

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Fortunately, healthcare businesses don't have to live with the pain of outdated, error-prone processes.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 healthcare²

\$760B–\$935B

amount lost annually due to payment and claims inefficiencies³

31%

of healthcare businesses intentionally tap overdrafts to improve cash flow management⁴



THE DIAGNOSIS: LATE PAYMENTS



Late Payments add pressure to balance sheets



complicate cash flow management



and demand extra time⁵

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 faster⁹

52% say they now see better overall cash flow management¹⁰

Virtual card payments help automate the payment process and provide:

- ✓ Clear communication
- ✓ Fast payments
- ✓ Transparent transactions
- ✓ Improved cash flow¹¹

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.

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SOURCES

^{1,8,9,10}Nearly One-Third of Healthcare Providers Are Waiting for \$100K+ in B2B Payments, PYMNTS, May 1, 2024.

²Late Payments Across Verticals: The Good, the Bad and the Ugly, PYMNTS Intelligence, December 2023, page 10.

³Pains and Gains: Conquering Healthcare's Payment Woes, PYMNTS Intelligence, April 2024.

⁴One-Third of US Healthcare Companies Fill Cash Flow Gaps With Bank Overdrafts, PYMNTS, December 29, 2023.

⁵Small Business Real-Time Payments Barometer: Healthcare Edition, PYMNTS Intelligence, April 2024, page 45.

⁶The Importance Of Reducing Friction In Healthcare Providers' Financial Journeys, Forrester, May 2023, page 5.

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

¹¹Mastercard Says Virtual Cards Bring Speed and Security to B2B Healthcare Transactions, PYMNTS, January 23, 2024.



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