



HEALTHCARE ACCOUNTING SOFTWARE REVIEW:

A Comprehensive Guide to Pros and
Cons for Your Healthcare Organization

INTRODUCTION

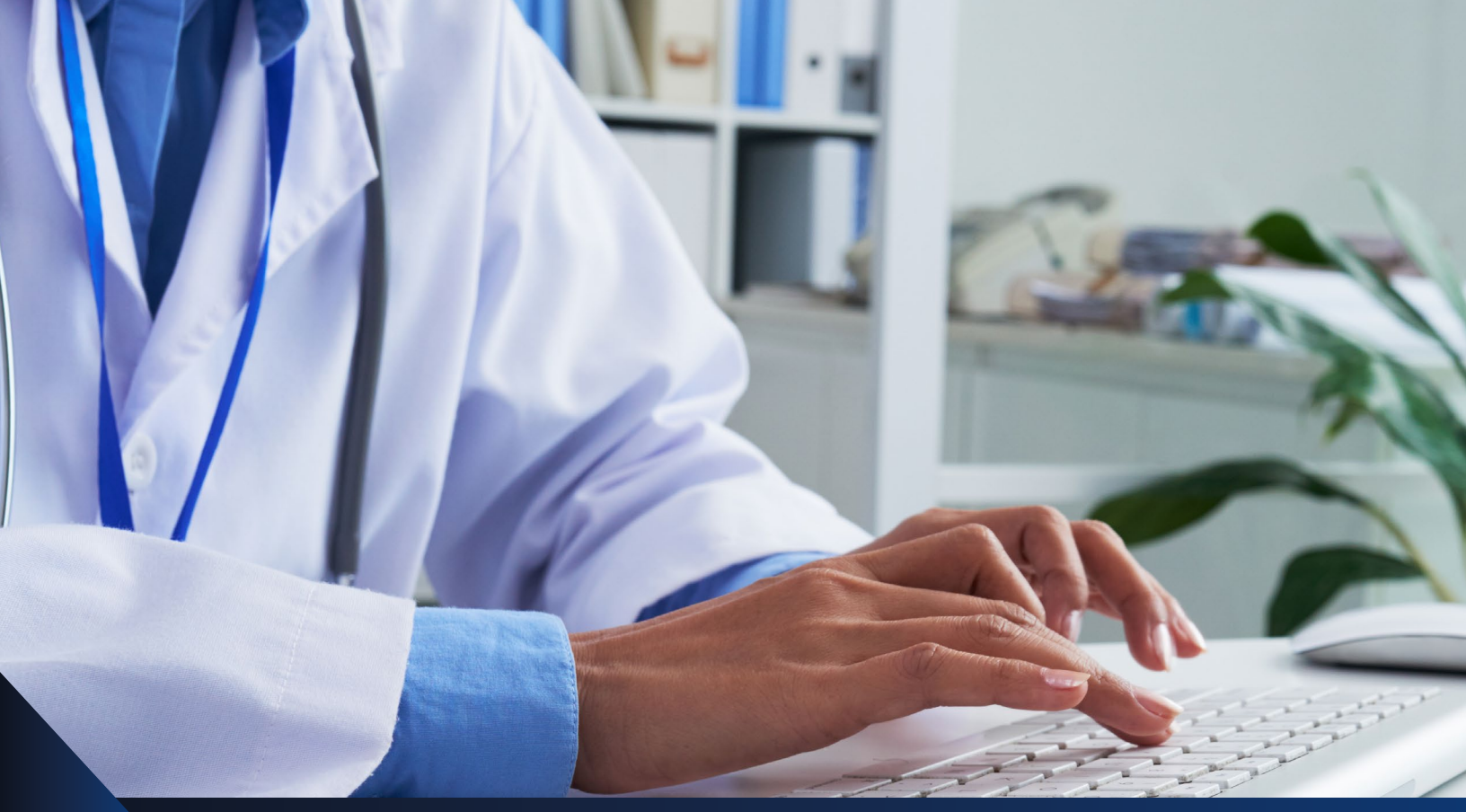
As industry regulations and patient demands become more complex, healthcare organizations of all sizes are looking for ways to streamline their processes and become more efficient, informed, and flexible.

You need deeper insight into your financial data to make more profitable decisions, meet compliance requirements, and ensure the best possible patient care.

You know your accounting system plays a critical role in accomplishing all these things across the organization, but navigating the landscape of available options can be overwhelming.

In this eBook, get reviews of the most common options for healthcare accounting so you can choose the best path forward for your business, your staff, and your patients.

