Buyer's Guide

The Community Health Center Finance Software Buyer's Guide

Modernizing Financial Management
in Community Health

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Introduction

Community Health Centers (CHCs) are the backbone of the nation's healthcare safety net, delivering essential services to more than 30 million patients, many of whom are uninsured, underinsured, or face significant barriers to care.

Yet, these mission-driven organizations operate in an environment of relentless financial pressure: rising costs, limited funding flexibility, and increasing compliance demands threaten already **narrow operating margins**. In 2023, nearly half of CHCs had negative margins and **overall net margins were 1.6%**, the lowest level since 2020.

> For most CHCs, average margins fluctuate between 1 and 3%, leaving little room for error or inefficiency.

Finance leaders in CHCs shoulder the dual responsibility of safeguarding resources and enabling the organization's mission. The stakes are high. Every dollar saved, every process streamlined, and every insight uncovered could translate into more patients served and better community outcomes.

However, outdated technology, manual processes, and unpredictable funding streams stand in the way. Modernization is no longer a luxury; it's essential for survival and long-term impact.

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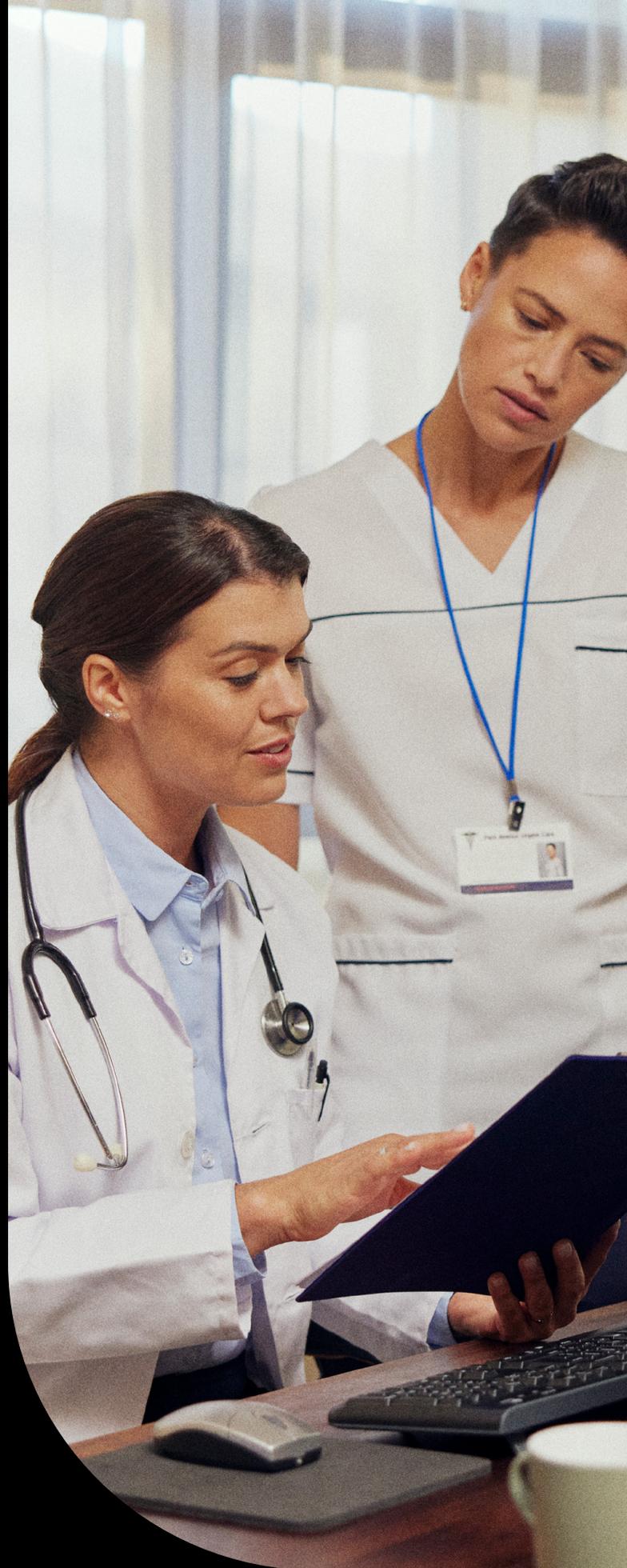
Section 1:
Why legacy systems are holding CHCs back

Many CHCs have historically underinvested in administrative technology, focusing their limited resources on direct patient care.

This has led to finance teams being left to navigate a patchwork of legacy accounting software, disconnected spreadsheets, and manual workarounds. These outdated systems, as well as being inconvenient to workers, are a direct threat to financial stability and compliance, with numerous impacts felt across an entire organization:

Disconnected systems and poor integration:
Legacy financial tools rarely connect seamlessly with electronic health records (EHR) and practice management software. This disconnect means data is siloed and finance teams spend time reconciling figures across platforms instead of focusing on strategic analysis.

Cumbersome grant tracking and reimbursement:
Manual processes and fragmented data make it difficult to track government grant spending and claim reimbursements efficiently. This increases the risk of errors, delays critical reporting, and can jeopardize funding needed to support patient care.

Slow reporting:
Closing the books can take anywhere from 10 to 30 days, delaying variance detection and limiting the ability to respond to emerging issues.

Weak approvals and audit trails:
Without automated workflows, approvals are ad hoc, evidence is scattered, and compliance documentation is inconsistent—exposing CHCs to audit risk and potential funding clawbacks.

