

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,¹ 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 payment³

Reward for Streamlining



10% - 20%

expected profit increase for medical supply companies that improve efficiencies⁴

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 cost²

Credit Cards

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

Time is Money and Automation Saves Both

15 Days

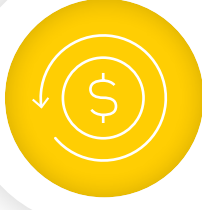
is the average time for suppliers to receive payments with the GHX ePay solution⁵

42% Savings

in transaction fees over traditional processing, thanks to a 25-day decrease in collection time alone⁶



Suppliers of all sizes can benefit from automated AR



ROI

Getting paid sooner offsets costs associated with electronic payment solutions



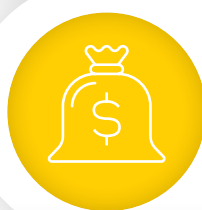
Liquidity

Cash on hand allows for strategic investments and paying down debt



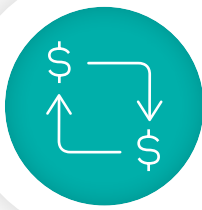
Customer Service

Improve relationships with providers, who often prefer electronic payments



Shareholder Value

Actively deploy capital in a way that meets required rates of return



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**

¹Dittman, 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

²Harte Hanks Consulting Healthcare Supply Survey, 2018

³Harte Hanks "What Is the 'True Cost' of Getting Paid? Optimizing AR in Healthcare" white paper

⁴Ebel, 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

⁵Day Sales Outstanding ("DSO"), Industry Estimates Derived from the Harte Hanks Consulting Healthcare Supply Survey, 2018

⁶Supplier Savings in Basis Points, non-electronic and electronic, Derived from the Harte Hanks Consulting Healthcare Supply Survey, 2018