

## Case study

# Optimizing purchase-to-pay operations in *healthcare*





## Client profile

The client is one of the nation's leading non-profit health systems in the US. Its mission is to deliver compassionate, personalized care to all, with special attention to people living in poverty and those most vulnerable.

In addition to healthcare delivery, the client's 135,000 associates, 8,500 employed providers, and 35,000 affiliated providers deliver a variety of services and solutions, including clinical and network services, venture capital investing, investment management, biomedical engineering, facilities management, risk management, and purchase contracting.

## Industry

Healthcare

## Footprint

The client operates 140 hospitals and 40 senior care centers across 18 states and the District of Columbia. In 2024 alone, the client provided over \$28 billion in healthcare services, including over \$2 billion for those living in poverty and participating in other community benefit programs.

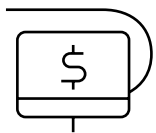




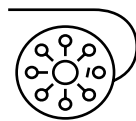
## Operational overview

The client wanted to drive cost savings, enhance its core competencies, and bolster overall productivity as part of its “significant improvement plans” initiative. In September of 2023, the client partnered with TP to improve both the operational efficiency and effectiveness of the accounts payable, purchasing, and travel and expenses functions.

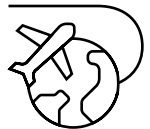
### Engagement services:



Accounts Payable –  
Invoice processing  
and exceptions  
handling



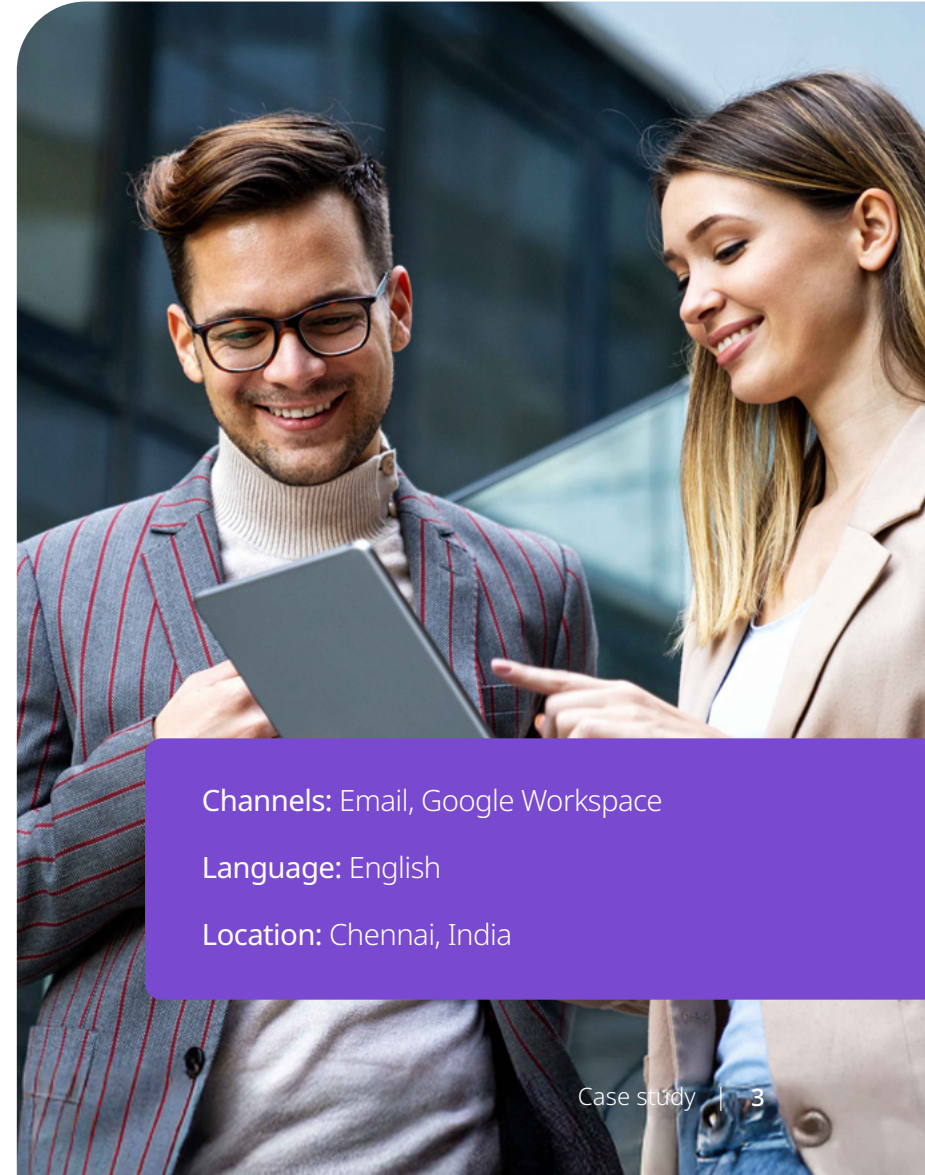
Technology  
Advisory/Implementation



Travel and Expenses  
(employee  
reimbursement)



Purchasing



Channels: Email, Google Workspace

Language: English

Location: Chennai, India





## Business challenges

With a widespread network of over 100 hospitals and thousands of providers, supported by an extensive network of affiliates operating across multiple states, the client faced a massive backlog of unprocessed vendor invoices.

A well-managed supply chain is a direct contributor to the overall quality of care, as access to critical supplies and resources is essential for positive patient outcomes. Purchasing and accounts payable processing issues can increase operating expenses by requiring manual processing to address accounts payable exceptions, process invoices, and resolve credit holds, late payment penalties, and more. Thirty percent of all invoices were experiencing exceptions, and delays in the purchasing of core supplies could critically impact services.





