

DIGITIZING B2B PAYMENTS IN HEALTHCARE

August 2021

PAYMENTS IN HEALTHCARE: THE CURRENT STATE

In healthcare, complexity in payment transactions is the norm. Plus, a high volume of payments still goes through legacy and paper-based processes.¹

B2B payments in the healthcare industry are
COMPLEX²



JUGGLING MULTIPLE PAYMENT FLOWS³

- **Outgoing claims** to insurance companies
- **Incoming payments** from insurance companies
- **Incoming invoices** from vendors
- **Outgoing payments** to vendors
- **Incoming invoices** from suppliers
- **Outgoing payments** to suppliers
- **Outgoing invoices** to patients
- **Incoming payments** from patients

COORDINATING AMONG STAKEHOLDERS

B2B payments require intricate coordination between healthcare providers, suppliers and insurance firms.⁴

OVERCOMING LEGACY SYSTEMS

The pandemic further amplified just how inconvenient mailed paper invoices and checks are.⁵

^{1,2,4}Healthcare's Back Office Catches Up To The Industry's Digitization Push, PYMNTS.com, January 2021.

³Digitizing Healthcare Payments Report, PYMNTS.com, March 2021.

⁵The Digital Shift, PYMNTS.com, December 2020.



PAYMENTS IN HEALTHCARE: THE PAIN POINTS

In the complex world of healthcare payments, accounts receivable (AR) is a major pain point.

DISSATISFACTION WITH AR PROCESSES

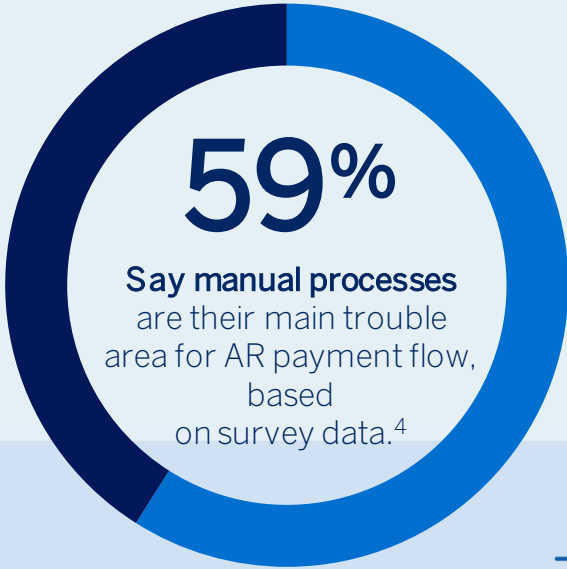
Only 20% of healthcare respondents that do not plan to innovate their AR processes are satisfied, according to survey data.¹

THE PANDEMIC EXACERBATED THE PAIN

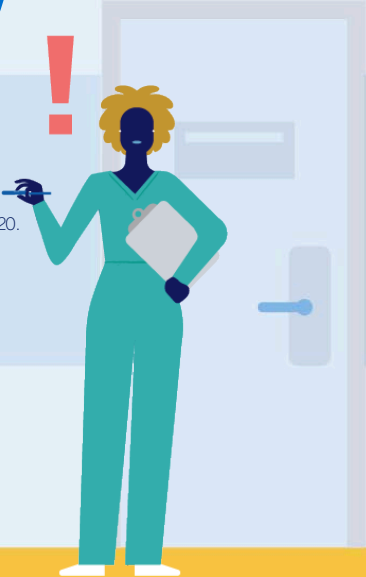
Healthcare companies that had instituted few or no automation technologies saw an **average DSO increase of 17%**, based on survey data.²

THE TREATMENT & BILLING DISCONNECT

Long delays can occur when healthcare providers must send claims to insurance carriers and attempt to secure remaining patient payments. Challenges like these can contribute to persistent problems around **late and uncollected payments**.³



^{1,2,4}B2B Payments Innovation Readiness Report, PYMNTS.com, September 2020.
³Digitizing Healthcare Payments Report, PYMNTS.com, March 2021.



PAYMENTS IN HEALTHCARE: TIME TO AUTOMATE

The advantages of automating AR are undeniable. Embracing digital tools can help free up time and funds, critical to healthcare organizations focused on easing their budgets.¹



