

THE COVID-19 IMPACT ON HOSPITAL BALANCE SHEETS

COVID-19 has created significant balance-sheet challenges for providers and highlighted the need to move forward with operational and automation improvements.

U.S. hospitals lost **\$202.6B** between March and June 2020¹

U.S. hospital's total losses for 2020 estimated at **\$323.1B**¹

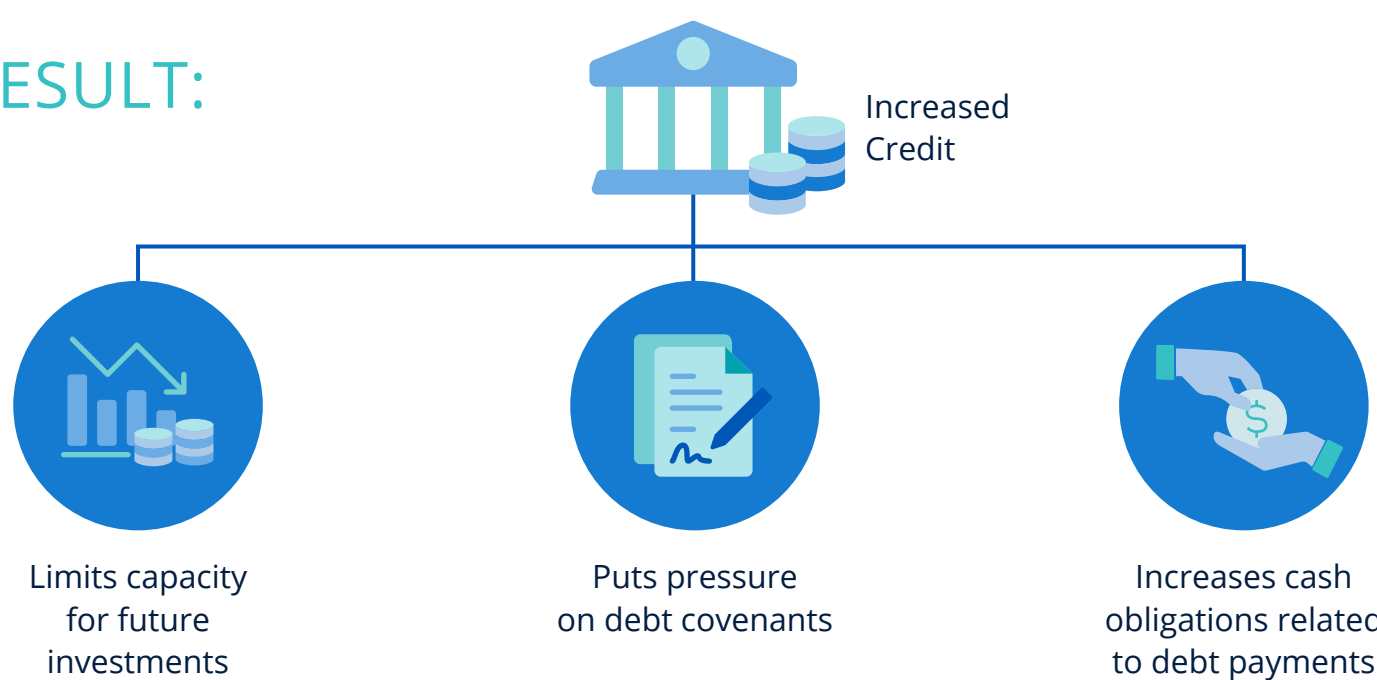


Among the top three challenges are losses in revenue, delayed patient and payer payments and workflow disruptions arising from needed business process improvements and increased automation.

REDUCED WORKING CAPITAL

Many hospitals find themselves with barely enough capital to cover short-term cash commitments, let alone long-term commitments. In response, hospitals have opened new lines of credit or increased existing lines of credit. This is a necessary short-term fix, but it also will affect financial flexibility in the future.

THE RESULT:



PATIENT AND PAYER PAYMENT DELAYS

Delayed payment also is wreaking havoc on cash flows. Whether postponed procedures or economic hardship on the part of patients, cash collections have slowed and foretell continued risk of lowered cash collection in the months to come.

