



CASE STUDY



20% automated overall vendor payments through ePay

PAYABLES AUTOMATION WITH GHX EPAY DRIVES REBATES AND EFFICIENCY

Nebraska Methodist Health System leverages the GHX ePay solution as the final piece of its automated procure-to-pay processes — from electronic purchase orders (POs) to payments.

Nebraska Methodist Health System (NMHS) has automated approximately 20 percent of its overall vendor payments through ePay to date, which has improved process efficiency and staff productivity, allowing the organization to scale down its accounts payable (AP) team and reallocate resources to strategic sourcing activities. The organization pays suppliers in a timely manner, allowing it to take advantage of savings opportunities, and avoid late payments and credit holds.

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RESULTS



Automated approximately 20 percent of its overall vendor payment population through the ePay solution



Improved efficiency and productivity by automating previously manual supplier payments



Paying suppliers in a timely manner to take advantage of savings opportunities and avoiding late payments and credit holds

SITUATION

While many healthcare organizations have automated the front end of the procure-to-pay process — sending POs electronically to suppliers through the GHX electronic trading exchange — the majority still struggle on the back end as they manually process paper payments. Furthermore, this manual processing limits an organization's visibility into its reconciliations, which increases the risk for late payments and missed savings opportunities.

"Paper is always a challenge because it requires more manual handling and data entry," said LeeAnn Griffin, accounts payable/payroll manager for Nebraska Methodist Health System. "With regards to cash flow, we have to make these payments today or tomorrow, so why not leverage an electronic process to pay them on time and benefit from greater efficiency?"

"We have been using the ePay process for over a decade. The ePay solution is easy to implement in that there is very little work for the customer. We send an electronic feed of invoices to the ePay system every night, and GHX does all of the work for us to get those suppliers paid. We see the benefit of rebates generated through our card program and of not having to manually process those invoices."

Karen Kresnik

MSN, RN, Director of Supply Chain and Clinical Consulting at NMHS



“GHX’s acquisition of the ePay solution became the final piece of our automated procure-to-pay processes — from processing POs electronically through the GHX Exchange to electronic payment of our supplier invoices,” said Kresnik. “The extraordinary customer service that we have received from the GHX team has helped us expand process automation to support our organization-wide goals.”

SOLUTION

Nebraska Methodist Health System began automating manual, paper-based invoice payments through GHX ePay in the early 2000s. The solution provides the organization access to a healthcare-focused network of key suppliers that are not available with other payment solutions. GHX ePay provides a standardized payment platform for a more consistent and predictable process, but with flexibility in payment to access rebates or extended payment options for various modes of settlement — even with suppliers that don’t accept credit cards.

Over the past year, NMHS has collaborated with GHX to drive more supplier payment volume through the ePay solution. By transitioning more payments from paper checks to credit card and automated clearing house (ACH) transactions, the NMHS team has significantly reduced the time and labor required to pay suppliers, helped increase on-time payments, and improved cash flow.

“We are always interested in process improvements, driving greater efficiency, and improving the timeliness of payments to vendors according to their terms,” said Griffin. “I definitely see a time and labor savings with electronic payments because it is one less thing that we have to do. There is also a financial benefit because we can pay vendors on time and avoid being placed on credit hold.”

GREATER EFFICIENCY AND THE ABILITY TO DO MORE WITH LESS

According to Griffin and Kresnik, GHX ePay has been an important part of their overall strategy to drive greater efficiency and increase productivity from the procurement of products all the way through to payments.

“With greater payment efficiency, our team has had the time to clean up their statements, track down missing invoices, and get them processed and paid in the current year,” said Griffin. “That takes a lot of time and effort — phone calls and emails — but now we have the resources to dedicate to this important work.”

