sage Intacct

Mental Health Agency Builds Agility and Accountability with Sage Intacct

Behavioral Health Resources

Challenges

Upgrading to a Modern, Cloud-Based Financial System

One of the oldest and largest mental health centers in western Washington, Behavioral Health Resources (BHR) is an essential nonprofit that offers integrated behavioral, medical, dental, and chemical dependency recovery services for adults, youth, and families in need. The organization runs separate entities to manage its client treatments, low-income housing properties, and foundation. It receives funding through Medicaid's fee-for-service, cost reimbursement, and per client case payments, along with state and county grants, rental income, housing subsidies, and fundraising.

Previously, BHR's finance team used a version of Microsoft Dynamics GP that was no longer supported, which led to inefficiency, inflexibility, and a risk of major data loss. When the agency brought on a new director of finance, he recognized the urgency of the situation and decided to migrate to a modern, cloud-based financial system that could help them prepare for anticipated industry changes. In particular, Washington state was on the cusp of moving from county-run distribution of behavioral health funding, to an integrated care model in which several large insurance companies would serve as managed care organizations (MCO) and process all Medicaid claims for medical and mental health.

"We knew the new MCO model would create all sorts of new hoops we had to jump through for Medicaid claims, increasing our billing workload substantially," said Eric Jensen, director of finance at Behavioral Health Resources. "But beyond that consideration, I was already a big believer in cloud software. We chose Sage Intacct as our new financial system of record because it was recommended by the AICPA, was easy to use, and had great financial reporting."

By switching to Sage Intacct, Jensen and his team at BHR eliminated 20 hours of monthly close work, freed 15% more time for strategic initiatives, and gained multi-dimensional visibility to foster better accountability.

Solutions

Freeing Up 15% of Transactional Time for Strategic Initiatives

The nonprofit worked with Sage Intacct consulting partner Clark Nuber PS to move from Dynamics to Sage Intacct within a very short, 60-day transition period. Together, they rapidly configured BHR's entities, departments, and chart of accounts in Sage Intacct, and set up data imports for things like recurring rent payments, bank transactions, and payroll. As a result of the system's automation, the team saves around 20 hours of manual work during their financial close every month.

Company Overview

Behavioral Health Resources (BHR) has been providing essential mental health services in Washington state since 1956 and is the oldest and largest mental health center in Thurston County. BHR was formed out of a grassroots movement by citizens in the community wanting to help youth facing poverty, abuse, and neglect, and grew to serve a much broader population base.

Learn more at:
www.bhr.org

Executive Summary

Previous Software:

- Microsoft Dynamics GP

Results with Sage Intacct:

- Cut 20 hours from manual monthly close tasks
- Freed 15% more time for strategic initiatives
- Achieved agility amidst major industry shift
- Gained multi-dimensional visibility to foster accountability

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In particular, Jensen was thrilled to streamline the time-consuming, day-long process of entering payroll into the accounting system. "To input payroll into our old software, we had to do a manual journal entry that was hundreds of lines long just for summary data. It was horrible, because if we made one tiny error, we'd have to go through every line to figure out where we were out of balance," he recalled. "With Sage Intacct, we can import a 10,000-line entry in under an hour, and the system instantly adds specific employee data into every department. This is a great improvement, since I can now look at costs for a particular employee right inside of Sage Intacct without having to dig around in our HR software."

Through changes like this, Jensen shifted 15% of the time he used to spend on transactional tasks into more strategic ways of supporting the business. He estimates that he saves around four hours on monthly report preparation, since he no longer has to manipulate 15 individual department profit and loss statements in Excel. "I created a pre-set report group in Sage Intacct that has everything I need at the push of a button, including an income statement for each entity and separate reports for every single department," Jensen shared. "We also built reports to speed billing, so when it comes time to produce invoices for specific programs, we simply pull the report and attach it right to the MCO's invoice—no modification required."

Results

Gaining Multi-Entity, Multi-Dimensional Visibility

Sage Intacct gave BHR the ability to compare income and expenses across dimensions, such as departments, programs, and locations, as well as individual entities. "Sage Intacct is very dynamic and can report on anything we want," noted Jensen. "For example, we needed to separate out financials for our medical operations, which isn't a standalone program but spans our children's and adult departments in three counties. Now that we tag all relevant transactions to a 'medical' project, we can easily see how much of each department's income and costs come from medical treatment as opposed to mental health or other services."

This granular visibility enables leadership to correctly attribute patterns to their actual causes, as opposed to relying on suspicions alone, so they can determine who should be held accountable for which metrics. When one department recently appeared to be losing a significant amount of money, BHR was able to quickly clarify what portion of those costs were coming from medical doctors and nurses and adjust expectations accordingly. This ongoing insight is key to driving consistent performance, since the organization's department heads are clinicians, not financial experts.

Finally, when COVID-19 hit, the nonprofit added a project to track all expenses and revenue related to the pandemic, including specific grants, personal protective equipment costs, and more. This helps BHR better understand COVID-19's financial impact and prepare data for future funding opportunities and needs that may arise as the public health situation evolves.

> "We are much more efficient with our day-to-day bookkeeping tasks, and that's something that was absolutely necessary for me when we were looking for a new solution. Thanks to Sage Intacct's automation, I do very little transactional work anymore, and have shifted 15% more time towards supporting the business."
>
> Eric Jensen,
> Director of Finance,
> Behavioral Health Resources

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