

E-book

The healthcare accounting software buyer's guide

The ultimate guide to selecting the best accounting and financial management software for healthcare organizations.

Sage

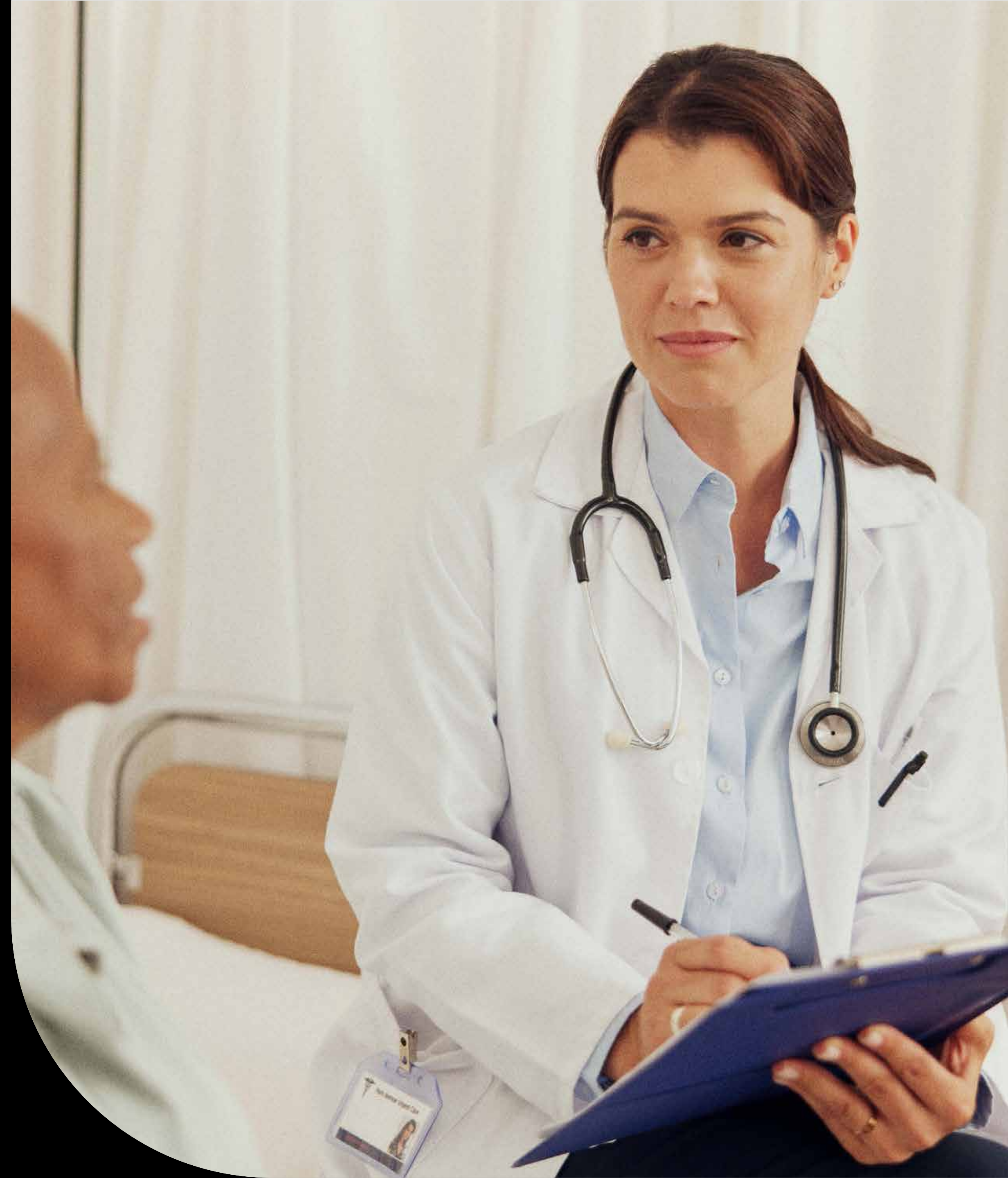


Table of contents

Introduction	Page 3
The challenge	Page 4
Your first decision	Page 5
Considering cloud	Page 7
Evaluating solutions	Page 10
Vetting cloud vendors	Page 11
7 SLA must-haves	Page 14
Buyer beware	Page 15
Conclusion	Page 16
About Sage Intacct	Page 17



Introduction

The modern healthcare finance leader's balancing act

Healthcare organizations rely on finance leaders to understand the true cost of delivering patient care and to maintain the visibility and decision-making ability needed to control costs, capture new revenue opportunities, improve efficiencies, and stay compliant with evolving mandates.