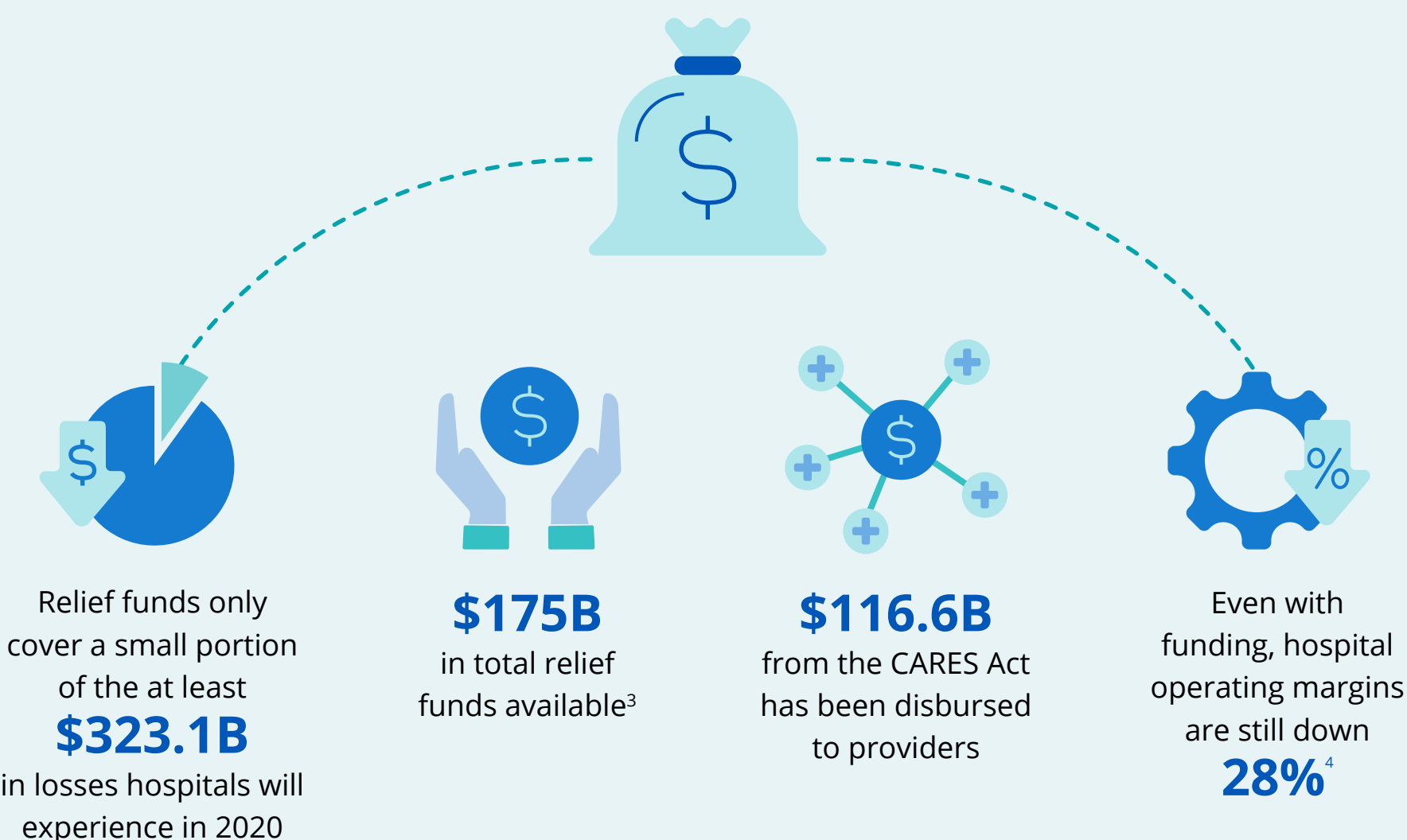


As hospitals resume elective procedures, the typical revenue cycle time from procedure to payment in combination with the increases in overtime, incentive pay and other COVID-19 related impacts will have a compounded negative effect on cash flow.

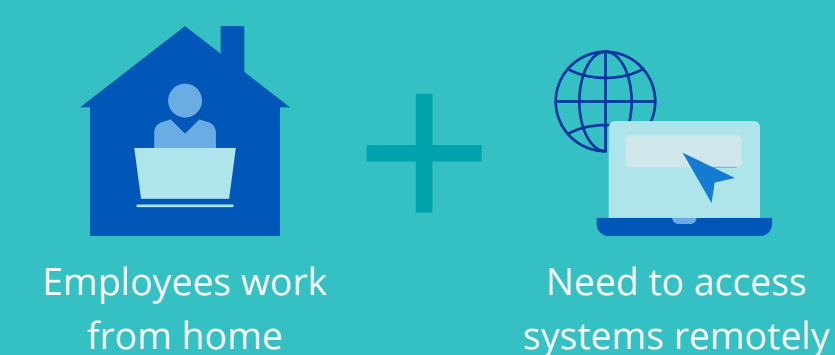
U.S. hospitals will lose **\$120.5B** between July and December 2020¹

Provider revenue declined **48%** in April 2020 vs. April 2019²

RELIEF FUNDS HELP BUT LEAVE A GAP



BUSINESS WORKFLOW DISRUPTION



The fundamentals of financial management have not changed. But the complexity of the financial picture has changed quickly. A lack of automated workflows and reliance on old technology and processes have exacerbated this complexity for finance teams.

\$39

to manually process each invoice and paper check⁵



42%

of all payments are still paper⁶



Slower payments to suppliers leads to

lost rebates and credit holds



Manage your balance sheet and meet your supplier payment requirements.



ePay can help.

LEARN MORE

Resources

¹ [Hospitals and Health Systems Face Unprecedented Financial Pressures Due to COVID-19](#)

² [Healthcare Professionals and the Impact of COVID-19, FAIR Health](#)

³ [CARES Act Provider Relief Fund, US Department of Health & Human Services](#)

⁴ [Kaufman Hall | National Hospital Flash Report](#)

⁵ RPMG 2018 Electronic Accounts Payable Benchmark Survey Results, RPMG Research Corporation

⁶ [2019 AFP Electronic Payments Survey](#)