

BUILDING A RESILIENT FINANCIAL INFRASTRUCTURE IN THE HEALTHCARE INDUSTRY

Every business must remain financially viable to succeed. Healthcare is no exception. While the primary goal is to deliver high-quality, accessible patient care in an ever-changing world, financial stability and profit are also critical to the process.

Unlike some industries, healthcare has struggled to adopt payment automation and financial centralization due to many competing priorities. From hospitals and private practices to behavioral health centers and senior living communities, healthcare financial management is definitely not business as usual. Changing regulations and increasing costs make it challenging to achieve optimal financial performance while trying to initiate change and transform processes. This, combined with competing priorities like the adoption of electronic medical records (EMR), ever evolving patient care models, and adapting to reporting requirements for payor sources, have all contributed to the industry's delay in technology adoption.

Many healthcare organizations are overwhelmed by such industry changes leaving them with little bandwidth to introduce and implement an entirely new solution. Even before COVID-19, healthcare institutions struggled to maintain strength and stability as a result of reimbursement rates changes with the Affordable Care Act, the shift in how healthcare is delivered via technology, telemedicine, and the rapid growth of urgent care centers. Yet nothing would compare to the burden of COVID-19 in 2020. The pandemic placed catastrophic financial pressure on hospitals and healthcare systems across the U.S. from job losses to supply chain issues to thousands of cancelled medical procedures.

COVID-19 also quickly amplified the need for secure, streamlined and automated payment solutions. According to *How Hospitals are Managing Healthcare Payments in the Face of a Pandemic*, "patients are increasingly shifting to digital payments, which has put the onus on the healthcare industry to partner with revenue cycle management organizations and technology vendors to meet this need."¹

Omni-channel payment solutions can be a real game changer for healthcare organizations in many ways. Despite the initial adoption challenges for stressed and overwhelmed providers, digitization and financial centralization enable healthcare organizations to increase efficiency and reduce costs. It not only offers a comprehensive view and analysis of finances, it enables a long-term strategy for financial management that saves time, money and resources. But healthcare organizations must be willing to tackle the initial implementation in order to gain the long-term benefit of more efficient processes.

Above and beyond the benefit to the organization is the impact on the overall patient experience. First and foremost, digitization allows providers to meet this growing consumer demand. It streamlines the process by improving transparency regarding billing, while offering additional touch points that meet the patient where they are (online, email, app, online support) versus simply a bill in the mail and an 800 # to call. Ultimately, the infrastructure enables healthcare providers to have more control over their patient information and billing expenses.



While some patients, particularly older ones, are resistant to change and prefer the payment method, most consumers have a high level of confidence in the security of online healthcare payments. According to the 2020 Healthcare Payments Insight Survey by Elavon, 87 percent of respondents said that using a credit or debit card for healthcare payments is very or somewhat secure, and 83 percent believed healthcare providers are doing everything they can to protect their data.²

And this is a demand that will only increase after the shift of 2020. According to Julie Gerdeman, CEO of HealthPay24, a patient financial engagement platform driving solution, "One of the lasting impacts of COVID-19 will be contactless commerce, whether it be digital wallets on mobile phones, or old school IVR pay-by-phone options. Flexible payment plans, and discounts for those who pay in full, are just some of the innovations that can improve the patient experience and help providers in these trying times."¹

Finding a banking partner who can help meet these demands is paramount, particularly amidst the ongoing changes in the healthcare industry. From new government regulations to increased demand for telemedicine, now more than ever customers need a trusted advisor that understands the unique needs of their business.

As a healthcare provider, your primary focus is the delivery of quality patient care, which is why you need a bank that speaks the language of healthcare. The right partner can help evaluate your current financial situation and customize solutions that will speed up collections from patients and third-party processors, manage delays in reimbursements from insurance companies, track payments for medical supplies and lab fees, and meet long-term and short-term goals through investment planning.

Providers should look for a banking partner who can offer:

- Consistent service and extensive experience – look for a partner with significant lending experience and deep knowledge who understands the issues facing the medical community
- A specialized team that includes a specialized healthcare banker. Look for in-house experts vs. third-party vendors to get the in-depth industry knowledge, access to local decision makers, and a customer-focused approach.
- A wide range of solutions that are not only industry specific but scalable as your organization grows - customized lockbox solutions to improve cash flow for medical practices, medical equipment and vehicle leasing, and the ability to assist new physicians with residential mortgage financing and personal financial planning.
- Personal attention - Your relationship manager will act as one accessible and responsive point of contact, recommending solutions for everything from day-to-day banking needs to optimizing cash flow, processing payments, funding, and online information reporting.

A specialized healthcare banker and local relationship manager can help you manage your finances, growth and business efficiently – particularly in turbulent times like a global pandemic. Healthcare organizations ready to take the technology plunge should look for a bank partner with proven dedication to the healthcare space. Given the complexities of the transition, a bank that offers customization vs. a one-size-fits-all solution is critical. And perhaps most importantly, determine if the partner can service your needs into the future with the long-term viability you'll need to grow.

As the industry continues to adapt to this digital shift, best-in-class technology and relationship banking will work together to create a better user experience and simplified payment processes for healthcare providers and patients alike. Improved training for healthcare providers will equip employees with the skills needed to utilize technology to help patients. The integration of payments from patients or insurers with provider records will allow for seamless reconciliation of payments and greater transparency of what patients are responsible for, what insurers are responsible for and the services provided by the healthcare provider.

In 2020 we learned that we must be prepared for anything, particularly when it comes to healthcare. Staying ahead of the curve with the best possible technology solution and expert team in place will create a strong foundation for the challenges and changes that lie ahead.



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Automating processes allows healthcare providers to focus critical time and resources on initiatives and strategic growth imperatives that help fulfill their mission. Moving forward, financial technology partners will continue to expand these relationships with improved outsourcing services such as:

- **Physician recruitment:** Enhance your practice's organizational growth with a banking partner who can amplify your offer to new physicians and ease their move to your practice
- **Medical lockbox solutions:** Work with your banking partner to speed up payment collections and enable your staff to become more efficient, while focusing on other critical responsibilities
- **Real estate financing:** Collaborate with an expert who can secure the options you need to finance new outpatient facilities such as imaging centers and ambulatory surgery centers
- **Practice management strategies:** Identify new strategies for facilitating buy-ins and buy-outs of physicians in your practice or firm

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¹Mellon, Colin. (2020). How Hospitals are Managing Healthcare Payments in the Face of a Pandemic. Fiserv. <https://merchants.fiserv.com/en-us/resources/how-hospitals-are-managing-healthcare-payments/>

²Elavon. (2020) Healthcare Payments Insight Survey Report. <https://www.elavon.com/content/dam/elavon/en-us/documents/st-referrals/elavon-healthcare-report-2020.pdf>