With accounting software designed specifically for healthcare, finance teams can gain the confidence that they are equipped to make informed strategic decisions that support long-term organizational growth.



What to expect in this guide

Healthcare finance leaders need solutions that support organizational growth, provide a clear understanding of the true cost of delivering patient care, and make it easier to communicate that impact to stakeholders. This guide is designed to help determine when a change may be required, including:

- The attributes to look for in a financial management system built for the complexity of healthcare organizations.
- The six key questions to ask before moving to a cloud-based financial solution.
- Why evaluating cloud software requires a different approach than traditional systems.

The challenge

Why is it so hard to get good financial information?

Legacy platforms limit progress

Since the 1980s there has been little adoption of transformative financial management software, leaving healthcare organizations with significant ground to make up compared with other industries.

Many systems still in use were developed in less agile times and are not suited to the unique needs of healthcare, such as analyzing clinical and financial data together or supporting new business and payment models.

Instead of offering adaptable configuration, they often require costly and permanent customizations that may not serve long-term needs.

This lack of flexibility forces healthcare finance leaders to spend more time managing accounting systems rather than focusing on guiding their organizations into the future.



Rising costs, inefficiencies, poor integrations, and limited reporting remain common across many legacy platforms. These direct costs are compounded by the opportunity costs of finance leaders tied up managing outdated systems.

Without access to real-time visibility across clinical, financial, and operational KPIs, organizations are unable to make timely, well-informed decisions that drive growth and stability.

Your first decision

Choosing a software delivery model that fits your needs

When evaluating a new financial management system, healthcare finance leaders should consider a fundamental question:

Which software delivery model offers the best return on investment (ROI) for their organization?

This overview outlines the three primary software delivery models to support informed decision-making. A comparison chart follows to provide additional detail.

Here is a high-level overview of software delivery models to support informed decision-making. These are the three main options available to healthcare organizations, followed by a comparison chart for further detail.

1. **On-premises solutions:** This traditional model involves licensing software and running it on internal servers. Organizations considering this model should account for both capital and operating expenses tied to deployment, operations, support, customization, integration, maintenance, and upgrades. These costs can be significant and may be unsustainable for smaller or mid-sized healthcare providers. However, on-premises solutions can remain a viable option for larger organizations that have already invested in robust IT infrastructure, possess the necessary capital, and maintain in-house expertise to manage enterprise software systems.

2. **Hosted solutions (single tenant):** Hosted solutions involve deploying the software at a remote data center managed by a third-party hosting provider. Access is typically enabled through tools such as Citrix, allowing users to interact with the system over the internet. This model reduces the burden of maintaining hardware infrastructure and helps minimize upfront capital investment. However, each organization receives a dedicated instance of the software, which means they are still responsible for costs related to customizations, upgrades, integration, support, and ongoing service.

3. **Native cloud computing solutions (multi-tenant):** Cloud-based financial applications, often referred to as software as a service (SaaS), are purpose-built for modern internet use. Similar to platforms such as Google or online banking services, these applications provide continuous access through a subscription-based pricing model, typically charged per user, per month.

These solutions operate in a multi-tenant environment, where each organization works within a secure instance of a shared system, application infrastructure, and database. While each entity can only access its own data, it benefits from the scalability and efficiency of shared resources.

There are no upfront hardware costs or long-term commitments. The vendor handles all infrastructure and software management, including upgrades, which are applied automatically at no additional cost. Even with system customizations in place, updates continue to support those changes without disruption.

