As Healthcare Organizations Emerge from the Pandemic, Frustrations Remain High

Given massive disruptions from the pandemic like shifting to remote work, implementing telehealth, and digital transformations including increased cloud technologies, it's no surprise that healthcare organizations today are experiencing many frustrations from within their organizations as well as from external pressures that are out of their control.

Prior to the pandemic, healthcare systems were already frustrated with inefficiencies and delays caused by having multiple, disparate systems (49%). Time-consuming, manual monthly closes also ranked high on their internal frustration list

(48%) as did the lack of process automation and organizational efficiency (44%). Needless to say, with so many manual processes and disparate systems, financial leaders and particularly the C-suite was frustrated with the lack of real-time visibility into key metrics and performance measures (40%).

Once the pandemic hit, a new internal frustration emerged at top of the list: the prevalence of on-premise technology that hindered their mobility and remote workforce (31%). According to a survey of more than 200 financial healthcare executives conducted during late 2020 and early 2021, 73% of respondents characterized their financial management systems as being on-premise. Manual, time-consuming reporting stayed in the top three frustrations (30%) as did inefficiencies and delays due to multiple, disparate systems (28%).

Top Internal Frustrations

Pre-Pandemic

49% | Inefficiencies and delays due to multiple, disparate systems

48% | Time-consuming, manual monthly close

44% | Lack of process automation and organization efficiency

Pandemic-Related

31% | On-premises technology hindering mobility and work-from-home

30% | Manual, time-consuming reporting

28% | Inefficiencies and delays due to multiple, disparate systems

Top External Frustrations

Pre-Pandemic

46% | Lower reimbursement rates

42% | Ongoing cost-reduction initiative

35% | Changing nature of reimbursement (from fee-for-service to value-based care, etc.)

**35%** | Adapting to new payment models

Pandemic-Related

42% | Ongoing cost-reduction initiatives

40% | Workforce shortages

35% | Changing nature of reimbursement (from fee-for-service to value-based care, etc.)

35% | Adapting to new payment models

By moving to more modern and purpose-built accounting systems, some healthcare providers have been able to address these internal frustrations. Eric Jensen, Director of Finance, Behavioral Health Resources, is pleased with the efficiency gains he and his team are experiencing after the implementation of Sage Intacct. "We are much more efficient with our day-to-day bookkeeping tasks, and that's something that was absolutely necessary for me when we were looking for a new solution," said Jensen. "Thanks to Sage Intacct's automation, I do very little transactional work anymore, and have shifted 15% more time toward supporting the business."

Survey respondents were also asked about their biggest frustrations coming from external forces, such as CMS and regulatory bodies. Topping the list of external frustrations prior to the pandemic were lower reimbursement rates (46%), ongoing cost-reduction initiatives (42%) and the rapid shift in reimbursement models (35%).

When analyzing the current pandemic-related external frustrations, cost-reduction initiatives and adapting to new reimbursement models remained high, but 40% touted workforce shortages as one of their biggest external frustrations.

As staff shortages continue to put pressure on today's healthcare CFO, more providers are turning to their financial management systems to greater automation and efficiencies. In recent years, Bay County Medical Care Facility has been able to leverage Sage Intacct's cloud-based software
to eliminate spreadsheet-based processes and duplicate data entry— improving the finance team's overall productivity by at least 50%. According to Mike Regulski, Finance Director, BCMCF, "We're providing current financial data and budget-to-actuals for each department at a glance, which has made the organization as a whole more financially sound and accountable for the money we receive from taxpayers."

