# **TIME FOR A CHECKUP:** THE STATE OF B2B

**HEALTHCARE PAYMENTS** 

Late B2B payments aren't just a headache for accounts receivable. For some businesses, past-due payments can be the difference between success and insolvency.1

Fortunately, healthcare businesses don't have to live with the pain of outdated, error-prone processes. Modernizing payments can help keep your business in good financial health.



## SIGNS AND SYMPTOMS OF **PAYMENT PROBLEMS**

#### 47 DAYS

average DSO in healthcare<sup>2</sup>

## \$760B-\$935B

amount lost annually due to payment and claims inefficiencies3



of healthcare businesses intentionally tap



overdrafts to improve cash flow management<sup>4</sup>

# THE DIAGNOSIS: LATE PAYMENTS



**Late Payments** add pressure to balance sheets



complicate cash flow management



and demand extra time<sup>5</sup>

That may be why **more than half** of surveyed leaders say claims and processing delays harm their business.6

## THE PRESCRIPTION

In order to thrive, healthcare business owners should learn to work with emerging technology.7

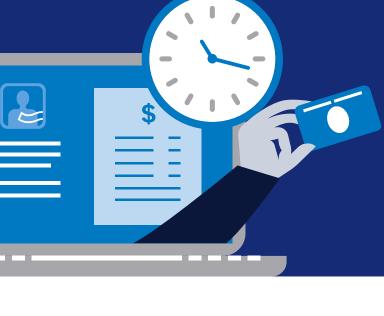
**Real-time payments** appear to help lead to healthy balance sheets8:

**57%** say they've been paid faster<sup>9</sup>

**52%** say they now see better overall cash flow management<sup>10</sup>

**Virtual card payments** help automate the payment process and provide: Clear communication

- Transparent transactions
- Fast payments ✓ Improved cash flow<sup>11</sup>



# THE PROGNOSIS

Accepting virtual cards and real-

time payments can help healthcare businesses **get paid fast** so they can reduce DSO and enjoy improved financial health.

Visit Business Class for Merchants for additional trends and

insights to help you navigate the B2B healthcare landscape.

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#### <sup>1,8,9,10</sup>Nearly One-Third of Healthcare Providers Are Waiting for \$100K+ in B2B Payments, PYMNTS, May 1, 2024.

<sup>2</sup>Late Payments Across Verticals: The Good, the Bad and the Ugly, PYMNTS Intelligence, December 2023, page 10. <sup>3</sup>Pains and Gains: Conquering Healthcare's Payment Woes, PYMNTS

Intelligence, April 2024. <sup>4</sup>One-Third of US Healthcare Companies Fill Cash Flow Gaps With Bank Overdrafts, PYMNTS, December 29, 2023.

<sup>5</sup>Small Business Real-Time Payments Barometer: Healthcare Edition,

PYMNTS Intelligence, April 2024, page 45. <sup>6</sup>The Importance Of Reducing Friction In Healthcare Providers' Financial Journeys, Forrester, May 2023, page 5.

<sup>7</sup>Why the Tech Industry Won't Disrupt Healthcare, Harvard Business Review, February 16, 2024.

<sup>11</sup>Mastercard Says Virtual Cards Bring Speed and Security to B2B

Healthcare Transactions, PYMNTS, January 23, 2024.



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