- ▶ **How do you choose a solution that will meet your needs today and into the future?**
- ▶ **What are the benefits and limitations of different accounting systems?**
- ▶ **Should you outsource your accounting or invest in a financial management solution?**



WHICH ACCOUNTING OPTION IS RIGHT FOR YOUR HEALTHCARE ORGANIZATION?

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01

Outsourcing

PROS

Cheaper than full-time employees

By outsourcing your accounting, you're able to grow your business without adding more employees to your payroll. According to research from Deloitte, the top reason for outsourcing is cost reduction. In comparison to bringing in a finance expert on staff, outsourcing can be an easier and more cost-effective route to take for smaller organizations.

Skilled labor

Why spend time on accounting tasks when you can be focusing on more strategic, value-focused initiatives? When you outsource, you can bring in skilled professionals with healthcare accounting experience to help you handle everything from paying bills to processing invoices and approving expenses.

57%

of CFOs spend less than one-quarter of their time on strategic initiatives.

SOURCE

CONS

Outsourcing is not completely hands-off

While outsourcing can take some accounting tasks off your plate, there's still manual work you have to do. You'll need to gather and provide all necessary information to the bookkeeper or accountant you outsource to. You'll also want to check in regularly, especially early on, to ensure everything is moving along and meeting your expectations.

Lack of control

Outsourcing any function, including finance tasks, requires you to share information with a third party. You won't have complete control of the way that third party stores, uses, accesses, or shares your data, which can be especially concerning to healthcare organizations with sensitive information.

Accuracy risks

When you involve more people in your organization's financial management, you introduce more risks surrounding accuracy. Processes and data are often disconnected from each other and people in your organization might struggle to find a single source of truth because information gets imported and exported through different systems.

In addition, when accounting is done outside of your organization, it will take a bit more time than it would if it were done in-house. You may find that delays in receiving reports lead to inaccuracies.

02

EMR Systems

Epic, Cerner

PROS

Keep it all together

To provide an all-in-one solution, many EMRs like Epic and Cerner have a basic financial module. When everything lives in one system, everyone knows there is a single place to find what they need and complete tasks. This can be very convenient and impact productivity.

A simple way to get started

Your EMR is an industry-specific solution, built for healthcare. If it does have an accounting module that is already compliant, going this route can be an easy way to get a handle on finances when your business is just starting.

Frees up focus

The most important thing for your team to focus on is providing patient care. Leveraging a system you already have can help you manage accounting without the more intensive time and effort that can be associated with other options.



TIP:

If you are considering replacing your EMR system, this is an excellent time to evaluate the rest of your systems to create a unified technology stack and optimized experience.

CONS

Surface-level solution

Your general ledger is the cornerstone of accounting for your organization, but it may not contain all the information you need to make informed decisions for your healthcare company. Your EMR will likely offer very basic general ledger capabilities and cover financials from the billing side. That isn't always comprehensive enough when you need more advanced accounting capabilities and insights to run your business.

Not intuitive

The accounting functionality in many EMR systems is not easy to use and learn. Depending on your staff's experience, this can create all kinds of problems if the system isn't being used consistently and correctly.

Costly limitations

It's common for healthcare practices to try accounting with an existing EMR system first to get up and running quickly. But, since they are not built for accounting, you will likely run into limitations faster than you imagined particularly when managing revenue cycles, multiple locations, and compliance. This can result in spending more time and money in the end vs. investing in a dedicated financial management solution designed to integrate with your EMR.

03

Small Business Accounting

QuickBooks

PROS

Affordable

This is one of the most affordable accounting solutions on the market for organizations that need financial functions beyond the general ledger such as managing cash flow and payments, financial reports, and bank reconciliations.

Best for small businesses

QuickBooks is easy to learn and use, even for those without accounting experience. If you're looking for a way to manage accounting for a small business, it will help you keep your company finances organized and on track.

SAGE INTACCT IS RANKED
THE #1 ALTERNATIVE TO
QUICKBOOKS BY G2.

SOURCE

CONS

When growth hits, QuickBooks can be limiting

Growth, complexity, and time management are the biggest challenges to healthcare companies that are trying to adapt existing software solutions to their unique needs. Fast-paced growth requires more robust financial management than QuickBooks offers.

Can't handle multi-entity or multi-location

If your company has multiple entities, you will need to purchase individual licenses of QuickBooks for each entity resulting in information silos. Those license fees can quickly add up, not to mention the time and frustration of logging in and out to manage each entity.

Cloud version lacks features

The cloud version of QuickBooks doesn't have all the same features that the desktop version offers. This can be an issue if you need the flexibility of a cloud-based accounting solution.