50%
increased productivity*
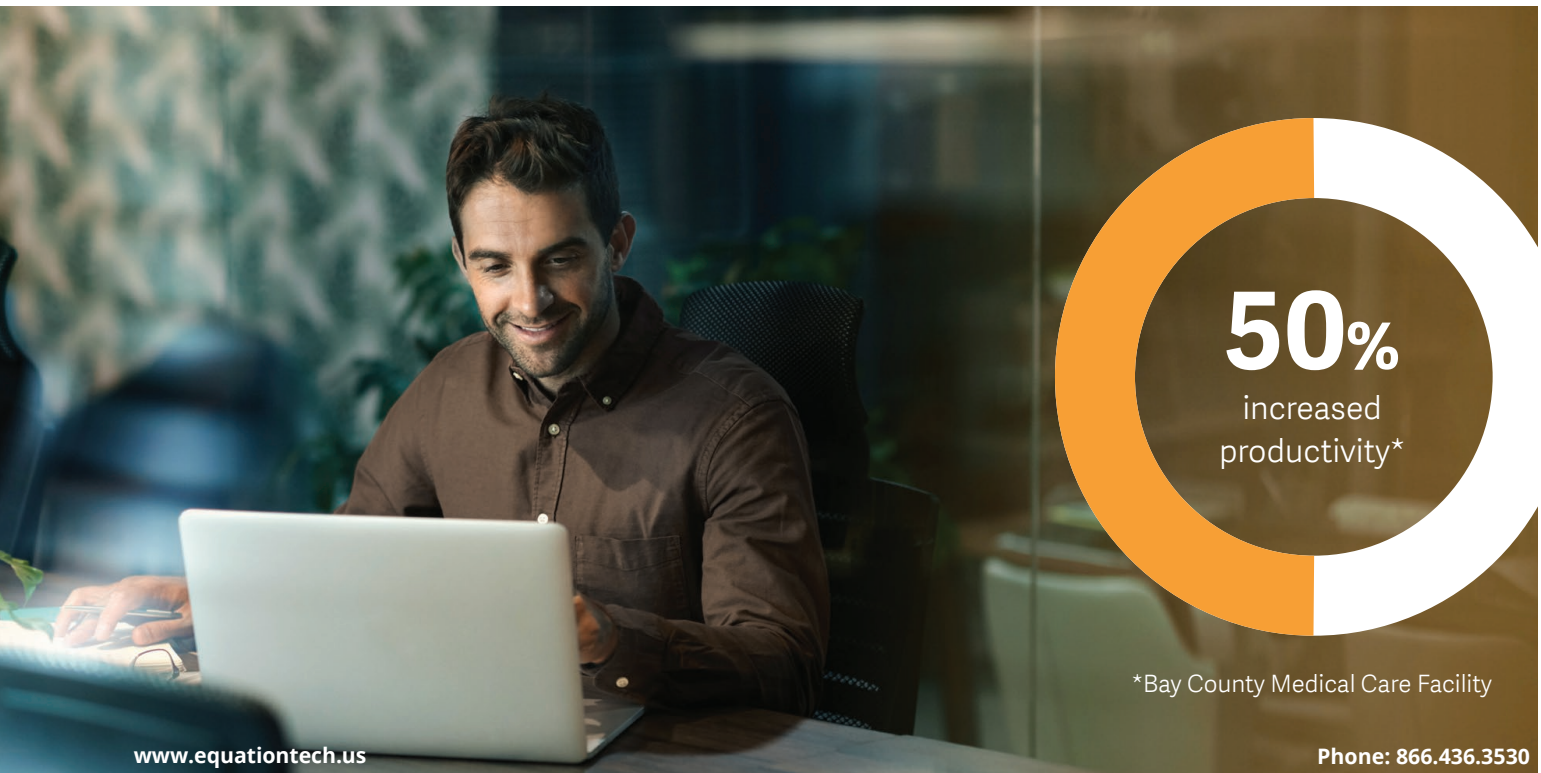
*Bay County Medical Care Facility

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"Sage Intacct eliminated at least 10 hours a week of manual intercompany transactions, which immediately made a huge impact for us and was quite a relief. It really brought us up to a higher quality standard than QuickBooks could ever support."

Sean Mintz

CFO of Banyan Treatment Center

Equipping Financial Teams for Success

The pandemic exposed many of our healthcare systems' weaknesses, including the inadequacies of financial management systems. To successfully lead their organization through these changes, CFOs need more modern systems that can help them work more efficiently and gain greater real-time visibility into their organization's key performance indicators.

