

\$26 Million Facility Matures Financial Processes to Better Serve Community

Bay County Medical Care Facility

Challenges

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For over 50 years, Bay County Michigan has operated a medical care facility (BCMCF) to provide critical-skilled nursing services for the community's aging residents. Over time, the facility has grown from 80 beds to over 200, and is currently undertaking a major renovation. However, prior to 2001, BCMCF outsourced its accounting function and relied on legacy on-premise back office systems and Excel spreadsheets to manage financials. After trying a few different accounting solutions, the facility decided to deploy Sage Intacct and integrate it with the company's MatrixCare clinical software.

During this time, they also offered a new in-house staff accountant position to long-time purchasing agent Carrie Brozewski. She brought deep knowledge of the organisation into her new role, but didn't have the bandwidth to get up to speed on accounting best practices, government reporting requirements, or the new financial management system. Existing manual purchasing processes required so much of her energy that she was only able to spend 20% of her time on producing financial statements for the board.

Five years ago, BCMCF hired Mike Regulski as a part-time finance director to help Brozewski take the organisation's accounting practices to the next level. According to Regulski, "After 30 years working for Bay County and running its financial systems, I initially had misgivings about the way accounting had been structured at the medical care facility. But as we learned more about Sage Intacct's capabilities, restructured our chart of accounts to support state mandates, and adopted new modules, my whole outlook changed. Sage Intacct is very robust, and I'm pleased to see all of the efficiencies it brings to our finance team."

Solutions

Automation Increases Productivity by 50% and Slashes Monthly Close by 90%

In recent years, BCMCF has moved beyond the basic functions of Sage Intacct and leveraged the powerful cloud-based software to eliminate Excel-based processes and duplicate data entry – improving the finance team's overall productivity by at least 50%. In particular, Sage Intacct's automated purchasing workflows save Brozewski quite a bit of time over her previous process of tediously chasing down paper-based purchase requisitions and purchase order (PO) approvals.



Company Overview

Bay County Medical Care Facility is a government owned and operated skilled nursing facility with 206 beds dually certified by Medicare and Medicaid. It provides 24-hour rehabilitation services, dementia care, and hospice care via an assessment team of nursing, dietary, social work, physical therapy, occupational therapy, speech therapy, restorative, and activity staff.

Executive Summary

Results with Sage Intacct:

- Reduced spending 5-7% through improved visibility and accountability
- Achieved 50% gross margin improvement
- Improved reporting accuracy 70%
- Slashed monthly close cycle by 90%
- Software paid for itself in about 5 months

\$26 MILLION FACILITY MATURES FINANCIAL PROCESSES TO BETTER SERVE COMMUNITY

Now, the facility's individual departments enter their purchase requisitions directly into Sage Intacct, from which purchase orders are automatically generated. The accounts payable (A/P) clerk can then execute electronic payments and wire transfers directly from the system.

"By streamlining purchasing, Sage Intacct has freed up my time, so I can learn more about how best to use the software and focus on training our supervisors," said Brozewski. "In fact, I've shifted 70% more of my effort into the financials themselves, as well as important projects like preparing our first-ever comprehensive facility-wide fixed asset inventory."

Additionally, BCMCF dramatically shortened its monthly close – from three weeks to just a day or two. With Sage Intacct's simple payroll uploads and integration with MatrixCare for automated billing, Brozewski and Regulski note that preparing end-of-month financials is a much more relaxed process all around.

Results

Greater Departmental Accountability Helps Improve Margins 50%

With all of these process improvements in place, BCMCF's administrator agreed with the recommendation of the finance director to change the facility's approach to budgeting. Rather than relying on her to dictate top-down budgets for each department – such as nursing, physical therapy, dietary, or activities – for the first time, individual department supervisors took on responsibility for developing their own detailed budgets. To support this new model, the finance team established budget hearings and reviews, and created twenty-three departmental dashboards that facilitates department managers in spend management.

"Sage Intacct's dashboards make budgeting and planning much easier, especially for our supervisors who are adjusting to a brand-new process of actively managing their monthly spending," mentioned Regulski. "We're providing current financial data and budget-to-actuals for each department at a glance, which has made the organisation as a whole more financially sound and accountable for the money we receive from taxpayers."

For example, in the past, nobody really knew who was working overtime, or how much each department was spending on it. With Sage Intacct, the facility can now view accurate payroll data by department, which helped managers reduce overtime by 35% and better allocate personnel for an overall 3-4% reduction in labour costs. The system also freed the finance team's time to more regularly analyse general ledger balances and ensure that transactions are posted to the correct accounts and time periods, giving BCMCF more accurate, timely visibility and greatly increasing the confidence of the facility's administrator and board in the financials.

“Now that our supervisors actually see their financials on a daily basis in Sage Intacct and know how much money they have available to spend, they're tightening their belts and taking cost control very seriously. As a result, we've cut the variance between our operating expenditures and operating revenues in half. Thanks to this declining variance, we're able to expend our property tax levy income for much-needed capital improvements, as opposed to spending it on operations.”



Mike Regulski
Finance Director

Bay County Medical
Care Facility

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