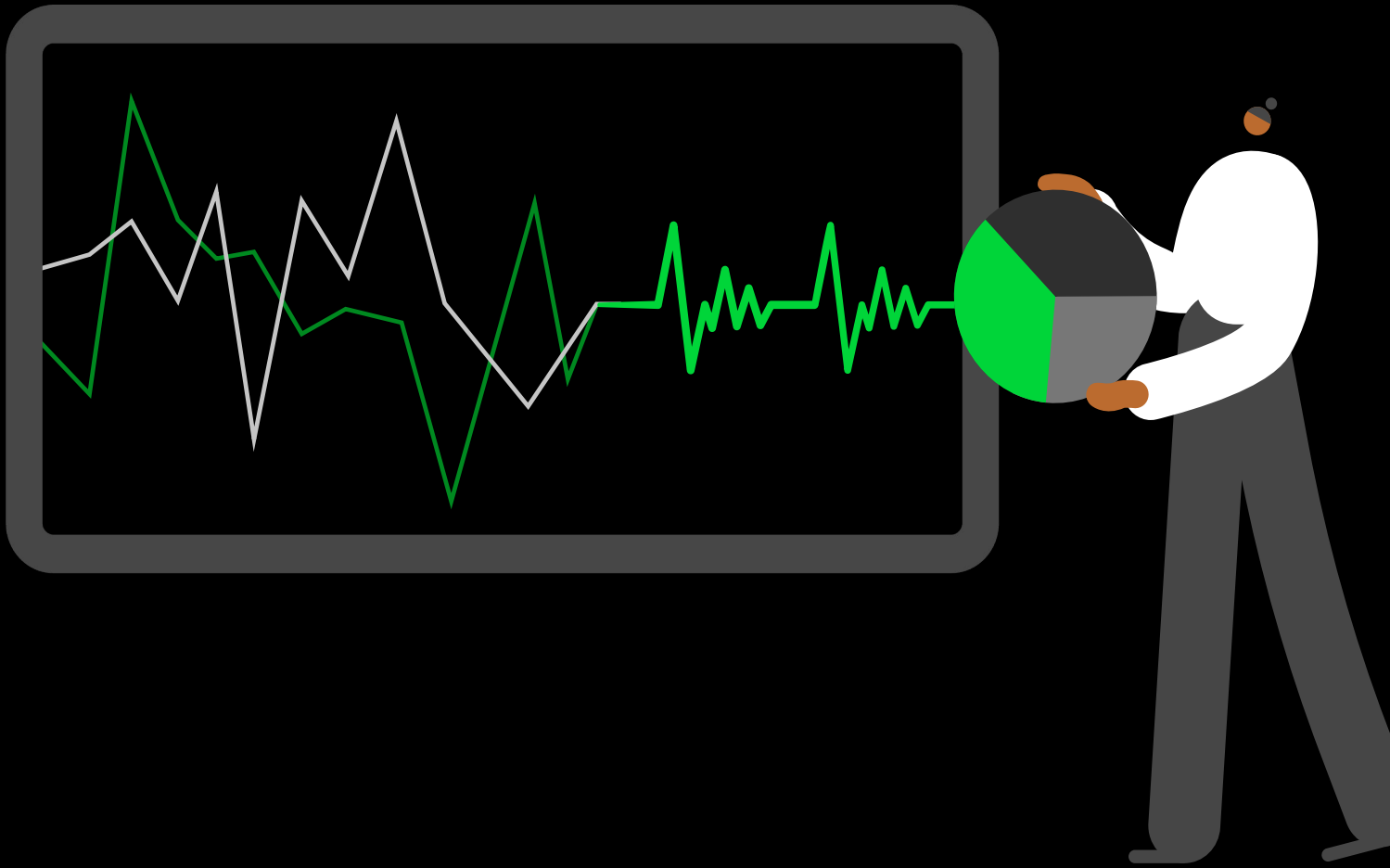




Whitepaper

The modern healthcare CFO: A new playbook for driving better financial outcomes

Explore the transformative power of integrating clinical and financial data to drive efficiency, reduce costs, and enhance financial outcomes.

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Faced with challenging macroeconomic conditions and the rise of advanced technologies such as AI, the role of financial leaders across industries in the U.S. is undergoing a significant transformation. According to Sage research, 96% of CFOs believe finance roles within their organizations will change over the next three years.

This shift is particularly pronounced in healthcare, where the delivery of patient care must be balanced with cost efficiency. In 2024, healthcare organizations face increasing regulatory complexity, digital disruption, and heightened scrutiny on operational and financial performance.

As value-based care models expand and regulatory demands intensify, healthcare CFOs are now tasked with leading strategic transformation through integration of clinical, financial, and operational data. Today's finance leaders must go beyond traditional budget oversight to drive meaningful business insights and guide decision-making.

For healthcare organizations seeking to stay competitive, aligning finance operations with real-time clinical data is critical. Finance leaders can leverage modern systems to navigate evolving payment models, compliance requirements, and market complexity.

This whitepaper presents key trends from Sage's CFO research alongside healthcare-specific challenges, offering a roadmap for finance leaders to unlock new opportunities through integrated systems and strategic insight.



96% of CFOs responded that they believed finance roles will change in their organization over the next three years.



Key drivers of change in healthcare financial management

Value-based care and reimbursement models

As CMS and commercial payers increasingly shift toward value-based payment, financial leaders must be able to analyse clinical outcomes alongside financial performance. Integrating Electronic Medical Records (EMR) with financial management systems can help track KPIs, such as location-based profitability and clinician performance.



AI and advanced analytics

Over the next three years...