Software delivery models at a glance

	On-premises software	Hosted software	Native cloud computing (SaaS)
Application development	Developed for the 1980s innovation of client/server, Windows-based computing.	Runs on-premises software in a third-party data center and adds a layer for online delivery (e.g., Citrix).	Developed from the ground up for online delivery.
Deployment	Installed on the customer’s own hardware.	Installed on a third-party vendor’s hardware and delivered via an internet connection.	A single vendor both develops and operates the applications which are delivered via an internet connection.
Implementation	Usually 3-6 months	Usually 3-6 months	3-4 months
Customization	Can be expensive and time consuming. Risk of “dead-end” customizations that break when new versions of software are released.	Same as on-premises.	Clickable configurations replace costly customization and do not break with application upgrades.
User interface	Designed for Windows machines in a client/server environment, and not always optimized for ease of use and learning.	Same as on-premises, with an extra layer for presentation (e.g., Citrix).	Designed from scratch for the Web environment, to match the paradigm users expect and are familiar with. Built from the ground up to be easy to use on multiple devices, with multiple operating systems.
Upgrades	12+ months	Same as on-premises.	Generally quarterly.
Integration	Difficult and expensive.	Same as on-premises.	Readily available via application programming interfaces (APIs).
IT Support	Generally provided by the customer.	Same as on-premises, but complicated by existence of third-party hosting vendor.	Generally included in the package from vendor.
Multi-tenancy	Not multi-tenant. Each instance of the application requires its own hardware, software, and networking environment.	Same as on-premises.	Applications are designed to be multi-tenant.
Hardware requirements	Requires a specific operating environment.	Same as on-premises. Users are typically limited to Windows only.	Delivered via a Web browser so generally operating system and browser-agnostic.

Considering cloud

Why Cloud Matters in Financial Management for Healthcare?

Cloud technology offers significant and unmatched advantages when deploying business software, especially financial applications.

Healthcare finance leaders seeking agility and flexibility are increasingly turning to software-as-a-service (SaaS) and cloud-enabled systems. These platforms are recognized for their ease of implementation, streamlined configuration, and seamless update cycles, which are essential advantages for organizations undergoing rapid transformation.

The need to access and analyze large volumes of financial and clinical data in real time continues to drive interest in cloud-based financial solutions. For healthcare organizations, gaining a clear and accurate understanding of the true cost of delivering patient care requires systems that can deliver both speed and insight.

While many providers adopt cloud-based systems, choosing a solution should not be based on trend alone. Each organization should assess its needs based on key operational drivers.

1. **Does the finance team need to work outside the office?** Cloud systems enable secure access from anywhere, allowing finance professionals to work from home, satellite clinics, or any location with an internet connection and a web browser. There is no need for additional VPN software or complex IT infrastructure, reducing friction while supporting distributed teams.
2. **Does my healthcare organization need to accelerate financial processes without increasing headcount or IT budget?** Cloud platforms often deliver rapid return on investment. According to Nucleus Research, cloud-based financial systems provide over three times the ROI of traditional on-premises solutions. In addition to reducing capital and operating expenses, cloud systems help increase efficiency by automating processes like accounts payable, revenue recognition, and consolidations. Healthcare organizations benefit from less manual data entry and fewer paper-based workflows, allowing finance teams to focus on strategic analysis rather than administration.
3. **Does the financial system need to integrate with other applications?** Cloud-based platforms are built with integration in mind. Open APIs and web services enable healthcare organizations to connect financial systems with other best-in-class tools across the organization. This includes solutions specifically designed for healthcare, such as electronic medical record (EMR) systems and practice management (PM) software.

By choosing a cloud-native platform, organizations can also integrate with applications for payroll, budgeting, and customer relationship management (CRM). These connections allow finance teams to track operational and program-specific metrics without relying on expensive IT resources or custom development. This not only streamlines processes but also provides a more complete picture of performance across the organization.

