

## Rx For Savings: Faster Cash Flow Leads to Healthy Margins

With healthcare costs in the U.S. continuing to rise, organizations across the supply chain are feeling the pressure to better manage their costs and improve efficiencies. As a supplier, you're likely seeking ways to protect your margins and trim unnecessary expenses. Take a look at accounts receivable—it's a prime area for saving time and money.

### Room for Improvement in Accounts Receivable

**More Transactions**



**\$500 billion**

amount spent annually on healthcare supplies,<sup>1</sup> so any inefficiency in collecting is costly

**Costly Payment Delays**



**\$33.13**

the cost companies pay for a 40-day delay on an average \$3,000 payment<sup>3</sup>

**Reward for Streamlining**



**10% - 20%**

expected profit increase for medical supply companies that improve efficiencies<sup>4</sup>

### Traditional AR Solutions are Ineffective



**Early Payment Discount**

When providers take the discount but don't pay early, suppliers bear the shortfall

**Exception Handling**

About 10% of non-automated transactions have processing issues, adding to the overall cost<sup>2</sup>

**Credit Cards**

Most credit card companies charge vendors a 2-3% processing fee

### Time is Money and Automation Saves Both

**15 Days**

is the average time for suppliers to receive payments with the GHX ePay solution<sup>5</sup>

**42% Savings**

in transaction fees over traditional processing, thanks to a 25-day decrease in collection time alone<sup>6</sup>



### Suppliers of all sizes can benefit from automated AR

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**ROI**  
Getting paid sooner offsets costs associated with electronic payment solutions
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**Liquidity**  
Cash on hand allows for strategic investments and paying down debt
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**Customer Service**  
Improve relationships with providers, who often prefer electronic payments
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**Shareholder Value**  
Actively deploy capital in a way that meets required rates of return
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**Accounting**  
Automated solutions provide rich transaction details for auditing

Automation solutions such as **invoicing and ePay from GHX** can help suppliers improve AR performance through greater efficiencies and cost savings.

» Learn more at **GHX.com**

<sup>1</sup>Dittman, J. Paul. (2016 April) "Managing Cost in the Healthcare Supply Chain." Retrieved from www.mpo-mag.com/issues/2016-04-01/view\_features/managing-cost-in-the-healthcare-supply-chain  
<sup>2</sup>Harte Hanks Consulting Healthcare Supply Survey, 2018  
<sup>3</sup>Harte Hanks "What Is the 'True Cost' of Getting Paid? Optimizing AR in Healthcare" white paper  
<sup>4</sup>Ebel, Thomas; Larsen, Erik; Shah, Ketan. (2013, September) "Strengthening health care's supply chain: A five-step plan." Retrieved from www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/strengthening-health-cares-supply-chain-a-five-step-plan  
<sup>5</sup>Day Sales Outstanding ("DSO"), Industry Estimates Derived from the Harte Hanks Consulting Healthcare Supply Survey, 2018  
<sup>6</sup>Supplier Savings in Basis Points, non-electronic and electronic, Derived from the Harte Hanks Consulting Healthcare Supply Survey, 2018