



4 Ways Financial Automation Amplifies Efficiency in Healthcare



Administrative challenges of multi-location practices

In the highly competitive healthcare market, many multi-location practices are challenged to deliver high-value patient care while driving strategic growth initiatives throughout the organization. Managing multiple offices and maintaining visibility into staff spending grows more complex as the organization scales. The more time and money spent on administrative tasks, the less there is to apply toward strategic care initiatives that lead to company growth.

One of every five dollars of U.S. gross domestic product, or \$4 trillion, is spent on the healthcare industry. And a quarter of that is spent on administration, with half of the \$1 trillion devoted to complex billing processes.¹

Accounts payable and expense-management activities often occur on a cyclical, recurring basis. Several finance-related activities require some level of human judgment and oversight, but many aspects of the financial workflows can be automated, freeing up administrative resources to focus on activities that positively impact patient care and experience.

Imagine needing to reorder personal protective equipment (PPE) for your office. Your vendor is trusted and has provided PPE to your staff for years, but for each reorder, you have to manually type in the product numbers, quantities, a delivery address, and payment information. The mental load is light, but the time requirement is large. Multiply this time by the number of orders required each week by the number of locations in your practice, and the time dedicated to menial tasks suddenly looms too large to ignore.

Thanks to today's automation capabilities, many equipment orders are completed with a few swift clicks. And for some businesses, the order itself is automated as soon as stock levels reach a pre-set threshold; no clicks required. Purchase orders are auto-generated, payment approvals are pre-authorized, and materials arrive on time. This is automation at its finest.

Automation gives businesses the ability to schedule redundant, manual tasks to be managed by a computer, thereby creating greater availability of resources to allocate toward more strategic endeavors.

From predictive text and pre-filled digital forms to patient appointment reminders and billing notifications, automation occurs in nearly all facets of our personal and professional lives to a degree that it's often taken for granted. It is considered by many a requirement of consumer and business technologies, and it enables many SMBs to scale in size and grow profitability.

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**Prevent errors, fraud,
and overspending**





For finance teams, real-time transparency of cash flow and segregation of duties top the list of financial controls that help direct decision making and maintain data integrity.

A business can ensure no one, single person has unilateral control of finances when multiple members of the administrative team have access to and oversight of the accounts payable and expense management workflows. Automation of those workflows reinforces internal controls, which, in turn, reduce risks of error and fraud.

Automation can take different forms for your various financial workflows. For accounts payable activities, pre-approved vendors and their respective goods or services can be loaded into your financial platform. Real-time visibility of transactions gives the finance team access to reports that help guide data-driven decisions across the organization. Accounts receivable activities benefit from a similar degree of automation. Pre-set payment amounts make vendor payments seamless and virtually error-free.

Employee expense management can also be automated, making submitting, reviewing, and approving expenses intuitive and painless. Savvy healthcare practices can utilize financial automation to dramatically reduce the time required to process expense reports. This capability gives the finance team real-time visibility into relevant transaction information, and the ability to control company budgets with employee- or department-specific spend limits.

Burke Bess, Vice President of Finance, Accounting, and Data Analytics of Children's Miracle Network's, explained the cumbersome nature of their previous expense management system made it a cost, rather than a benefit.

“We shared credit cards among multiple departments,” says Bess. “So every month, we had to track down receipts for many transactions from among the staff, which was time-consuming and difficult. It took a lot of work from our accounts payable staff to set everything up to do reimbursements.”²

With the help of financial automation, employee expense reports can help healthcare companies save time, close books faster, and closely monitor the business's financial health in real time. The close process should be a confirmatory process, not revelatory one.

With automation of spend and expense activities, guess work, manual entry, and surprises are a thing of the past.

² Children's Miracle Network customer story

Save time

2

Save time and eliminate busy work

“Repurpose one full-time accounting employee to focus on more impactful strategic work, like diving into financial performance and cash flow.”