4. **Do key stakeholders need self-service access to relevant KPIs?** Modern cloud systems provide real-time visibility not only to finance teams but to a broader group of decision-makers. Department leaders, provider owners, and investors can access dashboards and key performance indicators relevant to their roles. This supports more informed, timely decisions across the organization. Access can also be extended to other employees for tasks such as entering expenses, approving budgets, or submitting purchase orders. In many cases, cloud platforms also support secure access for external stakeholders, including auditors or CPAs, which helps build trust and simplifies reporting.
5. **Is the organization burdened by inefficient financial processes?** Cloud-based systems enable greater operational efficiency across the organization. Beyond traditional finance tasks like consolidations and period-end closes, teams can automate workflows related to procurement, allocations, and compliance reporting. These efficiencies reduce manual workload and allow finance professionals to focus on higher-value tasks. By moving away from spreadsheet-driven processes and disconnected, single-user desktop systems, healthcare providers can gain better visibility and control.
6. **Is there a need to scale operations without increasing budget?** A cloud-based financial platform offers access to a world-class infrastructure that might otherwise be cost-prohibitive. Vendors distribute infrastructure and support costs across thousands of customers, allowing healthcare organizations to benefit from continuous uptime, data backups, disaster recovery, and enterprise-grade security. These platforms are built to scale in both directions, supporting rapid deployment and easy adjustment as needs evolve. This flexibility is particularly valuable for organizations experiencing growth or adapting to changing business conditions.



This offers you a far higher level of performance, reliability, and security than you may be able to produce on your own. Plus, cloud applications can be provisioned immediately and are bidirectionally scalable. You can get started quickly and change on a dime.

Many healthcare organizations that adopt cloud-based financial systems enable real-time dashboards and reporting for key stakeholders. This includes executive leadership, providers, board members, and investors. By giving these groups access to up-to-date performance metrics, organizations can support faster decision-making on the financial and operational matters that impact long-term success.

Banyan Treatment Center

Fast-growing rehabilitation center saves \$1 million annually with Sage Intacct

Banyan Treatment Center is a leading provider of substance abuse and mental health services, offering both inpatient and outpatient care across seven states.

Over a three-year period, the organization expanded from five to 14 facilities, increasing its service offerings and insurance coverage.

During this rapid growth, Banyan recognized the need for more sophisticated financial tools. The finance team selected a cloud-based, multi-entity financial management solution to support a move from cash-based to accrual accounting and to replace manual Excel-based processes.

With the new system in place, Banyan transitioned to a single, multi-dimensional general ledger across all 14 entities, enabling automation for allocations, banking, and global consolidations.

This change allowed the organization to acquire four additional locations and add 10 entities without expanding the finance team. As a result, finance staff efficiency improved by over 35%, freeing up time for strategic initiatives and cross-functional support.



The team now leverages built-in reporting capabilities, statistical accounts, and financial dashboards to gain deeper operational insight. Previously, just 15% of time was spent on financial analysis.

With Sage Intacct, that figure has increased to nearly 60%, supporting proactive planning, improved cash flow management, and further expansion readiness.

Results with Sage Intacct:

- Shortened monthly close by 40%
- Improved finance team productivity over 35%
- Increased time dedicated to analysis by 300%

Evaluating solutions

Selecting a financial solution: An essential checklist for healthcare organizations

When evaluating vendors for a healthcare organization's financial system, it is important to recognize that the decision involves selecting a sophisticated software application with long-term operational impact.

Whether considering a cloud-based or on-premises solution, the core vetting process remains the same. The checklist below outlines essential steps for evaluating solutions. A follow-up section includes additional criteria specific to cloud vendors.

Gather requirements. Clearly define and document the organization's financial and operational needs. Engage stakeholders across finance, IT, billing, and related functions. For example, if CRM integration is required, involve the development team. If electronic medical records (EMRs) or practice management systems are part of the ecosystem, consult with billing or revenue cycle leads.

Identify priorities and challenges. No system will satisfy every requirement for every user. Identify the features and capabilities that are critical to your finance team and rank them in order of importance. This ensures a structured, needs-based selection process.

Research available options. Use online resources to create a shortlist of vendors. Review product comparisons, analyst reports, and independent customer feedback. Engage with professional networks and healthcare associations such as the Healthcare Financial Management Association (HFMA) to connect with peers who have evaluated or adopted similar systems.

Request demos or trials. Conduct hands-on testing with all shortlisted vendors. Evaluate functionality from both an end-user and administrative perspective. Ensure the system supports workflows, permissions, and reporting structures that match your operational needs.

Focus on product fit. Functionality should remain a top priority. Modern healthcare organizations often require capabilities such as multi-entity consolidations, allocations, fixed asset management, and automated workflows. Real-time reporting, secure integrations with EMRs, and streamlined approvals are equally essential.

