

WHITEPAPER

Financial Visibility = Financial Viability in a Post-Pandemic Society

Research reveals significant gaps in financial
management systems for post-acute care providers



sage Intacct



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New research indicates most home health and hospice leaders are exposed to serious financial risks due to the lack of access to real-time financial data and business analytics. This comes at a time when daily management of key performance indicators has never been more important as providers attempt to navigate new payment models and predict the financial impact of COVID-19.

Introduction

For the past decade, home health and hospice providers have invested heavily in software systems that enable and track clinical operations with the goal of consistently improving patient outcomes and optimizing efficiencies. However, over the past 12 months, financial complexities have grown exponentially, and business leaders are being challenged like never before to manage cash flow. Unfortunately, real-time visibility into financial and operational performance continues to evade most providers.

Now is the time organizations must evaluate their financial

management systems to ensure they get the visibility they need—when they need it—to navigate these challenging times ahead.

A recent study conducted by Porter Research and sponsored by Sage Intacct reveals that many of the most popular financial accounting systems are severely lacking in their ability to provide home health and hospice business leaders the insight they need. The majority of the providers are using outdated methods and limited, on-premise financial accounting systems that are putting their long-term viability at risk.

The Dynamics of Change

As more care delivery services are being pushed to alternate care sites, home health and hospice providers have an enormous opportunity to demonstrate their ability to improve patient outcomes at a much lower cost than hospitals and skilled nursing facilities. However, when you combine the onslaught of regulatory requirements with rapidly changing payment models and the uncertainty of the global pandemic, managing cash flow and growing profitable referral sources are among the top concerns voiced by survey respondents. The following threats are having a compounding effect on providers:

- Capitated rates placed on providers by the growing number of Medicare beneficiaries enrolled in Medicare Advantage plans [insert graphic of 51% of Medicare beneficiaries enrolled in Medicare Advantage plans] are forcing financial leaders to re-evaluate care pathways and identify the right balance of visit volumes and clinical outcomes. Being able to connect the dots between financial systems and clinical systems often remains a mystery buried deep inside disparate databases and mountains of spreadsheets.
- The transition to CMS's new Patient-Driven Groupings Model (PDGM) that began less than a year ago has put a strain on cash and has resulted in massive shifts in care planning models.
- The threat of Low Utilization Penalties (LUPAs) continues to haunt many financial executives and directors of nursing as more patients become weary of care providers entering their homes due to the Coronavirus. This is compounded by the lack of clarity CMS is giving around telehealth visit reimbursements as providers seek new ways to keep patients on track.
- The sharp increase in value-based care contracts and narrowing of care networks to only include the highest-performing providers adds further complexities and pressures to ensure financial and clinical outcomes are more intricately aligned. Plus, the addition of new care services required to perform in these contracts is often not accounted for in EHR-system workflows and billing procedures.

The Real Financial Threat – Your Financial System

While agencies often spend hundreds of thousands, if not millions, of dollars on implementing and maintaining their electronic health record (EHR) systems to support clinical decision-making and optimize billing procedures, the research shows that the financial accounting systems used to support these new challenges are severely lacking.

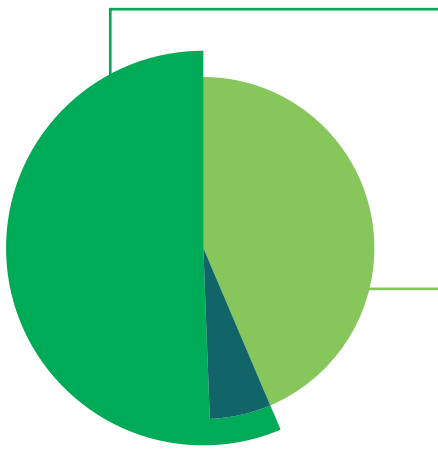
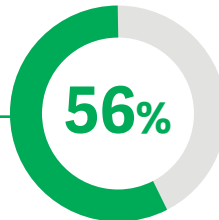
54% of survey respondents are concerned with gaining visibility into operational and financial performance