Christopher Hopeck
CFO Millennium Physicians

When healthcare organizations are decentralized, care can be offered that is more closely aligned with the needs of a specific area, which can lead to a better patient experience.

However, it can create administrative inefficiencies, especially with accounts payable activities. The CFO of Millennium Physicians, Christopher Hopeck, understands the challenges all too well. “We’re a multi-specialty medical group, so even though we’re one tax ID, we operate at financially independent practices within the group,” states Hopeck. “Then everything consolidates into one set of financials, but each one of those independent practices has their own bank account. So really we have 33 financially independent practices to keep track of.”³

Monitoring, approving, and paying invoices for individual locations can create a logistical nightmare. Delays in vendor payments could result in disruptions in service for an individual location, requiring additional time and attention to sort them out.

With the help of financial automation solutions, Millennium Physicians was able to, “repurpose one full-time accounting employee to focus on more impactful strategic work, like diving into financial performance and cash flow,” said Hopeck.

While centralizing business operations could solve a portion of the logistical complexity of managing a multi-location practice, the benefits of financial automation are no less impactful.

“Without the speed the accountants gain from having bills auto-coded, it would slow everybody down. We’d probably go from handling 10-15 practices each to a maximum of 5-8, so AP automation helps us expand our operations without having to hire a ton of new accountants,” explained Katie Kraig, Chief Accounting Officer of Lightwave Dental, an 89-location dental-leadership organization based in Virginia.⁴

This centralized, automated process gives Lightwave Dental financial oversight of all their practices without having to hire a staff accountant for each location.

³ Millennium Physicians customer story
⁴ Lightwave Dental customer story

**Ensure data security
and compliance**

3

Maintaining internal controls and ensuring the security of the business is a major stress point for many business owners and operators. The added pressure of meeting HIPAA compliance requirements adds to the administrative burden for healthcare organizations. Having a technology solution that grants financial visibility while ensuring patient data privacy is crucial to the financial and overall health of the organization.

When purchases are tied to individual patients, such as procedures or lab orders, ensuring financial activities tied to those purchases are secure and HIPAA compliant is paramount. It's not uncommon for patients to pay for services in advance, which sometimes results in overpayment to the provider, once health insurance is processed.

The overpayment is then refunded to the patient, requiring cloud-based interaction between the electronic health record (EHR) and the provider's AP & AR process. Ensuring financial workflows are securely connected to patients' electronic protected health information (ePHI) enables healthcare practices to manage payment transactions without inadvertently causing a HIPAA violation.



There are several ways healthcare organizations can stay HIPAA compliant with AP automation

1

Business Associate Agreements (BAA)

A contract with third-party vendors that defines how all parties will handle and protect patient ePHI.

³ Millennium Physicians customer story
⁴ Lightwave Dental customer story

2

Data access

Only approved individuals should have access to ePHI and know how to access and share data securely.

3

Encrypted data

Storing and transmitting ePHI securely with industry-standard protocols, like Transport Layer Security (TLS).