Check references and independent reviews. Request references from each vendor and follow up with active customers. In addition, consult public review sites like G2 to access unfiltered insights into performance, ease of use, and support quality.

For real-world reviews by actual users, check out G2, TrustRadius, and the Salesforce.com AppExchange. Regardless of deployment model, there's still no substitute for functional excellence.

Vetting cloud vendors

Key criteria for evaluating cloud financial system vendors

When financial systems are deployed in the cloud, the vendor becomes responsible for operating and maintaining the solution, rather than the organization's internal IT team.

This shift should have a meaningful impact on the evaluation process. In contrast to traditional models where software was licensed and managed in-house, cloud computing involves an ongoing service relationship. The vendor must deliver continuous performance, meet support expectations, and provide regular updates that keep the system current and secure.

It is important to select a provider with a strong track record in operating financial systems at scale. The right partner should be able to manage the platform more efficiently than internal resources, while offering consistent uptime, proactive support, and ongoing value, month after month.

Seven attributes to look for in a cloud vendor:

1. **Implementation success:** The ideal cloud financial solution is designed from the ground up as a cloud application, backed by a vendor partnership with extensive experience in the healthcare industry. Make sure your vendor of choice can point to a proven track record of successful implementations with healthcare organizations.

2. **Operational track record:** Unlike traditional software licensing models, cloud vendors take on ongoing responsibility for managing core financial systems. This makes the relationship more strategic. Evaluate how the vendor operates. Consider cultural alignment, customer service values, and operational transparency. Ask where applications are hosted, how services are delivered, and what level of care and responsiveness can be expected.

3. **Data ownership:** It should be clear from the outset that the healthcare organization retains full ownership of its data. Confirm that the vendor offers access to that data, even if the contract is terminated, and that appropriate support for data migration will be available. Make sure this is documented in the service agreement, along with any related costs.

4. **Infrastructure and security:** Cloud financial systems rely on advanced infrastructure provided by third-party data center partners. Ask which providers the vendor uses and where those data centers are located. Confirm details on business continuity planning, uptime guarantees, and adopted security frameworks. Understand how the vendor prevents, detects, and responds to physical and cybersecurity threats. A review of the vendor's network operations center and supporting technology is also recommended.

5. **Return on investment (ROI) and total cost of ownership (TCO):** Cloud-based systems generally offer a lower total cost of ownership than on-premises or hosted solutions. While financial models vary by organization, cloud deployments typically include predictable monthly subscription fees and minimal upfront investment. In contrast, on-premises systems require significant capital expenditure in addition to ongoing operational costs such as hardware, IT support, maintenance, network management, and software tuning.

When comparing deployment models, take time to assess payback periods and model ROI scenarios. Cloud solutions are typically funded through operational expense (OPEX), while on-premises options often require a combination of OPEX and capital expenditure (CAPEX), making investment justification more complex.

6. **Support agreement:** Evaluate the quality and structure of the vendor's support offering. A strong support agreement should outline which services are included with the standard subscription and which premium options are available. Consider factors such as support hours, response time, and location of support teams. Some healthcare organizations may prefer access to U.S.-based support staff or require accounting and compliance expertise. Clarify whether the vendor offers a dedicated account manager or additional advisory support beyond technical assistance.
7. **Service level agreements (SLAs):** A comprehensive service level agreement (SLA) is a critical component when evaluating cloud-based financial system providers. Unlike traditional setups where support might come from an internal IT department, cloud deployments require a high level of reliability and responsiveness from the vendor.

An SLA outlines key expectations such as system uptime, issue resolution timelines, and overall service performance. It serves as a long-term accountability framework that helps mitigate operational risks. Well-documented SLAs also establish a clear foundation for the vendor relationship and can be enforced over multiple years.

Transparency is another important indicator. Vendors that provide public access to system status updates and historical performance data demonstrate greater operational maturity. In contrast, providers that do not offer a public status page or are unwilling to share performance benchmarks may lack full control over their infrastructure. This can be a potential red flag during the selection process.

Given the stakes, a world-class service level agreement (SLA) is a non-negotiable requirement when dealing with a cloud solutions provider.

