

Success Story

Nursing home operator cuts budgeting time by 50%, gains breakthrough business insights

West Harbor Healthcare

“We went from limping along in our previous environment to being a fast-paced, highly automated finance department with Sage Intacct for both budgeting and accounting. Having these powerful tools in place has been phenomenal in improving our productivity and ability to make better decisions.”

Mette O'Connor

Controller, West Harbor Healthcare



Company overview

Created in 2016, West Harbor Healthcare operates five nursing homes in northern California, with two in Redding and others in, Fremont, Yuba City, and Petaluma. The 650-person company also provides physical, occupational, and speech therapy, and is introducing new home health and hospice services.

Executive summary

Previous software:

- Microsoft Excel

Results with Sage Intacct + Sage Intacct Planning

- Reduced budget creation time by 50%.
- Introduced budget vs. actuals reporting not previously possible.
- Gained new business insights for informed decisions.
- Eliminated 40 hours a week of manual accounting work.

Sage

Company
West Harbor Healthcare

Location
California, US

Industry
Health & Social Care

Sage Products
Sage Intacct + Intacct Planning





Sage Intacct offers West Harbor Healthcare a one-stop shop for both budgeting and accounting.

West Harbor Healthcare solves budget pains with Sage Intacct Planning

West Harbor Healthcare runs five nursing homes in northern California that it acquired since launching in 2016, as well as a separate business entity providing physical, occupational, and speech therapy to facility residents. Swiftly growing to a 650-person workforce and about \$65 million in revenue, West Harbor Healthcare aims to double in size within several years through further acquisitions, while also rolling out new home health and hospice services.

Those ambitious growth goals required robust and sophisticated financial management that West Harbor Healthcare lacked with its use of Excel for budgeting and QuickBooks for accounting. Putting together an annual budget required administrators at each nursing home to manually input about 400 lines of data into a spreadsheet, which was then reviewed and revised by West Harbor Healthcare's director of operations and Mette O'Connor, controller at the Carlsbad, Calif.-based company.

"By the time I got the draft budget, it would have formula errors and mismatched items," said Mette, who joined West Harbor Healthcare in late 2018. "We could never get it completely clean because we have seven separate budgets, and we had no way to compare the budget to our actuals on an ongoing basis. It was craziness," said Mette. West Harbor Healthcare solved its budgeting pains with Sage Intacct Planning, cutting its budget creation time, improving collaboration with facility administrators, and gaining new insights that are helping improve both cost-efficiency and patient service levels.

Budget time trimmed from three months to six weeks

West Harbor Healthcare selected Sage Intacct for both accounting and budgeting in 2019 after a look at Oracle NetSuite. Native integration between Sage Intacct Financial Management and Sage Intacct Planning would provide a unified solution, based in the cloud. "I wanted a one-stop shop so I wouldn't be using different software for budgeting and different software for accounting," Mette said. "We're streamlining everything with Sage Intacct and have a three-person finance team for a \$65 million company," said Mette. Team size would need to double if West Harbor Healthcare had remained on Excel and QuickBooks for budgeting and accounting, Mette estimated.

With self-implementation aided by Sage Intacct support, West Harbor Healthcare deployed Sage Intacct Planning in fall 2019, a year after it went live with the accounting component. Mette had facility administrators continue inputting budget data into spreadsheets when creating the 2021 budget, but plans to have them use Sage Intacct Planning in the future. Overall, West Harbor Healthcare cut its budget creation cycle from three months to six weeks, a 50% reduction.

Building the 2021 budget, Mette saw a big efficiency gain in using scenario modeling in Sage Intacct Planning to calculate revenue by patient days, a metric that accounts for income and expenses for each day a patient spends in a facility. "That saved me a tremendous amount of time because I used to have to calculate it all manually — for example, 21 patients per day, and the daily rate all by different payer sources," Mette said. "Now I can just put actual patient days into a grid I built in Sage Intacct Planning, and revenue calculates automatically from that," said Mette.



Reporting insights help control costs, improve collaboration

West Harbor Healthcare is now achieving critical business insights with budget vs. actual reporting in Sage Intacct, a huge improvement over the limited comparisons between financial statements and spreadsheet budgets of the past. The company now has line-item breakdowns around the patient days metric that reflect labor, overtime, food costs, nursing supplies, and other expenses across departments. “If we spot an issue in overtime or food costs by analyzing budget vs. actuals, we’re able to make changes in real time before a problem gets out of hand,” Mette said. “The biggest thing is having data at our fingertips to make informed decisions without looking at 20 different reports,” said Mette.

Collaboration between finance and operations is also improved, as the CEO, director of operations, and nursing home administrators can access Sage Intacct reporting themselves. “Our facility administrators are chomping at the bit to get their final numbers every month,” Mette said. “They’re learning more about finance and financials because they can run Sage Intacct reports themselves. They find it easy and like it very much,” said Mette. Insights gained aren’t just financial — facility administrators are also identifying areas for improvement in services. Plus, Mette is no longer spending hours producing ad hoc Excel reports based on specific requests from the operations side.

With Planning, West Harbor Healthcare is building on its successes with Sage Intacct for accounting. For example, Mette has automated previously manual accounting work that consumed up to 40 hours a week — 15 to 20 hours in accounts payable, and another 20 hours in payroll journal entries. Time to close the monthly books is down from 30 days to 10, and West Harbor Healthcare no longer struggles with intercompany accounting across multiple entities. “My goal is complete automation in every area possible so we can have a lean finance staff and take care of those people with good salaries and benefits,” Mette said. “As we continue to grow, we’re able to easily pull in new facilities and companies into a great framework that can grow along with us,” said Mette.