More specifically, survey respondents reported that the most important functionality they need out of their financial management systems is:

77%
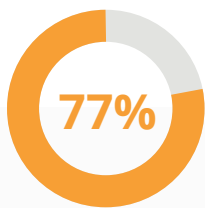
Automated financial reporting (77%) to minimize dependencies on manual processes and human resources while expediting month-end closes

75%
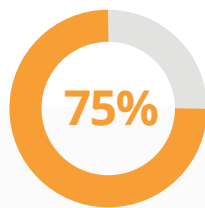
Integrations with other systems, such as EHR, billing and payroll systems (75%) as clinical outcomes begin to play a larger role in a provider's financial outcomes

65%
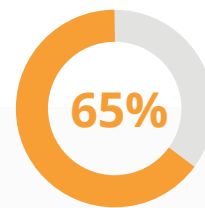
Automated tracking and reporting of outcomes metrics (65%) as the move to value-based care is expected to accelerate in the coming years

Also mentioned by survey respondents was the importance of having a system that helps them maintain HIPAA compliance (42%). For Sage Intacct customer Michelle Naus, CFO of Tri-County Mental Health Services, this is key for her organization. "Rather than printing individual journal entries for signatures, everything is now prepared, routed, approved, posted, and tracked via an audit trail with a click of a button," said Naus. "What's more, the system's role-based workflows and HIPAA-compliant security provide internal controls and documentation, giving me peace of mind that we're audit-ready."

Having the right financial management system to help overcome these challenges and frustrations is the secret to success in 2021. Sage Intacct provides multi-entity financial leaders with real-time dashboards and reports that give visibility at a high level across their entire organization in a single platform, while also empowering them to drill all the way down to the patient level to help better understand the total cost of care.

As the industry continues its march toward value-based care and reimbursement models, Sage Intacct financial solutions give leaders a new level of understanding how the clinical and financial data work together to produce positive outcomes for patients and providers.

Brian Bogie, Director of the Healthcare Vertical for Sage Intacct, said, "The rapid transformation from fee-for-service to value-based care reimbursement models is forcing today's healthcare CFOs to keep one foot on each side of the fence, constantly modeling different scenarios that require complex analysis of financial, operational, and clinical data. We're proud to work with some of the healthcare industry's most forward-thinking organizations who are confidently leaning into these new payment models."

"As we grow, we're continuously trying out new ways to track and improve our performance across various dimensions of the business, so it's been a saving grace that Sage Intacct makes it so much easier to get that information to our executives and the board."

Carol King
Accountant, Clearview Cancer Institute

sage Intacct

About Sage Intacct

Sage Intacct is the #1 cloud financial management system for data-driven, growing healthcare organizations. Our security safeguards have been certified as HIPAA- and HITECH-compliant by Avertium (formerly Sword & Shield), and Sage Intacct is the only accounting software endorsed by the AICPA.

Our modern, true cloud solution with open APIs, gives multi-location or multi-entity healthcare organizations a shared chart of accounts, instant and continuous consolidations, amd centralized payables while eliminating manual processes for payments and intercompany accounting. Sage Intacct helps you save time and improve accuracy—without adding staff.

About Equation Technologies

Equation Technologies provides business management solutions for mid-sized companies in the USA and Canada. We make carefully crafted recommendations from among the industry's best-performing ERP software, including Sage Intacct and Sage 300. We help you **reduce the risk in choosing and implementing solutions** by:

- Listening closely to your challenges and exactly how your business works.
- Developing processes that match your business, not requiring you to conform to a software system.
- Mapping out efficiencies using technology to improve operations without adding staff.

Our main goal is simple: have a clear understanding of our clients' goals. We believe the only way to sufficiently grasp that information is by listening first, and offering valuable advice later. We also know that one single approach is not right for all businesses. We leverage our team's vast education and business experiences across industries to focus on our clients' unique needs. We understand the importance of your business. We know when you call on us, time is of the essence and we value & respect your time.

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