost reduction initiatives are the number one priority of CFOs today.¹

AP makes sense as a focus area for any organization because most healthcare organizations have expansive supplier networks. Making on-time payments to vendors relies on cash flow that can be impacted by factors well outside the organization's control, from federal reimbursement, patient payments, and regulatory issues. With these factors complicating the AP process and over 32% of organizations are still making most of their payments through manual processes with paper checks², it's no wonder CFOs find themselves struggling to rein in the costs of making payments.

The right payment and invoice processing solutions make it possible for healthcare organizations to transform AP into a streamlined, cost-effective function. Here are the five biggest benefits to doing so at your organization.

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1. Kaufman Hall.

2. Ardent Partners.



REDUCED PROCESSING COSTS

The manual handling of checks and invoices requires dedicated labor hours, data entry, routing for approval and document storage, not to mention the reams of paper, expensive printing supplies and postage necessary in a paper-based payables model. Full AP automation and electronic payments eliminate the need for these supplies, cutting the associated costs and reducing environmental impact.



STRENGTHENED SUPPLIER RELATIONSHIPS

The right AP solutions give healthcare organizations the flexibility to pay suppliers in their preferred format—whether virtual card, ACH, or check. Some of these payment methods aid in hospitals' ability to take advantage of early-pay discounts and reduce the number of late payments, and others allow for it is important to choose an electronic payment solution that can provide suppliers with rich remittance detail, which makes cash application easier for their Accounts Receivable (AR) departments.



ENHANCED VISIBILITY INTO CASH FLOW

A manual-based AP process doesn't just encompass paper payment transactions, it also includes paper tracking documents and storage files – all of which makes it difficult and time-consuming to follow an audit trail or determine real-time status of a payment. The right integrated payables solution will provide hospitals with improved reporting, auditing, and visibility to cash, which facilitates better decision-making across supplier relationships and spend management. This helps elevate the AP department as a strategic partner to the larger organization.



BUILT-IN SECURITY AND FRAUD PROTECTION

Processing checks leaves organizations vulnerable to payment fraud. Automating payments can help reduce the incidence of fraud by orders of magnitude, and automated invoice processing can red flag issues before you have to deal with them. A sophisticated AP transformation partner will have built-in security monitoring technology to identify threats and stop unauthorized transfers of funds. Your partner should also verify and maintain sensitive bank information of suppliers and securely store the data in a location with multiple fail-safes in place.



REBATES ON AP SPEND

Lastly, there's the opportunity to earn cash back on AP spend depending on the payment structure in place. This can increase overall positive ROI and has the potential to transform the AP department from a cost center into a profit center. When seeking a payments provider it's important for healthcare organizations to find a solution that offers multiple payment types, integrates into existing back office systems, as well as bank accounts, and offers a rebate model.

With these features in place, transitioning to an automated AP solution can help healthcare organizations increase efficiency, reduce costs, and mitigate fraud risk while also monetizing AP spend. Automating AP also elevates the strategic relevance of the function and aligns it to the top priorities of healthcare organizations, including an interrupted supply chain for uninterrupted patient care.

Learn how Bottomline simplifies and streamlines payments for healthcare organizations.

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