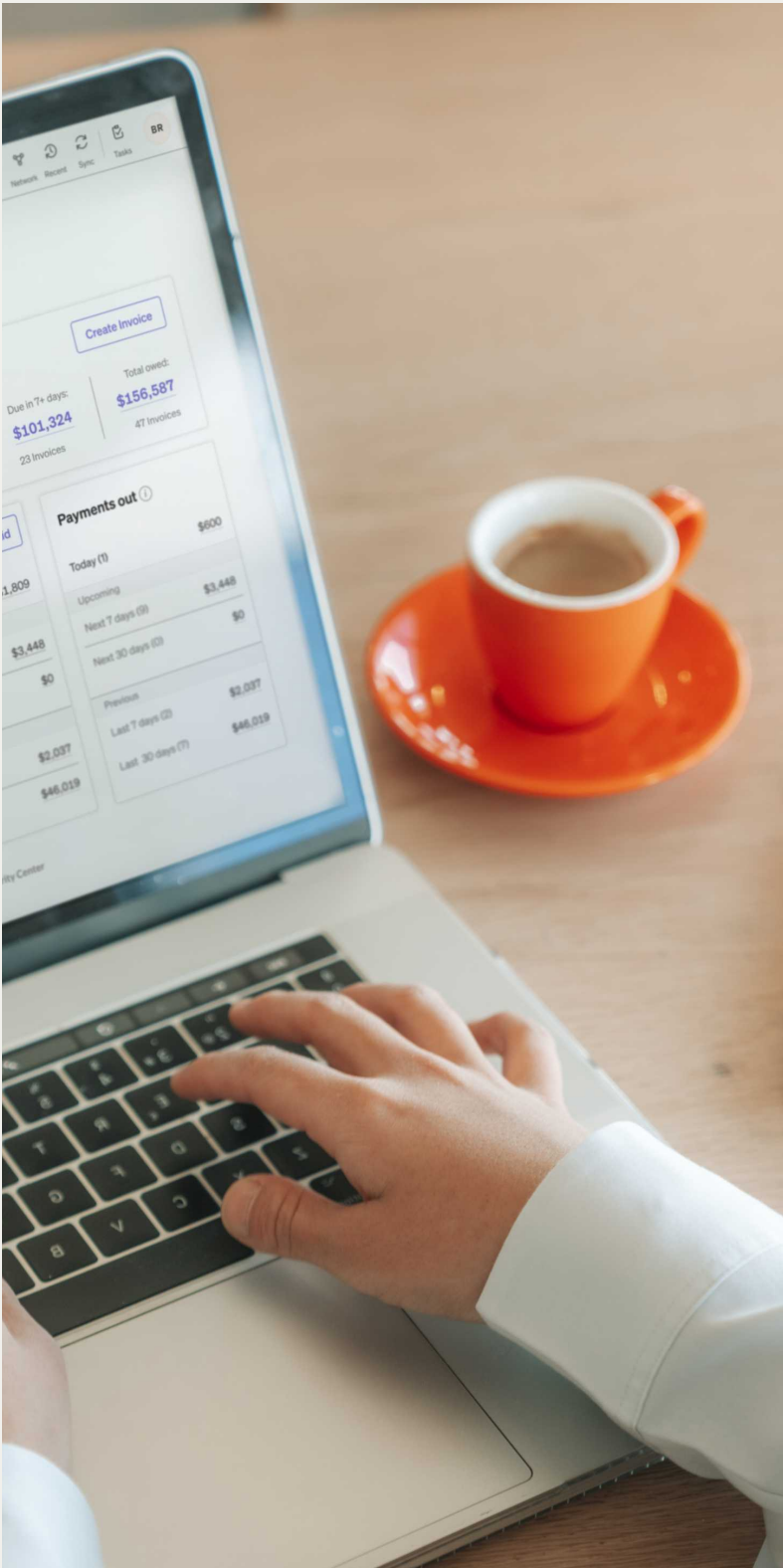
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Audit trails

Consistently tracking ePHI transmission activity in the event of an audit or security incident.