83% of CFOs plan to spend **“more time on technology”**



53% of CGO's stated they would spend more time educating themselves on **new technologies and systems**



Artificial Intelligence (AI) offers the potential to automate core processes, improve revenue recognition, and enhance strategic decision-making. According to Sage research, 83% of healthcare finance leaders have adopted AI tools, and 85% believe AI will have a positive impact on revenue growth.

Hospital M&A activity rose by 23% in 2023. Effective financial integration and reporting across merged entities is essential. CFOs require access to real-time insights during due diligence and beyond, with harmonized reporting standards to achieve operational efficiency.

Understanding the business performance in a disrupted landscape

As healthcare regulations evolve, outdated financial systems can hinder compliance. Financial leaders need modern, agile systems capable of integrating clinical data in real-time to support reporting, security, and decision-making. Sage Intacct, a HIPAA-compliant financial platform endorsed by AICPA and reviewed by HFMA, enables healthcare providers to automate core financial tasks, improve compliance, and gain visibility into business performance.



The opportunities to embrace this trend from a financial, clinical, and operational perspective include:



Convenience and accessibility: Offering healthcare services in more convenient locations, such as clinics in retail stores, pharmacies, or standalone urgent care centers.



Transparency: Providing clear information on pricing and services, allowing patients to understand costs upfront and compare options, much like they would when shopping for other products or services.



Technology and innovation: Using advanced technology such as telemedicine, mobile health apps, and electronic health records to enhance patient engagement and streamline services.



Prevention and patient-centered care: Focusing on preventive measures and patient preferences is essential to modern healthcare, and automating key clinical and financial processes is essential to meeting this trend head on.



Customer experience: Focusing on improving the overall patient experience by reducing wait times, enhancing customer service, and creating a more comfortable and welcoming environment.



Data-driven decision making: Using data analytics to understand patient behaviors, preferences, and needs, allowing for more personalized and efficient care.

Evolving complexity of the regulatory environment



As lawmakers and regulatory bodies struggle to transform the US healthcare industry into a more sustainable market, regulatory requirements, such as quality reporting and patient access to data, continue to grow, causing many financial leaders to struggle to meet the requirements with outdated financial management systems. Having modern systems that are nimble and enable greater real-time integration of clinical and financial data is a must-have today.

To help healthcare financial leaders better understand how to tackle these challenges and equip their organizations with more modern financial management systems, let's take a deeper look at four key considerations that every financial leader should consider when evaluating their readiness for the future of healthcare financial management (hint: integration with clinical systems is an ongoing imperative).

Sage's HIPAA-compliant healthcare accounting software, Sage Intacct, is the only healthcare accounting software endorsed by the AICPA and designated as Peer Reviewed by the Healthcare Financial Management Association. The software can help automate healthcare organizations' most important financial processes, reducing reliance on spreadsheets, and equipping healthcare providers with greater visibility into real-time business performance to reduce costs and improve security and compliance.



Four key considerations for future-ready financial leadership

1. Advanced reporting and enhanced visibility

Healthcare CFOs are under pressure to deliver real-time financial insights. Integrated financial systems empower teams with predictive analytics and scenario planning capabilities.

58% of CFO's surveyed by Sage believe that an "increased use of predictive analytics" is likely to impact their role over the next three years.

2. Data accuracy and integrity

Replacing spreadsheets with automated, integrated systems ensures data reliability and enables better financial forecasting. 95% of healthcare CFOs believe more processes can be automated to enhance efficiency.

81% of CFO's believe thHealthcare CFOs are under pressure to deliver real-time financial insights. Integrated financial systems empower teams with predictive analytics and scenario planning capabilities.at "more finance processes in (their) organization could be automated to improve efficiencies" (with healthcare industry CFO's responding at an even higher rate).

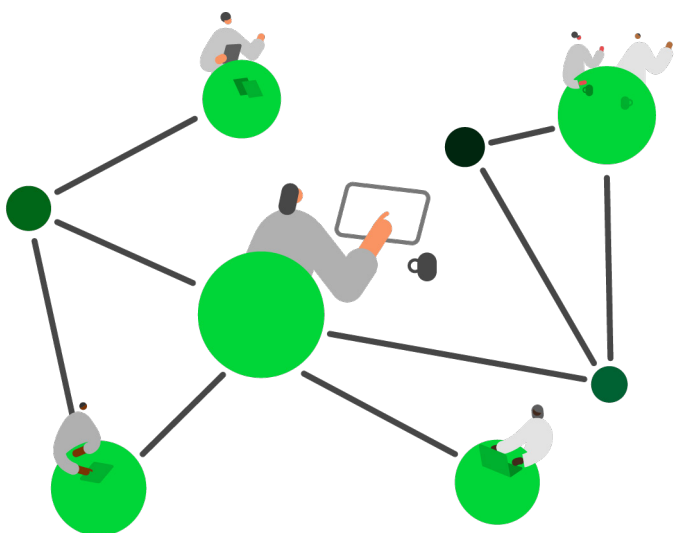
3. Adherence to evolving industry standards

Automation and clinical data integration are vital for staying compliant with regulations like HIPAA, and ensuring organizations can meet ongoing regulatory changes.



4. Streamlined intercompany consolidations

Growth via M&A or expansion necessitates seamless intercompany consolidation. Financial systems must support multi-entity operations with real-time accuracy.



Conclusion: Real-time financial insights for healthier outcomes

Finance leaders in healthcare are uniquely positioned to drive strategic outcomes. By integrating clinical and financial data, embracing automation, and adopting value-based financial models, CFOs can support both patient care and business performance.

Partners offering Sage Intacct can help healthcare organizations modernize their financial infrastructure and navigate today's complex regulatory and operational landscape.

To learn more about how Sage Intacct is helping financial leaders across the healthcare spectrum thrive in today's complex and challenging healthcare environment, contact our Sage partner.





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