While only **25%** report confidence in their current system's ability to support their future needs

56%

56% are using QuickBooks and spreadsheets, which limit an organization's ability to get a holistic picture of multiple entities and geographies

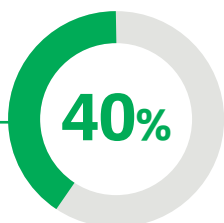


55% have used the same financial accounting system for more than five years, which is likely outdated and unable to adapt to changing conditions

49% of respondents lack confidence in their system's ability to keep up-to-date with healthcare compliance and reporting requirements

Top 5 KPIs Among Business Leaders:

- ✓ Revenue growth
- ✓ Operational cash flow
- ✓ Current accounts receivables
- ✓ Gross profit margin
- ✓ Net profit margin

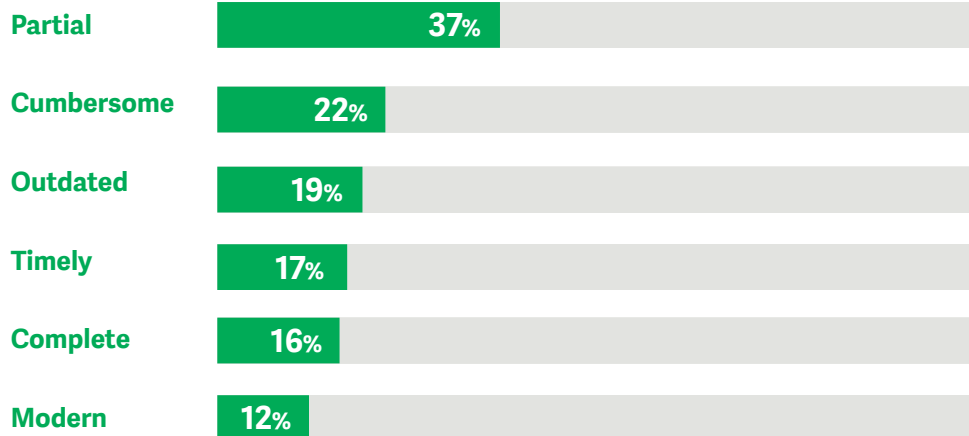


40% of survey respondents claim their current financial management systems do not integrate with their EHR system, paving the way for spreadsheet gymnastics and massive data warehouses



only **51%** were satisfied with their current dashboards

The most popular words used to describe their current financial management systems were:





“Sage Intacct gives us the flexibility to customize virtually any report and analyze our financial data using key operational metrics like cost per-patient-per-day—a measure that’s extremely important in a business as specialized as senior care.”

– Israel Ostrovitsky, Controller, Personal Healthcare

The Future is Bright

The research is clear – most financial management systems lack the foresight and capabilities needed to support today's home health and hospice organizations. And it's only going to get more complex as we move into the next decade that is sure to be filled with new payment models, more regulatory oversight and reporting, and ever-narrowing care networks.

Those organizations that invest in the right financial system today will be better equipped with the real-time insights and financial agility they need to make informed business decisions in this post-pandemic environment.

Sage Intacct, the most comprehensive financial accounting system on the market, has proven to be the go-to platform for some of the industry's

leading home health and hospice providers. Sage Intacct solutions leverage the most advanced data technologies along with its rich history of solving the world's most complex financial challenges to give home health and hospice business leaders secure access to the data they need to make faster and more informed decisions. With Sage Intacct, providers can:

- Reduce time and manual effort wasted on month-end reporting processes
- Increase cash flow to support smarter investment decisions
- Improve margins by optimizing clinical and operational efficiencies



To learn more about Sage Intacct, visit www.sageintacct.com/healthcare-accounting-software or contact us at 877-437-7765