Beaumont Health
Beaumont + Botsford + Oakwood

KOKIOSOFT LLC

CHALLENGE

The client, Beaumont Health, is Michigan's largest health care provider with 9 hospitals, 3,300 beds, and annual revenues of $5.5 billion. The client sought assistance with merging 3 entities, Beaumont, Botsford, and Oakwood into Beaumont Health. Entities had disparate ERP's and manual treasury processes (the exception was 1 entity which used the Sunguard system for treasury management). The Botsford entity used cash basis accounting whereas the other entities used accrual basis accounting.

Client wanted to re-engineer the Finance & Accounting processes, implement PeopleSoft 9.2, Financial Supply Chain Management, & Treasury solutions.to:
• Enable the consolidation of the 3 entities (Beaumont, Oakwood and Botsford hospital) into Beaumont Health
• Consolidate operating, controlled disbursement accounts (CDA), and demand deposit accounts (DDA) accounts
• Facilitate revenue recognition at the patient and non-patient level
• Enable cash application at the source so that current manual reclassifications during month end close could be avoided

SOLUTION

• Bank administration and cash management which included the consolidation of 58 bank accounts into 3 new bank accounts (Operating, CDA, DDA)
• Centralization of disbursement from AP to other legal entities
• Bank BAI2 integration for inter/intra daily balance and activities to reconcile, forecast, balance reconcile at month end
• Revenue activity by location coded to identify source of cash from bank, categorization by patient, non-patient and other in order to reconcile, forecast and automatically apply receivables in the GL with EPIC and non-EPIC billing interfaces
• Consolidated solution for GL-Cash integration, bank integration and dispatch of cash and AP settlements by a financial gateway
• Cash forecast using several scenarios with drill down approach
• Identification of excess or short of cash to make decision on funding or investment

IMPACT

• Created a simplified process flow for different entities for cash entries
• Reduced number of bank accounts and bank charges as a result of consolidating entities
• Replaced existing Sunguard, EBS and home-grown systems
• Structured operating, CDA, DDA accounts to enable visibility by entity and overall consolidated view
• Automated bank reconciliation solution and saved costs related to 20 FTEs
• Reduced the cash closing cycle time from 9 days to 3 days
• Supported timely planning of funding and investment needs via the use of a dashboard approach for cash flow forecasting