**Reduce administrative
burnout**

4

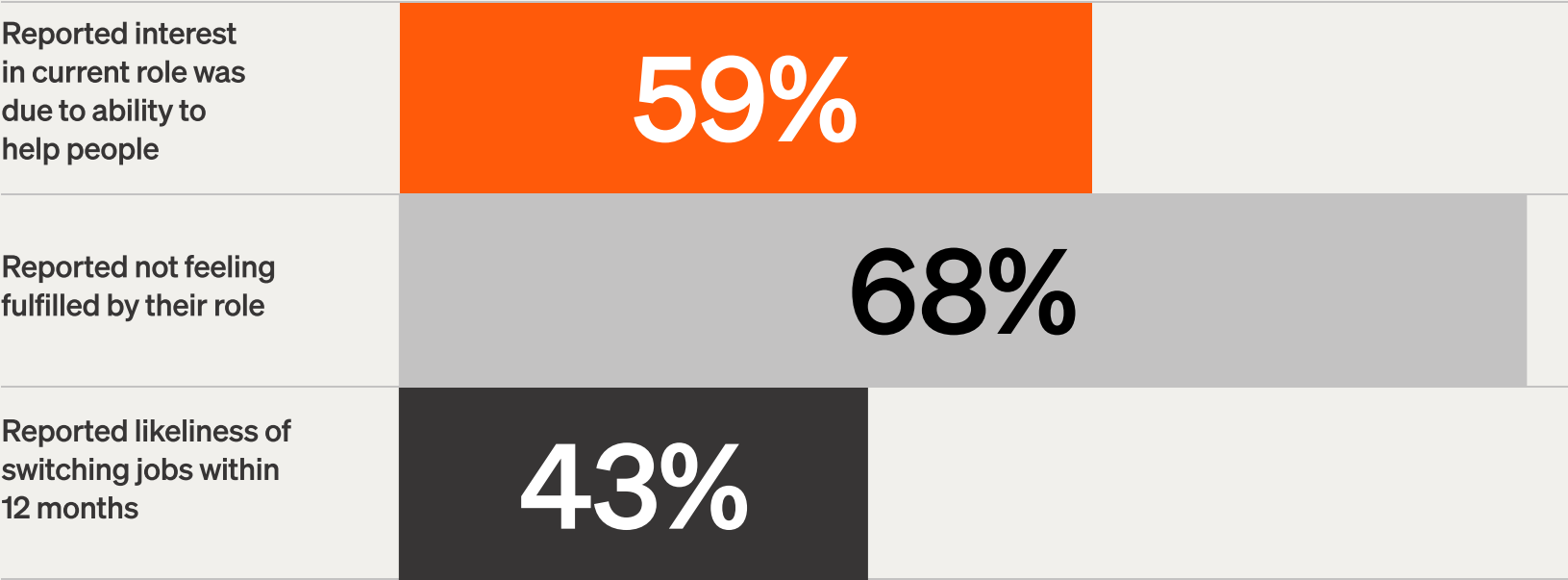


Back-office tasks can make up a large portion of an individual’s time and eventually lead to administrative burnout. Burnout isn’t a singular issue affecting clinical staff alone. The ripple effect of burnout reaches all areas of a healthcare organization, ultimately negatively impacting patient care efforts.

Fifty-nine percent of staff respondents in a recent healthcare workforce survey stated they took interest in their current role because it gave them the ability to help people. However, approximately 68 percent reported not feeling fulfilled by their role, and as many as 43 percent said they were at least somewhat likely to switch jobs within 12 months.

Respondents further reported administrative tasks as their least favorite aspects of their jobs, because they take time away from patient care.⁵ A primary area of focus in alleviating burnout should be on reducing administrative and other workplace burdens to help health workers make time for what matters.⁶

Healthcare workforce survey



⁵ Care Credit: Recognizing Burnout in Healthcare Staff and Ideas for Addressing It
⁶ Addressing Health Worker Burnout: The U.S. Surgeon General's Advisory on Building a Thriving Health Workforce

The ripple effects of financial automation

Automating regular, manual tasks helps healthcare companies alleviate the back office strain often experienced by both patient-facing and non-patient-facing staff, thereby reducing burnout and improving engagement.

“The sooner you implement AP automation, the better,” says Kraig. “Don’t wait. It’s much easier to make a transition when you’re smaller than it is when you’re larger. You want to pick a user-friendly option that connects directly to your accounting system. It would be silly to make a selection where you’re doing any kind of import or export functionality that’s not seamless.”⁴

The benefits of finding and capitalizing on operational efficiencies, like financial automation, has far-reaching benefits that positively impact an entire organization. From the CFO to the clinicians, data accuracy, security, and visibility enables better, more informed decision making and business management.

A well-oiled financial machine paves the way for an efficient organization, primed for profitability. And ultimately, when staff is happy and engaged, patients can experience the best version of your company.

