



## ADVOCATE HEALTH CARE

### MEETING EFFICIENCY AND COMPLIANCE CHALLENGES IN FINANCE AND ACCOUNTING

The Finance Department at Advocate Health Care (AHC) is responsible for the fiscal operations of eight hospitals and 200 sites of care, including Illinois' largest privately held full-service home health care company. The largest fully integrated not-for-profit health care delivery system in metropolitan Chicago, Advocate uses technology to cost effectively fulfill its commitment for corporate governance and accounting efficiency without draining resources from its mission to meet the physical, spiritual and emotional needs of patients, their families and the community.

In 2002, AHC chose OnBase enterprise content management (ECM) software from Hyland Software as an integrated reference repository for all financial documents, including journal entries, capital documentation, reports and more than 10,000 invoices a week. With core competencies in document imaging and management, COLD/ERM and workflow, OnBase was selected based on its ability to cost effectively capture documents and reports to make them available network wide, provide automated invoice processing and integrate with the Lawson™ applications used throughout the system.

"There's only so much strategic capital to compete for in a non-profit setting," Susan Wendel, Accounts Payable manager at AHC, reports. "We wanted to work with a single company that could deliver all of the capabilities we needed at an affordable price."

### AP PROCESS AUTOMATION SAVES LABOR, CUTS COSTS

Despite steady growth in invoice volume, AHC's AP Department has been able to hold the line on staffing and improved resolution of exceptions since implementing OnBase. More than 10,000 invoices a week are received in a variety of formats, including EDI. Paper invoices received at the central facility are scanned using hardware from Eastman Kodak. Because of OnBase's flexibility, other facilities have the option of submitting invoices in their preferred formats, whether scanning, faxing or through

inter-office mail for AP staff to scan. "We don't dictate how they have to communicate with us; we want to be flexible for our customers" notes Mrs. Wendel.

AHC uses optical character recognition (OCR) technology from Cardiff Software to convert the invoices to text. Templates have been created for about 1,400 of the most active of AHC's 50,000 vendors using Cardiff's TeleForm® forms processing software. TeleForm uses the information from specific fields to update Lawson, and the images and indexing information are imported into OnBase using the Document Import Processor, which can be used to bring in batches of documents from third-party applications.

OnBase Workflow prioritizes both purchase order (PO) invoices and non-PO invoices. The data entry specialists are able to review and handle the resolution of an invoice from start to finish on their desktops. Using Workflow, invoices are automatically routed according to business rules throughout the department and outside the department for approval prior to payment in Lawson. "The use of Application Enabler and screen scraping has brought efficiencies to our desktop processing," says Mrs. Wendel. "Click on the invoice number in a Lawson AP 90 Inquiry Screen (Invoice Search by Vendor-Invoice) and the invoice 'pops' up on the screen. Click on the Ap20.1 (Basic Invoice) input screen and the identified index fields auto-populate in OnBase." Notifications can be sent via e-mail directly out of OnBase, and OnBase E-Forms are used to collect information, allowing non-OnBase users to participate in the workflow.

In addition to eliminating the need to hire new staff to accommodate a growth in volume, existing staff were restructured to provide more opportunities for leadership. "We also have the luxury of having time to concentrate on resolving exceptions and working statements," Mrs. Wendel adds.

#### AT A GLANCE

One of the top 10 healthcare systems in the country, Advocate Health Care uses enterprise content management (ECM) technology to improve and automate financial processes and support corporate governance and accountability initiatives.

#### BENEFITS

- Volume increases managed without additional labor
- Reduced cycle times by automatically applying business rules to complex processes
- Increases ability to collect early-pay discounts and negotiate favorable vendor contracts
- Lowered costs for offsite storage and microfiche creation and retrieval
- Improved ability to communicate and track financial information as well as human interactions
- Backup and recovery services support business continuity and compliance auditing

#### APPLICATION

- Accounts Payable
- Finance
- Accounting

#### COMPLEMENTARY PRODUCT INTEGRATIONS

- Eastman Kodak Co. document scanners
- Cardiff Software TeleForm® forms processing software
- Lawson™ Software
- Captaris, Inc. RightFax™

(continued)

With instantaneous access to an invoice or other document through Lawson using Application Enabler, the Finance Department can provide better service to internal and external customers. Vendor inquiries and credit holds can be acknowledged immediately. OnBase Workflow provides visibility into an entire process, making it possible to quickly view overall work status.

