

## How Healthcare Providers Can Prosper with the Right Accounting Software

by Robert M. Callanan, CPA



Finance professionals in healthcare organizations are faced with uncertain consequences from new federal healthcare reform laws and the HITECH Act of 2009, which make reducing operating expenses while improving patient care both mandatory and challenging. Increasing federal regulatory compliance, accompanied by a heavy burden of standards and mandates, can make it seem overwhelming to weigh all issues and needs regarding technology for healthcare organizations.

Every industry experiences periods of transformation around their IT infrastructure and the business automation that introduces new efficiencies. The healthcare industry is now in the midst of its makeover. Substantial investments and change have already been made in medical and patient technology; however, the same level of change has not been duplicated in the business infrastructure of many healthcare organizations.

Despite the current climate, accounting and ERP software can help healthcare providers prosper. There are four reasons why healthcare organizations should evaluate and implement better accounting software this year in order to establish seamless, automated business processes that connect front office to back office and give healthcare professionals more time and resources to devote to their mission - excellent care for patients:

### 1. Data Integration Across Systems Helps Deliver Affordable Healthcare

With integrated systems, technology increases efficiencies, maintains quality of care and is not simply a way to cut costs. A typical healthcare organization is bogged down by paper-based data collection and runs dozens of disconnected systems and a plethora of patient billing and records solutions. Good accounting software is able to integrate with these systems to bring the information into the back office. You also need to automate the flow of financial information across internal systems and health plans with insurance claims, including a range of government organizations.

High quality service must remain constant amidst continuously evolving technology, but finding ways to reduce the costs of quality care is also imperative. Accounting software that integrates with other systems can dramatically improve operational efficiencies, reduce administrative costs, and ultimately free up cash for better, more affordable patient care.

Providing high quality healthcare takes a unified team of doctors, nurses, specialists and clinicians. A healthcare organization's technology platform should incorporate the same collaborative approach so all systems, including accounting software, work together and enable automated business processes that streamline the way information is created, collected, accessed and shared.

## **2. Improve Operating Efficiencies**

Accounting staff in many healthcare organizations today are overburdened with increasing pressures from internal and external demands. As other areas of a healthcare organization or practice advance due to technology investments, the organization now expects quicker turnaround on requests and more financial information. Externally, many of the requirements from HIPPA, Sarbanes-Oxley, and HHS-GIO present challenges that are initially often overlooked for the finance team. Today, a top accounting system can help a small finance staff more efficiently address payroll/HR requests, automate expense reporting and purchase requisitions management, provide a paperless workflow around payables management, and much more.

Many healthcare organizations are only using accounting software as a tool to present their practice to external users for financing, tax returns, and owners, rather than as a system to help improve the quality of patient care, reduce costs, or to increase revenues.

A recent study by Ivans, Inc. concluded administrative inefficiency and redundant paperwork account for 18% of healthcare waste. The study also notes many healthcare facilities still operate with older technology infrastructures, and by updating these infrastructures and operating systems they will experience immediate benefits.<sup>1</sup>

In the same way improved efficiency in medical care drives down costs while maintaining excellent patient care, increased efficiency in your business software and operations enables you to provide improved levels of service to patients with fewer resources.

Today's accounting software lets you do more with less, with a high and rapid return on your investment.

## **3. Increasing Need for Business Intelligence**

The importance of solid business intelligence and the demand for predictive analytics will grow in healthcare over the next few years in order to respond to the needs to increase revenue, reduce costs and comply with industry regulations and standards.

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<sup>1</sup> IVANS Healthcare Provider Spot Survey: Healthcare Provider Opinions on Reform, Technology and Proposed Medicare Cuts, November 2009

A 2009 Gartner paper predicted, “Through 2012, more than 35 percent of the top 5,000 global companies will regularly fail to make insightful decisions about significant changes in their business and markets.”<sup>2</sup>

It’s not just about having an abundance of data. Good accounting software reveals relationships between data rather than merely making data more accessible. Your data should provide deeper insight to help you make better business decisions. When electronic health records become more pervasive, healthcare organizations will have the ability to do more complex analysis than ever before. Your accounting software should provide strong reporting features with the ability to report by locations, departments, physicians, and service lines.

#### **4. Good Data Quality and Management Ensures Compliance**

It is complex and costly for healthcare organizations to comply with government regulations, industry standards, or corporate quality. Powerful accounting software helps healthcare organizations reduce the cost of regulatory compliance, lessens the risk of compliance failure, and protects company assets. Your accounting system should provide strong financial controls and audit trails, as well as the reporting needed for monitoring critical business processes or company assets. A system with built-in business alerts also reports attempts to bypass internal control procedures.

#### **Now is the Time for New Accounting Software**

Many healthcare organizations are reducing operating expenses while evaluating or implementing electronic health records systems and new healthcare IT. Now is an excellent time to take a holistic approach with your technology platform – including your accounting and ERP systems - so all systems integrate as seamlessly as possible and help your organization save money.

Your accounting and business software is at the heart of your organization's success. A comprehensive, scalable accounting system that is the right solution for your organization quickly demonstrates return on investment, drastically reduces administrative expenses, and increases operational efficiencies. Most important, it enables you to invest necessary, crucial funds in the well being of your patients.

*[Robert M. Callanan, CPA](#), is President of Business Ready Solutions, LLC. He is an authority in the design, implementation and support of integrated, multi-user accounting and management reporting systems, and is at the forefront of integrating computers and software into corporate accounting services.*

*Business Ready Solutions, LLC, located in Durham, NC provides Microsoft Dynamics GP software*

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<sup>2</sup> Gartner Business Intelligence Summit 2009, Analysts Discuss Business Intelligence Challenges and Opportunities, January 20-22, 2009, The Hague, Netherlands

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