## Solutions delivered

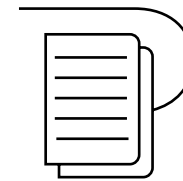
Working closely with the client's purchase-to-pay (P2P) process owners, TP delivered the following solutions to address the short-term challenges while, in parallel, implementing a P2P solution to reduce costs further while strengthening the client's relationships with its suppliers and provider network.

### ADDRESSING THE BACKLOG OF INVOICE EXCEPTIONS

TP quickly deployed a team of accounts payable specialists to address the significant backlog of invoices with exceptions. Thirty percent of all invoices that were processed had exceptions such as unit price variances, insufficient purchase order spending, and missing information, which needed to be resolved before invoices could be paid. In the short term, critical vendor invoices were prioritized for immediate processing to ensure no disruptions to core healthcare services and to avoid other impacts such as credit holds and late payment penalties.

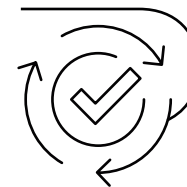
The team analyzed and identified the main root cause issues causing the high volume of invoice exceptions and implemented some quick-win recommendations to accelerate resolution and optimize the time of the team dedicated to exceptions handling.

Within just 30 days, TP was able to reduce the initial invoice exceptions backlog and accelerate the processing of new invoices.



90%

OF THE INVOICE  
BACKLOG WAS  
PROCESSED IN 30 DAYS



2-day

PROCESSING TIME  
FOR NEW INVOICES



99%

ACCURACY OF  
NEW INVOICES  
PROCESSED



## OPTIMIZING THE ACCOUNTS PAYABLE PROCESS WORKFLOW TO REDUCE EXCEPTIONS

Once the initial invoice backlog was addressed, the TP team focused its energy on improving straight-through invoice processing. While the client utilized an optical character recognition (OCR) tool to automate the entry of received invoices, a low first-pass accuracy rate required heavy manual interventions to resolve invoice field recognition gaps. The TP team implemented a new OCR solution, which, within 60 days, tripled the first-pass success rate for processing unregistered invoices.

As part of the six-sigma process analysis performed during the due diligence phase, the team was able to identify some process improvements to address some of the upstream issues impacting invoice and expense report processing. For example, the team determined that several invoice exceptions were related to the upfront purchase order process. By proactively monitoring purchase order spending, the team was able to proactively address common purchase order matching issues (i.e., insufficient spend remaining, no purchase order number on invoice) that created process exceptions and manual efforts. Within two months, the TP team saw a 50% increase in straight-through invoice processing while doubling their efficiency in resolving exceptions.

## IMPROVING REPORTING AND BUSINESS INSIGHTS

The client struggled to produce timely reporting on invoice processing key performance indicators (KPIs), making it challenging to determine the root cause issues of the invoice backlog. A strategic shift was imperative for the organization to improve data quality and generate real-time insights. TP partnered with the client to generate real-time reports on invoice exceptions and invoice processing (i.e., inflow and outflow) to support process standardization efforts.

While the reporting efforts were initially targeted for accounts payable processes, the team has developed reports that monitor the full procure-to-pay process life cycle. As a result, the client has much higher visibility into the full process value chain and can continuously improve the processes and vendor and internal stakeholder experience.



## The people factor

The project went live with 90+ full-time employees (FTEs) working on purchasing, accounts payable, and travel and expenses. TP developed and delivered a customized training program to equip employees with the skills and knowledge about the healthcare services industry and the client, including compliance, process, and cultural considerations. In addition, TP's growth-focused mentoring approach (i.e., cross-functional training, and personalized career roadmaps) has led to extremely high retention rates that far exceed regional and country standards.

TP was able to fully staff the client team according to the aggressive transition timeline, with all nine KPIs reached within 60 days of going live. The team received high C-SAT scores from surveyed customers and achieved a 98%+ quality score overall, including no measurable critical processing errors.



## Real results

200%

INCREASE IN INVOICE  
EXCEPTIONS RESOLVED  
PER FTE PER DAY

50%

IMPROVEMENT IN  
STRAIGHT-THROUGH  
PROCESSING (STP)

98%

OVERALL QUALITY  
SCORE WITH ZERO  
CRITICAL ERRORS

\$3.5<sup>M</sup>

IN ANNUAL COST  
SAVINGS





## Collaborating to thrive in an ever-changing world

The US healthcare system is a large and inherently complex landscape. Driven by payer reform, technological advances, and consumer demands, among others, this sector is undergoing continuous transformation. To succeed in this space, adapting to change while ensuring the continuity of a complex patient care supply chain is paramount. The client's partnership with TP is a testament to its commitment to delivering compassionate and personalized care for all.

Powered by emotional intelligence, enabled by AI, TP brings over four decades of expertise in delivering operational efficiencies at scale while fostering retention, loyalty, and advocacy through human empathy.

Together with our clients, TP works tirelessly to deliver sustainable operations, achieve a competitive advantage, and optimize both business costs and operational performance.





## About TP

TP is a global digital business services company. With inspired and passionate people around the world speaking more than 300 languages, TP's global scale and local presence allow us to be a force of good in supporting communities, clients, and the environment. TP delivers the most advanced, digitally powered business services to help the world's best brands streamline their business and master their future through:

- A comprehensive, AI-powered service portfolio from front-office customer care to back-office functions, including Trust and Safety Services that help defend both online users and brand reputation
- A balanced high-tech and high-touch approach blended with deep industry and geographic expertise to make people's lives simpler, faster, and safer
- An extensive suite of plug-and-play TP Microservices that combine advanced technologies with process excellence and can be integrated within a company's existing ecosystem
- A range of specialized services such as Collections, Translation and Localization, Visa and Consular Services, and Recruitment Services

