




CASE STUDY

UKD Universitätsklinikum
Düsseldorf

“Through the digitalisation of incoming invoices with GHX, we have reduced processing time for our finance department and created a transparent process that delivers an annual six-figure saving.”

**Thomas Klein, Head of Department for
Purchasing, Logistics and Catering Management**

DÜSSELDORF UNIVERSITY HOSPITAL ESTABLISHES MORE EFFICIENT PROCESS FOR ELECTRONIC INVOICING

A photograph of an outdoor seating area, likely a cafe or restaurant, with several bicycles parked in the foreground. The area is shaded by large white umbrellas. The image is overlaid with a blue gradient.

Düsseldorf University Hospital is one of the most renowned medical centres in Germany and a leader in digital transformation. As part of a pilot project, the hospital worked with GHX to develop and successfully implement an innovative solution for the processing of electronic invoices. Through the digitalisation of incoming invoices, an efficient and streamlined process was established that improved transparency, delivered on time savings and led to an increase in early settlement discounts.

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RESULTS



Savings in process costs through automated invoicing



Increased transparency through the integration of electronic invoices



Increase in touchless invoice processing



Time savings for the finance department (7 minutes per invoice)



Increase in early settlement discounts



Simplified supplier onboarding process

SITUATION

With about 45,000 inpatients treated annually across 29 clinics and 30 institutes, Düsseldorf University Hospital is one of the largest university hospitals in Germany. The organisation has 1,200 beds and employs around 5,500 staff, 800 of whom are doctors. With the finance department receiving and processing nearly 130,000 invoices annually, their manual processes were found to be time-consuming and prone to errors.

"Our goal was to streamline the process, to make it more efficient and to deliver cost savings," explains Thomas Klein, Head of Purchasing, Logistics and Catering Management at Düsseldorf University Hospital. With 130,000 invoices being processed annually by the state capital hospital, the opportunity for cost savings was significant. "There were further savings that we hoped to achieve by adhering to early settlement discount agreements," Klein recounts, who got the project rolling in 2020.

With Johnson & Johnson on the supplier side and GHX as a digital transformation partner, the hospital engaged with two parties with whom they had already been working with. "Through our long history together, we knew GHX to be a trustworthy partner for the processing of electronic documents. It was clear to us that we should collaborate with them on this project," explains Klein.

The challenge therefore did not lie in finding strategic partners, but in analysing the IT systems and standardising the invoice formats for the successful exchange of data between the university hospital and Johnson & Johnson. In accordance with EU Directive 2014/55/EU, which obliges billers since November 2020 to electronically send invoices to federal public buyers, Klein and his colleagues wanted to receive all invoices in the ZUGFeRD format. A hybrid format in which XML and PDF invoices are combined in a single electronic document. The XML part can be automatically fed into the hospitals' systems, but before this can happen the biller must provide all the data required by law in order to successfully integrate it into the workflow and archiving systems of the buyer.

SOLUTION

The project started with an analysis of the current situation at Düsseldorf University Hospital and Johnson & Johnson. "As this was the first time we were providing electronic invoices in this format, we first had to understand the requirements," says Alexander Kuhn, who managed the project at GHX. He and his colleagues started by analysing the data that was needed in the billing department's system, to support creation of the document in the correct format. "The analysis showed that additional mandatory electronic invoice data was needed, like the routing identification number. Solving these issues was not easy, but thanks to some great cooperation we overcame all hurdles that we encountered," says Kuhn.

As the hospital had already been processing its orders via GHX's Exchange Services, GHX was able to match the invoices issued by Johnson & Johnson with the orders. The fully automated process now helps ensure that invoices are only booked if all upstream processes - order, delivery and confirmation - have been completed electronically and correctly. "These touchless invoices streamline the previously manual process and save our colleagues valuable invoice processing time," says Thomas Klein. "After a successful test phase, it was clear that we would ask all suppliers to send us their invoices electronically."



"The standardisation of the invoice format and deep integration into the GHX platform was key to the automation of the invoices and increase in touchless invoice processing, with the rate of invoices being posted without human interaction now close to 40 percent."

Uwe Lorig,
Head of the Department
of Finance

Following implementation, more than 45 suppliers from whom the Düsseldorf-based hospital procures its medical products, pharmaceuticals, food and office supplies were onboarded to the new process. They can choose to send the invoice directly to the GHX platform via EDI, where it is converted into the ZUGFeRD format, or send a self-created ZUGFeRD invoice with routing identification number to the North Rhine-Westphalia contracting portal, to which GHX has an interface. In GHX Exchange Services, a data check is done between the order and invoice document. If the data successfully matches, the electronic invoice is booked within the hospital's systems. "With some suppliers, we receive the invoice faster than the goods," says Klein, who comments on the knock-on


effect. "We have agreed with GHX that in such cases we park the invoice on the platform for three days before it is transferred to our systems."

The automated process has become a success story from which multiple departments at the university hospital benefit. The finance department has reduced processing time, and the buyers and medical specialists reduced the number of times it needed to check invoices manually. "The efficiency saving is huge; on average we save about 7 minutes per invoice with the high-effort need to agree on who must check and approve each invoice now gone. We also benefit from greater transparency in the ordering and payment process, as orders and invoices are reconciled with the

existing master data," explains Linda Fengels, who heads the finance department at Düsseldorf University Hospital, and in addition to the efficiency gains also highlights the cost savings. "Thanks to the integration of electronic invoices with GHX Exchange Services, we have significantly shortened our invoice processing time; in some cases, from 20 to 3 days. This allows us to take advantage of early settlement discount savings."

NEXT STEPS

The digitalisation journey at Düsseldorf University Hospital is not over. The goal now is to try to onboard the remaining suppliers that send invoices by fax or e-mail. "We don't need much time for this," Kuhn assures. "The suppliers only need to align the data they provide to the already defined standard format," says the project manager, who has good news for hospitals that want to follow in Düsseldorf's footsteps, "There's some initial analysis of the IT infrastructure and connection between the ordering and billing system to determine individual format requirements, but after that, it is straightforward to take the data from the ZUGFeRD format and set up a seamless process for automated invoice processing in a matter of weeks."



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**Linda Fengels,
Head of Finance Department**

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