THE CHALLENGE

Yakima Valley Memorial Hospital (YVMH), part of the Virginia Mason Health System, is a 226-bed, acute-care, non-profit, community hospital serving Central Washington’s Yakima Valley. The Memorial Family of Services is comprised of primary care practices and specialty care services including high-quality cardiac care, cancer care through North Star Lodge, breast health at ‘Ohana Mammography Center, and acute hospice and respite care at Cottage in the Meadow, winner of the Circle of Life Award from the American Hospital Association for innovative palliative and end-of-life care. They also offer pain management services at Water’s Edge, an advanced NICU unit, and advanced services for children with special healthcare needs at Children’s Village.

Always on the lookout to bring efficiency and best practice to the supply chain function and mindful of the facility CFO’s interest in developing new revenue streams, Evan Casteel, senior manager, Materials Management & Organizational Decision Support at YVMH, was intrigued by presentations he had seen at an Intalere regional alliance meeting concerning the automation of accounts payable and the rebates these programs also offer.

“Our accounts payable process was still very paper based, and we only had a couple credit cards to use for payments, which could make things somewhat difficult and inefficient,” he said. “Given the potential benefits of implementing an automated system, we decided it was worth exploring further.”

THE SOLUTION

Working with Emily Hughes, regional manager of Intalere affiliate Health Resource Services (HRS), Casteel, with the full support of the facility’s Accounts Payable department, reviewed the solutions available through the Intalere Executive Resources contract portfolio, as well as several local options. Casteel and his team determined the ePayable solution that seemed to offer the highest upside was CPS Payment Services.

CPS is a market leader providing electronic credit card payments to client vendors through the AP disbursement process. CPS offers a unique solution that focuses on increasing back office efficiencies and increasing vendor participation while enhancing the rebate opportunities for the organization.
“Historically, companies have had challenges with credit card programs, including lack of automation, resulting in increased manual work and increased exceptions,” said Dave Rike, principal of CPS. “There can also be potential for fraud because of lack of financial control or earned rebates not meeting expectations.”

The CPS E-Payment Solution enables clients to automate the disbursement of their vendor payables through the use of a one-time-use MasterCard. By replacing checks, the clients are able to generate significant cash rebates on the payments made to vendors and eliminate the cost of the check printing and processing, which can generally be in the area of $5 per check.

“We were looking for the best way to enhance internal controls and reduce our office costs, check printing and mailing inefficiencies,” said Casteel. “We also were looking for ease of implementation along with a highly secure platform.”

Casteel said a big selling point of the CPS system was that it was able to integrate seamlessly in a very short period of time with their ERP system and also met with the approval of the facility’s information security committee. “Their rate of rebate was also much higher than the competition,” he added.

**THE OUTCOME**

Upon deciding to implement the CPS solution at YVMH, the CPS team used the organization’s accounts payable reports to get them set up with vendors. The Accounts Payable team at YVMH collaborated closely with CPS to help get the program up and running. The customer service and onboarding from CPS were another very pleasant aspect of the engagement. “They searched and connected the vendors for us,” Casteel said, noting that they were currently at 180 vendors now processing payments through CPS and they were continually working to add more.

“In addition to the savings and efficiencies realized, the facility is receiving $13,000 - $14,000 per month in rebates and hopes to reach up to $300,000 in rebates annually as vendors continue to be added. Implementing this solution has been a positive on so many levels.”

**Evan Casteel ∙ Senior Manager, Materials Management and Organizational Decision Support ∙ Yakima Valley Memorial Hospital**

As a relatively new member of Intalere, Casteel said he and his team are still learning about the breadth of services that the company can provide. “The regional meetings provide a great opportunity for networking and collaboration,” he said. “I always come away with something beneficial.” Most importantly, the YVMH materials management team has come to value the direct relationship with their account manager and the consistent opportunities for savings and efficiencies with which they are presented. “She serves as a great collaborator and liaison,” said Casteel. “It’s great to have a conduit for communication that can help us make sure the ball doesn’t get dropped.”