Utilizing the ActiveX® elements and DocPop (a URL-based feature that allows OnBase documents to be quickly posted on Web pages owned by the OnBase user), AHC has enabled its Lawson Crystal Enterprise Reporting user to view the actual invoice from OnBase while in the Crystal Reporting environment by simply double-clicking on the invoice number in the report.

The soft ROI realized by improvements in invoice processing are complemented with hard dollar returns as well. By reducing cycle times, AHC has improved its ability to collect early pay discounts and negotiate more favorable contract with vendors.

AHC is currently exploring a project management solution for senior AP representatives using OnBase WorkView. An integrated capability for tying human interactions to documents and processes, WorkView is used to build applications for tracking and managing a wide range of business interactions whether they are case based (all interactions based on a person's case file), project based (all interactions related to a group of people working to complete a common task) or process based (all interactions related to a group of people participating in a process).

OnBase is much more than an invoice processing solution at AHC. It is used to capture almost all financial documents, including legal documents, tax returns, capital procurements, contractor contracts, journal entries, purchase card detail, yearly 1099 documentation and W-9 forms. These documents can be logically related to each other, making it possible to navigate from one to another with a mouse click.

Enterprise reports (sometimes referred to as COLD reports) can be stored and indexed into OnBase, making them available to multiple employees simultaneously without printing. Once in OnBase, they can also be searched by specific words, account numbers or other values.

## BACKUP AND RECOVERY SERVICES HAVE COMPLIANCE BENEFITS

As part of its overall corporate governance, AHC has a well-defined disaster recovery strategy that includes regular backups and offsite storage of backup media. One element of this initiative is the automated creation of CDs directly from the OnBase system. The OnBase Publishing module allows AHC to store data on self-contained CDs that can be searched using an OnBase executable. One of the benefits of this process is the ability to share invoice groupings for both internal and external audits and contract purchasing reviews.

In 2005, AHC supplemented that policy with OnBase Database and Disk Group Validation Services. At regular intervals, AHC sends backup media to Hyland Software, where the database and OnBase Disk Groups are validated to ensure that the files are complete and restorable. Technicians run a series of tests and immediately notify AHC if any serious flaws are discovered, provides consulting on how to address them and tests a subsequent backup free of charge. When the first set of backups was sent, five corrupt pages were identified among the millions that were submitted, a compliment on the integrity of the OnBase system.

"Our internal audit department loves OnBase Database and Disk Group Validation Services because of all of the criteria that are analyzed," says Mrs. Wendel. "It's been excellent for Sarbanes- Oxley compliance because of the analysis of the files and the information that can be used to support excellent decisioning. Every quarter, we know if we are missing a page and can fix it as well as get statistics about the system."

Not only does AHC have assurance that the backup is restorable, a Hyland Software technician will assist with the recovery process in the event of a disaster. Through AHC's subscription to an optional Onsite Recovery Service, a Hyland employee would personally report to a designated site, restore the system and stay onsite for several days to make sure there are no ongoing problems

## SOUND TECHNOLOGY COMPLEMENTED BY CUSTOMER SERVICE AND SUPPORT

Mrs. Wendel credits the combination of quality software and outstanding customer service with the success of the OnBase implementation. "It's a really well-developed product," she says. "In three years, we've never had downtime, and there's been no corruption or other major issues despite an intricate workflow.

"Part of the reason this is such a quality solution is that we've really received outstanding support from Hyland," she adds. "We have a dedicated support team that understands our business and our system and a product that has made it possible to do much of the IT work within the Finance Department."

Hyland's corporate culture, which emphasizes customer service and professional development, has also contributed to the success of AHC's OnBase solution. "The absolute positive nature of Hyland is immediately apparent," comments Mrs. Wendel. "People who work there are experienced, and their attitudes are very positive. They like what they're doing and where they're working. They know OnBase will work, which gives them confidence as well as the competence that comes from certifications and training. It's been a wonderful experience."

In fact, the experience has been so positive that AHC is evaluating other areas, such as medical records, in which OnBase can increase efficiency and decrease costs. Besides generating even more savings in offsite storage, the OnBase system has a lower total cost of ownership over multiple point solutions because it reduces software acquisition and administrative costs.

Combining expertise in both clinical and business processes with a comprehensive ECM suite, Hyland is used by more than 430 healthcare organizations worldwide. At AHC, that means providing the tools to deal with whatever technological or organizational challenges are ahead as the healthcare system begins its second century of service as one of the top 10 systems in the country.

**OnBase**

a Hyland Software solution

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