

WHY AUTOMATE ACCOUNTS PAYABLE

An Essential Guide for Healthcare and Wellness Organizations



INTRODUCTION:

Why AP Automation Is So Important to Healthcare Accounting

Accounts Payable is critical to business accounting. It has widespread impacts from efficiency of period closings and cash flow effectiveness to the overall profitability of the businesses.

The AP department can also impact a healthcare organization's credit rating and vendor relationships when bills are not paid on time. Without strong traceability and fraud prevention in the AP process, the entire organization is put at risk.

Managing accounts payable in the healthcare and wellness sectors presents its own set of challenges.

- Adhering to complex compliance requirements
- Accurate invoice capture over multiple locations
- Following strict approval rules based on clinics and/or departments
- Difficulty generating accurate audit reports
- Lack of visibility into the invoice approval process

Every accounting department runs into hiccups, but small problems that start out as mild frustrations can quickly turn into major headaches for growing organizations.

“Every accounting department runs into hiccups, but small problems that start out as mild frustrations can quickly turn into major headaches for growing organizations.”



Why Automate AP for Healthcare & Wellness?

- ✓ **Reduce Costs**
- ✓ **Mitigate Fraud & Improve Compliance Processes**
- ✓ **Save Time**
- ✓ **Enable Remote Back Office**





**Automation
Can Reduce
Accounts
Payable
Overhead by
as Much as

80%**

Reducing the Cost of Invoice Processing

Accounts payable automation is proven to significantly reduce costs. Organizations that use traditional, manual methods for processing invoices can expect to spend more than \$10 per invoice, while companies that have little to no manual steps to process an invoice spend \$2 or less per invoice, according to data from the [American Productivity & Quality Center](#).

That means if you have not automated your payments process, you could potentially reduce your AP overhead by 80%. This is why the cost to process an invoice is such a key metric.

Mitigate Fraud & Improve Audit Readiness

In an industry where HIPAA compliance and other regulations are already a constant data management challenge, optimizing audit and compliance efficiency anywhere you can is critical. The last thing a healthcare organization needs is to fail a financial audit because an auditor found missing or incomplete accounts payable data.

For public companies preparing for a SOX audit or midsize healthcare organizations with a small board of investors, financial audits are a part of doing business. Accounts Payable audits are an important part of protecting a company and its stakeholders against costly errors and spending fraud.

About 75% of all businesses experienced payments fraud in 2020, according to [survey results](#) from the Association for Financial Professionals and JP Morgan. And even if a business is not the victim of fraud, Accounts Payable audits can be a headache, lasting anywhere from a week to a month. To mitigate fraud risk and streamline audits, healthcare and wellness companies can use AP automation to better maintain the following items in mind during their daily processes.



75% of
businesses
experienced
payments
fraud in 2020



Streamline & Save Time

If your healthcare organization is struggling with month-end closings and frustrated with inaccurate or incomplete accounts payable data, it's probably time to automate your invoice processing practices or implement a new automation solution.

The Accounts Payable Process Before Automation

- Sluggish and/or manual data entry
- Data entry errors
- Invoice exceptions
- Re-keying invoice data into spreadsheets by hand
- Printing paper checks
- Waiting on vendors to cash paper checks
- Chasing down CFOs and managers for approval signatures
- Manual Collation
- Manual filing and paper file storage
- Stuffing envelopes and waiting on snail mail

The Accounts Payable Process After Automation

- Invoice data extraction
- Approval routing workflows
- Automatic reminders to approvers
- Applies electronic signatures
- Pay fulfillment including ACH & Check fulfillment
- Auto-pay
- Scans for invoice duplication
- PO matching
- Scans for errors
- Audit tracing
- ERP Integration



Dental Organization Automation Success Story

MB2, a dental organization, was growing rapidly. They needed a way to process thousands of monthly invoices across 250 locations, without adding additional overhead. They need to cut their invoice processing time and costs to meet their goals.

“We have been able to trim our invoice processing from 10 days to 5 days”

Read The Story ➞

Metrics to Track and Boost Healthcare Accounting Efficiency

One of the most important benefits of automating accounts payable for healthcare organizations is not only the ability to improve efficiency. With the right solution it will be easier to track key performance indicators for continual improvement. Of course total processing time and cost per invoice are important metrics for AP departments to track, but let's break it down.

If you are finding inefficiencies on all of these points, it may be time to automate, or update your current AP automation solution. If you haven't automated your AP processes, tracking these metrics is probably very difficult or even impossible.

5 KPI's for Accounts Payable

1. Time spent on invoice data entry
2. Number of errors per clerk per month
3. Number of exceptions per clerk per month
4. Time between approval submission and signature
5. Number of lost invoices per month




Enabling Remote Back Office

The workplace has been evolving into telework gradually for years, but the pace has been incremental until recently as the 2020 COVID-19 pandemic created a spike in remote work. For healthcare organizations, working from home isn't always an option especially for front-line workers. But there are cost and health benefits to reducing on premise back office staff like accounting.

6 Benefits of Cloud AP Solutions to Enable Remote Work:

1. Remote Capture of Invoices
2. Remote Invoice Approval
3. Remote Payment Approval
4. Outsourced Check Fulfillment
5. Remote Data Capture from Invoices
6. Remote ACH Fulfillment



“Confronted with soaring case loads, a lethal new virus, and crushing business challenges, exploring remoteworkoptions is no longer an exercise in creative brainstorming but an essential business priority.”

[Harvard Business Review](#)

Conclusion:

Providing care is the top mission for all healthcare organizations. The less time and resources spent on back office functions like accounts payable, the better the organization is equipped to fulfill that mission. With the right software, it is easier than ever to streamline a variety of administrative tasks.

Accounts payable automation is proven to save time and money for businesses in any industry. It is also proven to improve reporting and data tracking to help improve audit readiness and with cloud based software, healthcare organizations can increase their work from home capabilities.



AP Automation can improve your bottom line.



Ready for Your Next Step?

Get Started

or

Learn More

Find Out What Fidesic is All About

Robust Workflow

You can route based on vendor, Entity, Location, GL, amount, or any other item contained on the invoice.

Mobile-Device Approval

Remote invoice approval can be done using any device. Approve invoices right out of outlook or any other email.

Industry Leading Data Capture

With the combination of OCR and Human Entry, you can rely on our system to ensure you receive the most accurate invoice data.

Multi-Location Support

Users can only see the invoices and GLs for their assigned entity.

Tight ERP Integration

You won't have to worry about data entry with Fidesic. Approved invoices in our portal are directly compatible with your ERP system.

Send ACH and Paper Checks

We'll help you out with approval and take care of fulfillment.

Fidesic AP is the go-to accounts payable automation software for Microsoft Dynamics GP Users



FIDESIC
BY ENLIVEN SOFTWARE

www.Fidesic.Com
(866) 439-5884
sales@enlivensoftware.com