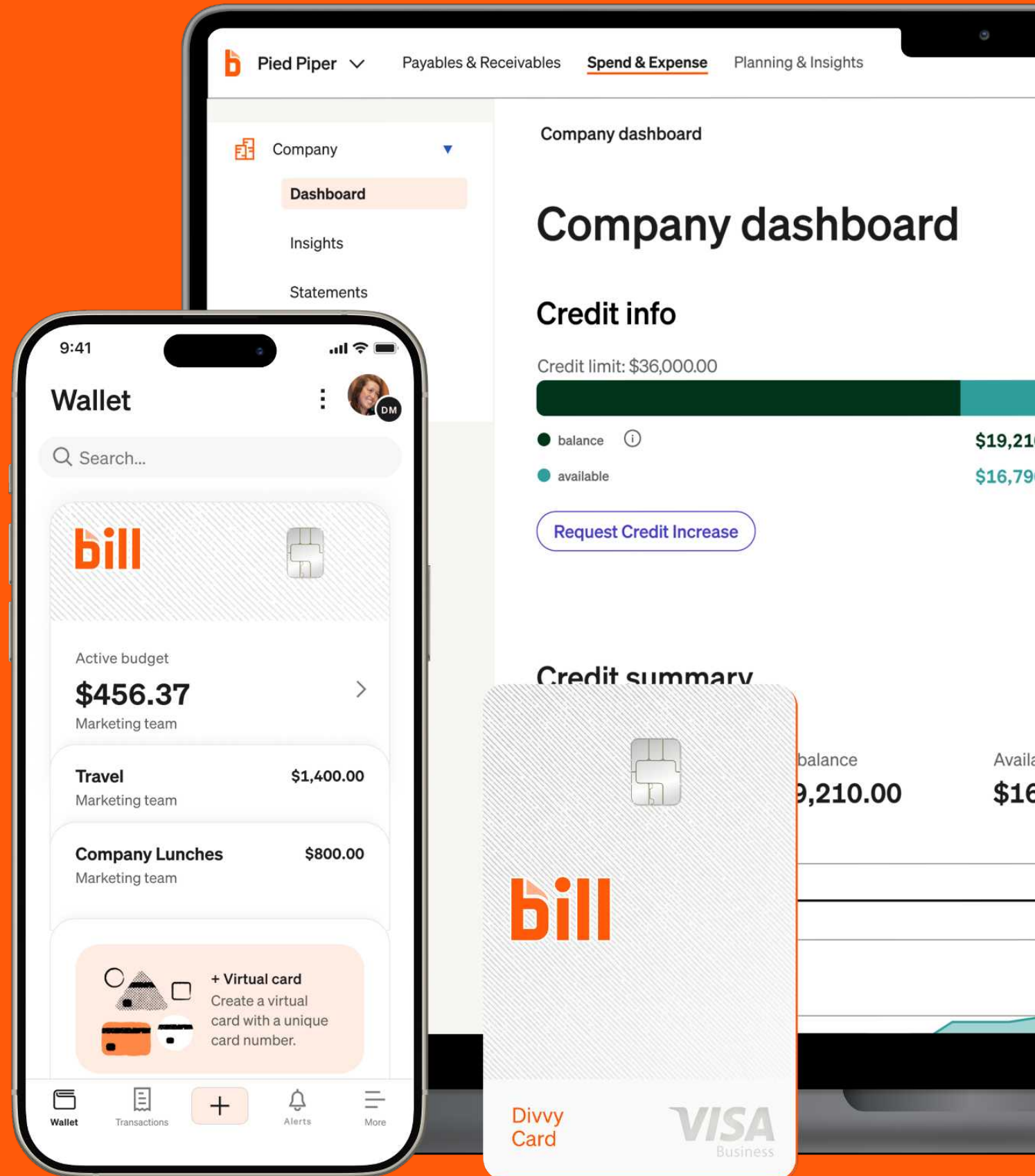


⁴ [Lightwave Dental Customer Story](#)

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