Cloud computing turns CAPEX into OPEX

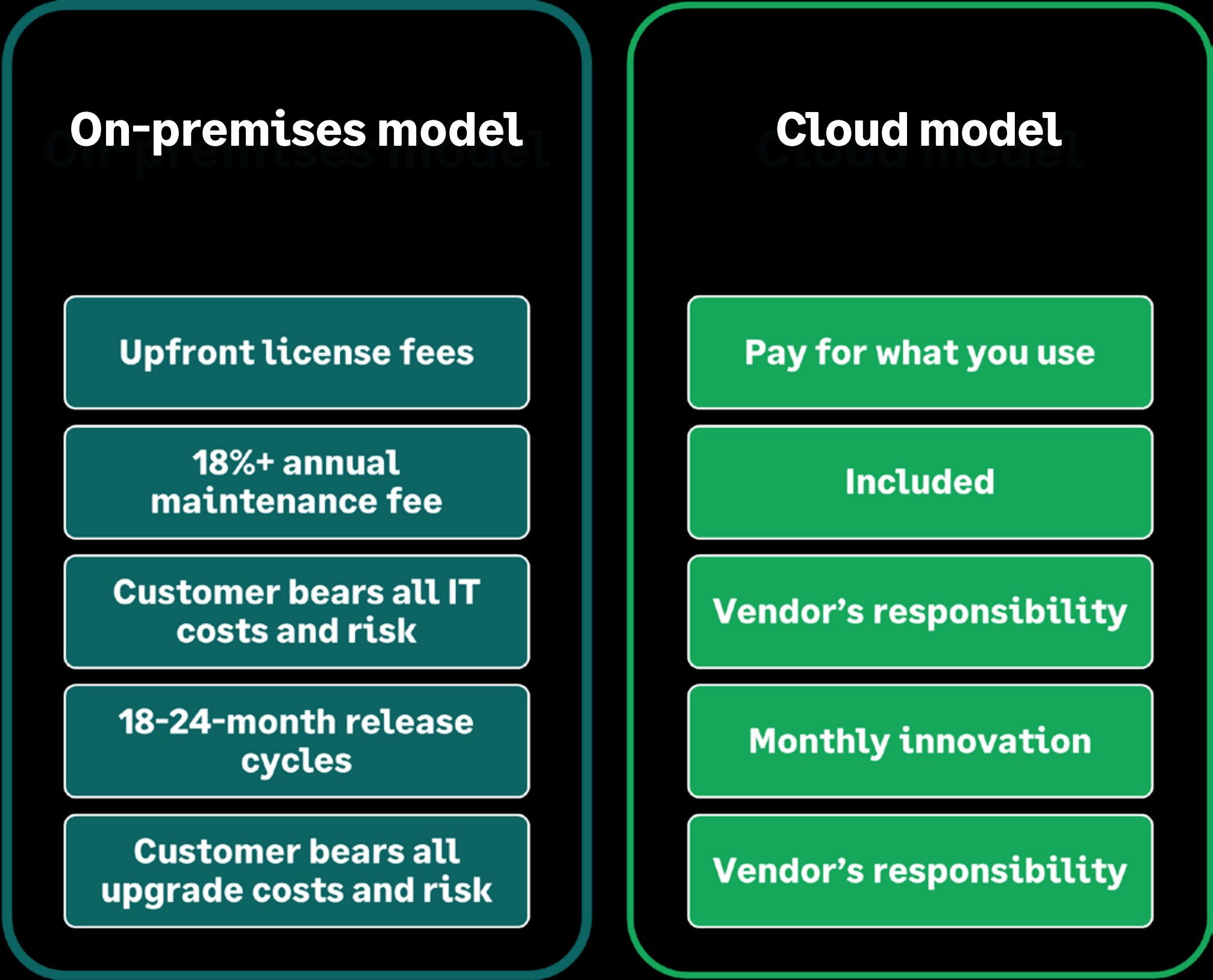
