

Healthcare Accounts Receivable Management Provider Improves Margins 6% and Productivity 100%

HCFS, Inc.

Challenges

Curing a Lack of Efficiency and Visibility with Powerful Financial Software

HCFS, Inc. provides 150 hospitals in 14 states with eligibility assurance and cost-recovery services on behalf of low income and uninsured patients. As the company grows and adapts to the rapidly changing healthcare landscape, it continually invests in technologies that help improve its service offerings. As part of that effort, HCFS decided to replace its legacy accounting system for more powerful, cloud-based financial management. By moving to Sage Intacct, the organization was able to cut its overall accounting workload in half, speed its monthly close by 80%, and improve margins 6%. HCFS's management team is equipped with real time profitability dashboards and can make decisions to effectively run their business. For example, they can now calculate the ROI of adding an incremental FTE.

Previously, HCFS lacked vital access to timely and actionable data. The finance team created monthly reports manually in Excel, converted them to PDFs, and filed six inches worth of paper copies every time they closed the books. It was a time-consuming, redundant, and potentially error-prone process. "We needed better visibility into our corporate data," recalls Tim Nese, CFO at HCFS. "We wanted to provide real-time reporting to our managers so they could make faster and more informed decisions." With help from Sage Intacct partner BTerrell, the company found and migrated to the modern, best-in-class solution in 2016.

Solutions

Efficient Accounting Processes Cut Finance Workload 50%

BTerrell helped HCFS leverage the dimensions capability in Sage Intacct to vastly simplify and streamline its chart of accounts. "In order to track attributes like state, region, and department in our old system, we had to create 60 new revenue and expense accounts every time we won a new customer. In addition to the extra effort, this complicated reporting as we tried to parse out the accounts to get to the underlying data we were after," said Nese. "By using Sage Intacct dimensions to represent attributes like state and region, we shortened our general ledger account numbers from 11 digits to four, and freed up report preparation time to spend on analysing the data."

Another major time savings came through HCFS' streamlined expense management and accounts payable (A/P) process. The A/P manager used to spend nearly the entire month just



Company Overview

With over 30 years of experience, HCFS bridges the gap between patients and hospitals in the ever-changing healthcare landscape. The company uses advanced technology with an emphasis on patient advocacy to help hospitals and health systems recover costs through scrubbing, screening, and prompt pay remittance.

Executive Summary

Results with Sage Intacct:

- Improved margins 6% through hospital-level profitability insight
- Reduced budgeting cycle 60% to speed planning
- Accelerated financial close by 80%
- Doubled finance team productivity

For more information, visit:

www.sage.com/en-au/intacct

HEALTHCARE ACCOUNTS RECEIVABLE MANAGEMENT PROVIDER IMPROVES MARGINS 6% AND PRODUCTIVITY 100%

collecting and processing corporate expense data, which contributed to the company's 22-day-long monthly close. On BTerrell's recommendation, the team adopted the Nexonia app from the Sage Intacct Marketplace. Now, vendors and employees submit their invoices and expenses directly through Nexonia, which automatically routes them for proper approvals and then pushes all documentation into Sage Intacct. As a result, HCFS achieved a four-day close, and the finance team's overall workload was cut in half – freeing them up to support other strategic projects such as operational improvement and due diligence.

Sage Intacct also gave them the ability to capture granular data from HCFS's proprietary customer portal. The team simply uploads client invoices directly into the financial system, and can track each individual revenue transaction, rather than the aggregate totals they were limited to in their previous general ledger. With Sage Intacct's at-a-glance dashboards, they easily stay on top of their A/R aging, A/P aging, cash receipts, and check register throughout the month.

Results

Hospital-Level Transparency Helps Increase Profits by 6%

HCFS also created personalised dashboards that display real-time financial information and key performance indicators so management can quickly react to anomalies and trends in the market. By leveraging Sage Intacct's dimensions and statistical accounts, they can slice and dice this data by region, by department, or even by each individual hospital the company supports. For the first time, the company can allocate full-time employees and management from corporate across the proper cost centres in order to reveal a complete picture of expenses and revenue by facility.

"Now that we can determine profitability for each hospital, our operating managers always know where they stand with gross profits and net profits, and can calculate ROI's if an incremental FTE is added to the business," shared Nese. "And when we're preparing proposals for new clients, we can see our comprehensive costs for a particular state, which helps improve the accuracy of our projections and ensures we're protecting profit margins despite more and more pricing pressure."

Nese built an executive dashboard in Sage Intacct that displays the company's rolling twelve-month income statements, balance sheet, revenue trends, and key departments. He also eliminated a 175-tab, error-prone budget worksheet, which sped up the budgeting cycle by around 60%. Managers see their actual month-to-date and year-to-date activity right alongside planned budget in Sage Intacct, and keep an eye on any areas where there's variance.

"Sage Intacct gives us historical insight that helps with long-term planning. Since day-to-day processes are automated in Sage Intacct and we can close the books quickly, we're shifting our energy towards predicting the future," concluded Nese. "Our decisions are based on real numbers, so we have the confidence to make necessary changes in a timely manner."

"A big initiative in healthcare is being transparent, so our c-suite has to know what's really going on before it's too late to make adjustments. With everything that I've put on our Sage Intacct dashboards, our leaders have the information they need to make decisions from the executive level all the way down to individual managers."



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