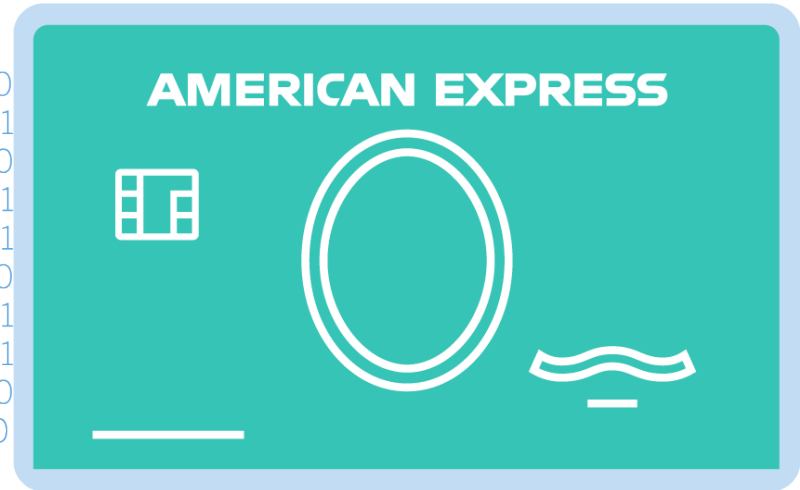
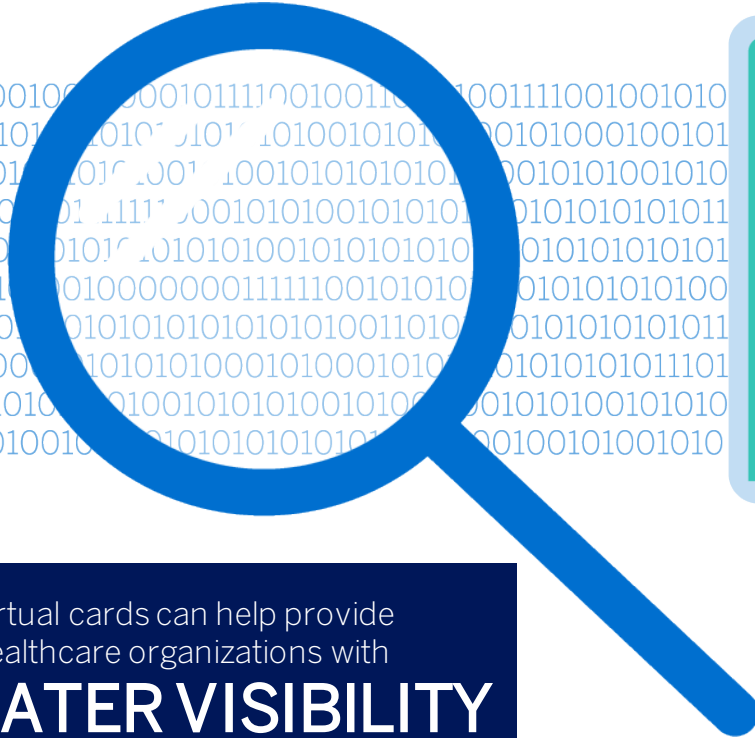
HEALTHCARE COMPANIES REPORT ON AR AUTOMATION RESULTS, BASED ON SURVEY DATA:²

- ✓ 85% Faster processing speed: key benefit
- ✓ 73.5% Saved operational costs
- ✓ 70.6% Improved our team's efficiency
- ✓ 64.7% Better customer experiences

¹Deep Dive: A Digital Prescription For Treating The Medical Sector's Manual AR, APPains, PYMNTS.com, December 2020.
²B2B Payments Innovation Readiness Playbook, PYMNTS.com, February 2021.

PAYMENTS IN HEALTHCARE: VIRTUAL CARDS

Accepting virtual card payments may offer healthcare organizations a faster, digital alternative to old-fashioned payment methods.



VIRTUAL CARD TRANSACTIONS CAN:²

- Enable deeper security
- Provide useful remittance data
- Make funds more quickly available to recipients compared to traditional methods

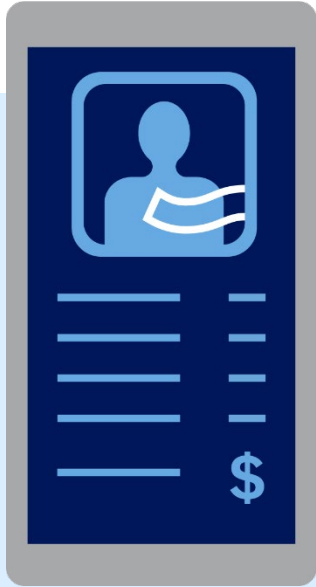
Virtual cards can help provide healthcare organizations with
GREATER VISIBILITY
into payment status,
which may involve interchange fees.¹

¹Digitizing B2B Payments Tracker, PYMNTS.com, December 2020.

²The CFO's Guide To Digitizing Payments, PYMNTS.com, December 2020.

AUTOMATING PAYMENTS: NEXT-LEVEL IMPACT

More healthcare companies are embracing payment automation and next-level technologies to improve cash flow.



DIGITIZING PAYMENTS

can have an outsized impact in the healthcare industry due to the high volume of payments.¹



ARTIFICIAL INTELLIGENCE

tools have been adopted by 65% of healthcare respondents to assist in revenue cycle management, based on survey data.²

¹Healthcare's Back Office Catches Up To The Industry's Digitization Push, PYMNTS.com, January 2021.

²Digitizing Healthcare Payments Report, PYMNTS.com, March 2021.