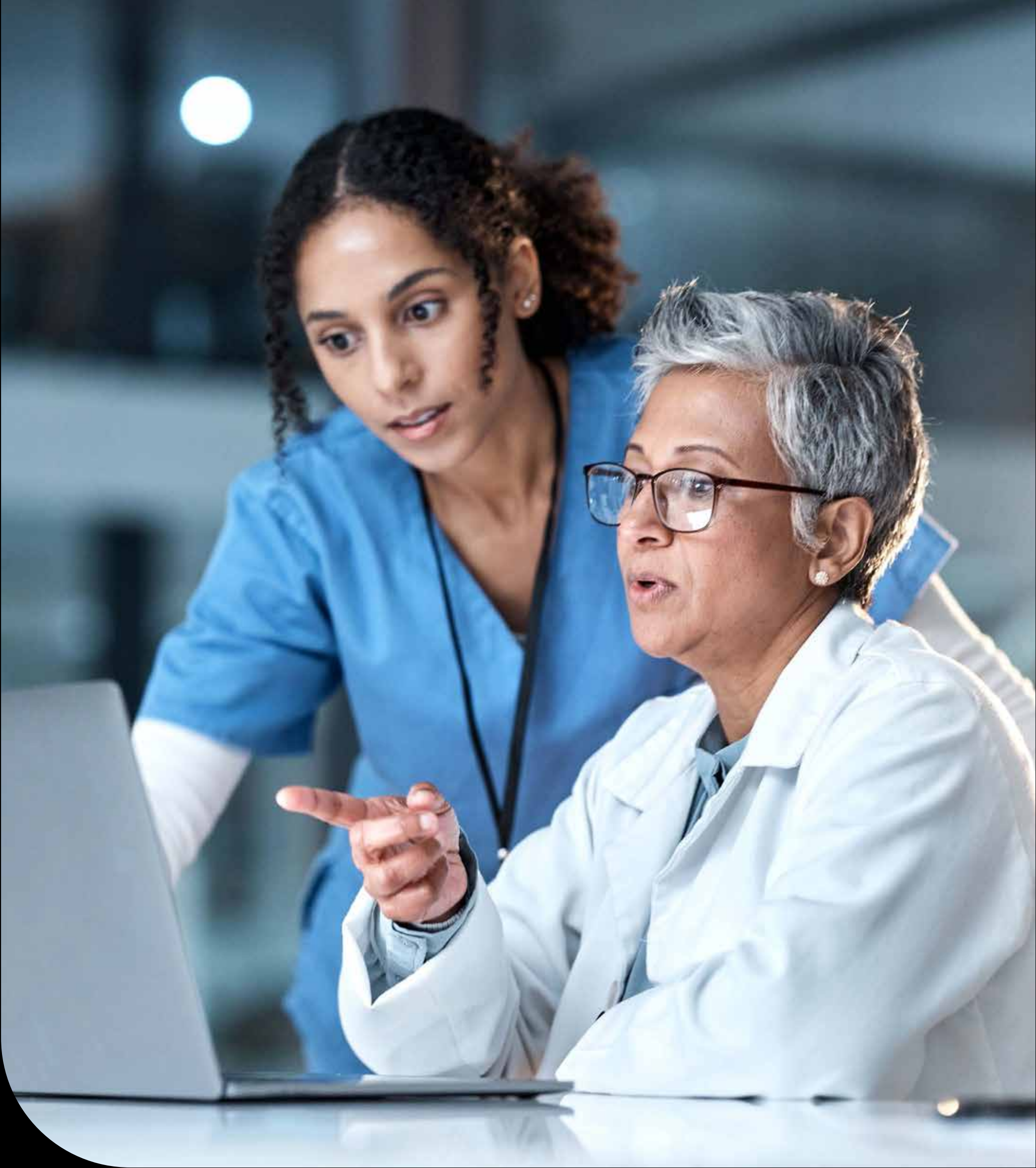