Compliance and audit concerns

One of the biggest issues with QuickBooks for healthcare organizations is that it is not compliant with the HIPAA standards for privacy. Entering identifiable health information in the software is not recommended. In the event of an audit, you may find that your organization runs into trouble.

QuickBooks is also not compliant with Generally Accepted Accounting Principles (GAAP) because you can delete transactions and restate results in a given accounting period without leaving an audit trail. This means that if you delete a transaction, no one is able to verify whether that transaction was correct or not.

04

Enterprise Resource Planning (ERP) Systems | NetSuite

PROS

Advanced operational and financial functionality

ERP systems like NetSuite can be beneficial for healthcare organizations that must manage inventory and supply chains or need more advanced enterprise-level functionality. The system consolidates operational and financial data so you can break down information silos.

Enhanced insights

With connected data and analytics and business intelligence tools, you can gain a deeper understanding of your business to make improvements.

Add-on options to extend functionality

Less isn't always more. Sometimes there are things your ERP can't support right out of the box. However, most ERP systems are built to add functionality with third-party solutions and integrations so you can maximize the value of your system for the long term.

Scalable

ERP systems are made to scale. As your organization evolves over time, and your needs become more complex, your technology can scale with you so you won't need to keep changing your core solution.

CONS

Paying for stuff you don't need

If you just want to improve your financial management and you already have EMR, an ERP system is adding an operational system on top of an operational system. You'll be paying for additional functionality that isn't needed or valuable to your business.

Higher costs

One drawback of purchasing an enterprise ERP solution is it can be way more expensive than other available options. You must consider your total cost of ownership, which can include licenses, implementation, customizations, maintenance, support, and more.

Training time

An ERP system can be a whole new world for staff to learn. Be sure to allow for extensive training and a lengthier onboarding process for new employees.

05

Best-in-Class Cloud Financial Management

Sage Intacct

PROS

Built for financial management

A trusted accounting solution for the healthcare industry, Sage Intacct is designed by finance professionals for finance professionals. Built on a unified, secure cloud platform, your financial information is automatically consolidated so you can make data-driven business decisions.

HIPAA and GAAP compliant

Sage Intacct is natively GAAP compliant and the only healthcare accounting software endorsed by the AICPA and Healthcare Financial Management Association Peer Reviewed. The Advanced Audit Trail enables HIPAA compliance by tracking access to personal information in standard fields in the contact, vendor, and customer objects.

Multi-entity, multi-location, simplified allocations, and purchasing

Easily manage multiple entities, facilities, intercompany transactions, and complex ownership structures in one solution. Sage Intacct also makes allocations and purchasing easy for healthcare organizations.

Open APIs with flexible integration

A big benefit of Sage Intacct is an open API infrastructure which means you can easily add third-party integrations and connect multiple data sources without reinventing the wheel. Take advantage of the tech stack you already have in place and eliminate tedious and error-prone imports and exports. Note that integrations can also add time and costs to set up.



CONS

Cost for small businesses

While a more cost-effective option than enterprise ERP, smaller healthcare organizations may not have the need or budget for advanced financial management yet. Several different factors including functionality, data storage, and users can all have an impact on what you pay. Weighing the total costs vs. the business advantages is important.

SAGE INTACCT HEALTHCARE CUSTOMERS REPORT IMPRESSIVE RESULTS

40%

decrease in
outsourcing
costs

66%

improvement in
efficiency

30%

increase in
EBITDA margin

50%

reduction in
budget
creation time

40

hours a
week savings
in manual
accounting
work

ABOUT CARGAS

The Trusted Partner for Healthcare Organizations

Cargas is an employee-owned software company with more than 160 employees offering accounting, ERP, and CRM software from Microsoft, Sage, and Salesforce, as well as custom-developed solutions. Cargas sells the software, sets it up, teaches you how to use it, and helps you adapt it as your needs change over time. We help healthcare organizations like yours streamline accounting processes so you can focus on what's most important—caring for patients and growing and running your business.

A Culture of Excellence

Established in 1988, Cargas is committed to teamwork and fostering a culture of excellence and innovation. We are proud to be recognized for many achievements as a testament to our investment in our employees and our customers, including:

- ▶ Best Places to Work in PA
- ▶ Inc. 5000 Fastest-Growing Private Companies
- ▶ Samaritan Counseling Center Ethics in Business Award winner
- ▶ NCEO Innovations in Employee Ownership Award winner
- ▶ Central Penn Business Journal Business of the Year

Whether they're CPAs or former CFOs and Controllers, our team has real-world accounting experience. They understand the unique challenges and requirements of your healthcare organization and are ready to help you build your ideal financial management system.

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