Figure 1: Cloud computing turns CAPEX into OPEX



7 SLA must-haves

What to expect from a cloud software provider?

A strong service level agreement should clearly outline the vendor's accountability for critical performance metrics. These agreements often include both incentives and penalties tied to measurable outcomes.

When reviewing a cloud vendor's service level agreement, ensure that the following areas are clearly addressed in writing:

1. **System availability:** The vendor should commit to a minimum of 99 percent uptime. Anything lower may impact business continuity.
2. **Disaster recovery:** In the event of a data center outage, recovery time objectives (RTO) should not exceed 24 hours, with a maximum data loss window of two hours.
3. **Data integrity and ownership:** There should be a clear agreement that the healthcare organization owns its data. If the contract ends, data must be made available in a usable format, without restrictions.
4. **Support response times:** The SLA should define what constitutes high, medium, and low priority issues. High-priority support cases should receive a response within one to two hours.



5. **Escalation procedures:** Vendors should provide a documented escalation path for unresolved issues. This includes named contacts and multiple escalation points for visibility and accountability.
6. **Maintenance communication:** Vendors must communicate regularly scheduled maintenance activities in advance. Any service window expected to run longer than usual should trigger a separate notification.
7. **Product communication:** The vendor should commit to providing timely updates on new product features, planned releases, and relevant product roadmap changes.

Buyer beware

How to be an informed buyer

When evaluating cloud-based financial systems, healthcare organizations should approach the decision with a long-term mindset. Unlike traditional software purchases, cloud vendors rely on recurring relationships and must continue to earn their customers' business well beyond the initial sale.

Once internal requirements have been defined, vendors shortlisted, and a solution selected, it is essential to understand exactly what is being paid for and when.

Here are two important considerations:

1. **Be cautious of steep upfront discounts:** Initial discounts may seem appealing, but they can sometimes lead to unexpected costs in the future. Agreements should include protections such as pricing caps or limits on increases over time. If a vendor offers deep discounts or free products, be sure to ask detailed questions about what is included, what is excluded, and what pricing will look like as your organization scales. Many users encounter significant cost increases in year two or three when usage expands or pricing tiers change.
2. **Understand the full pricing model:** Cloud pricing can vary widely. Some vendors offer flat, all-inclusive pricing, while others separate fees for training, support, maintenance, or additional users. There may also be overage charges based on transaction volume or feature usage. Reviewing all pricing components up front helps prevent billing surprises later and allows for better long-term planning.



Conclusion

With a growing number of options available for financial systems, healthcare finance leaders must carefully evaluate the benefits and trade-offs of each delivery model, whether on-premises, hosted, or cloud-based.

Cloud computing offers a modern approach that supports faster ROI and enables finance teams to align more closely with the evolving needs of the wider healthcare organization.

This guide has explored the limitations of legacy systems, the capabilities of modern cloud solutions, and the key factors to consider when selecting a platform.

In today's financial systems market, buyers hold the advantage. Regardless of the solution selected, organizations should expect faster period closes, simplified regulatory compliance, reduced manual effort, real-time insights, and strong service-level commitments from their vendor.

Good luck with your buying journey.





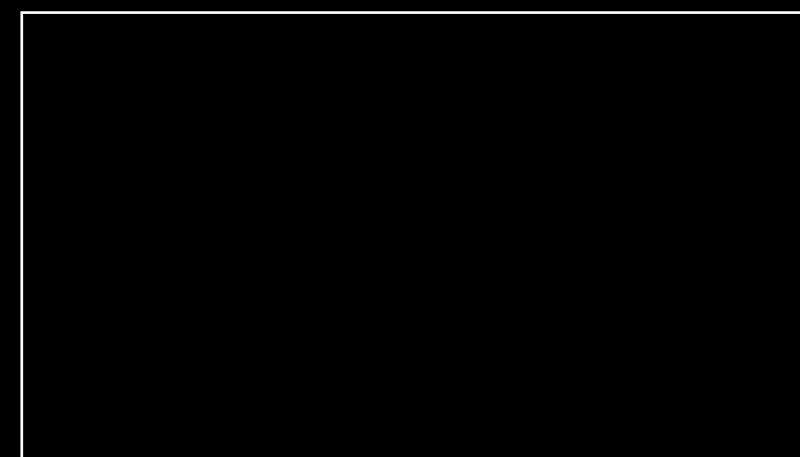
About Sage Intacct

Sage Intacct's comprehensive, cloud-native financial accounting software is the go-to platform for some of the industry's leading healthcare organizations. We deliver a depth of capabilities you won't find in a traditional accounting software suite, providing multi-dimensional analysis and the automation of complex processes to improve performance.

Data-driven healthcare CFOs choose Sage Intacct to solve their most complex challenges, allowing them instead to focus on strategic initiatives, increasing efficiency, and driving growth.



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