Staff burnout and opportunity cost:
When skilled staff are bogged down by manual processes, they have less time for strategic planning, forecasting, or collaborating across departments. Frustration rises, morale drops, and turnover increases.

Cybersecurity and data integrity risks:
As healthcare rapidly digitizes, legacy systems lack modern protections, increasing vulnerability to breaches and data loss.

The cumulative effect: Finance teams are forced to focus on putting out fires rather than planning for the future. Liquidity suffers, compliance risks grow, and CHCs are less able to compete for patients, staff, and grants.

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Section 2:
Why financial software needs immediate action

1 **Regulatory and compliance demands:**
Revisions to federal guidance, stricter audit expectations, and the end of pandemic-era Medicaid "continuous coverage" are exposing gaps in compliance infrastructure. Manual grant accounting and weak control evidence put CHCs at immediate risk of findings or funding clawbacks.

2 **Financial volatility and funding pressure:**
At the same time as relief funds are expiring, inflation and wage costs are rising. Overall, real per-patient federal support has declined by approximately 30% since 2015, even as patient volumes increase. And with strict pricing rules, CHCs cannot simply raise prices to offset these trends.

3 **Technology transformation:**
Advances in automation and AI are transforming finance operations. Organizations that act now can gain a competitive edge, streamline operations, and free up staff for higher-value work. Those that wait run the risk of falling further behind.

Critical pain points for CHC finance teams

Manual processes increase risk to an organization.

Month-end closes stretch to 10–30 days, delaying variance detection and financial action.

Ad hoc payer and Uniform Data System (UDS) analytics limit cash and accounts receivable forecasting.

Controllers lack routed, evidentiary approvals, relying heavily on spreadsheets for key reporting.

Real-time cost-per-visit visibility and budget-aware procurement are missing.

Financial packages do not tie spend to outcomes and reserves, limiting strategic planning.

Vendor sprawl and inconsistent audit trails create waste and compliance headaches.

Staff burnout caused by working with inefficient systems reduces productivity.

Investing in modern finance solutions is the most effective way to regain control, enhance agility, and ensure compliance in a rapidly changing environment.

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Section 3:
Step-by-step guide to selecting a new finance solution

Common pitfalls to avoid

Choosing a generalist vendor without deep CHC experience.

Underestimating the complexity of implementation and change management.

Failing to engage clinical leadership and cross-departmental stakeholders.

Overlooking long-term support, training, and platform scalability.

1 Assess organizational needs:

- Map out current pain points including compliance, reporting, grant tracking, audit readiness, integration gaps, and cost containment.

2 Identify technology gaps:

- Pinpoint where outdated systems slow efficiency, limit visibility, or hinder the mission.

- Consider needs for automation (accounts payable, approvals, reconciliations), multi-entity consolidation, and real-time dashboards.

3 Define selection criteria:

- Prioritize grant compliance automation, Section 330 management, dimensional reporting (across grants, sites, payers), audit-readiness, and policy-driven controls.

- Look for seamless integration with EHR, billing, and payroll, as well as support for value-based payments and scenario planning.

4 Engage vendors and demo solutions:

- Request demos tailored to CHC workflows and compliance needs.

- Ask for standard features like board-grade dashboards and outcome reporting, not just custom add-ons.

5 Evaluate implementation and support:

- Assess the vendor's experience with CHCs, check references and case studies, and consider ongoing support, security, scalability, and cloud readiness.

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What to look for in a financial systems provider

- Proven track record with CHCs and a deep understanding of compliance needs.

- Leadership in incorporating advanced AI into financial system workflows.

- Support for specific features that support nonprofit healthcare and grant-funded organizations such as grant tracking and billing, dynamic allocations, and EHR integration.

- Transparent, predictable pricing, robust security, and ongoing customer support.

- Commitment to partnership, advocacy, and continuous improvement.

Key questions to ask when evaluating vendors for CHCs

Does the solution automate grant accounting, approvals, and audit preparation?

Can you track funds by program, site, payer, and grant with multi-dimensional reporting?

Are dashboards and outcome metrics available in real time?

Is EHR, billing, and payroll integration seamless?

Does the provider offer automation that can aid in compliance for Section 330, Medicaid, Medicare, and 340B?

Is the platform cloud-native and scalable for multi-site operations?

Can you generate drill-through board packages and scenario planning for ad-hoc analysis?

Is AI available to reduce manual burden, streamline operations, and minimize errors?

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Section 4:

How Sage Intacct can alleviate CHC financial pain points

Purpose-built, cloud-based financial management platforms are transforming how CHCs operate. Modern solutions deliver automation, integration, and real-time insights, empowering finance teams to shift from reactive problem-solving to proactive, strategic leadership.

Here's how Sage Intacct addresses the most pressing challenges faced by CHC finance leaders:

Automation of grant controls and audit readiness:
Automated workflows reduce manual processes, accelerate month-end close cycles, and ensure every approval is documented, minimizing audit risk and freeing staff to focus on analysis rather than administration.

Real-time, board-ready dashboards:
Executive dashboards provide transparent, actionable insights, linking spend to outcomes across payer, grant, and site. Scenario planning and multi-dimensional reporting support better decision-making and long-term sustainability.

Seamless integration:
Integration with clinical systems, billing, and payroll eliminates data silos and improves accuracy across the organization.

Scalability and security:
Cloud-native architecture enables multi-site operations, robust security, and rapid adoption of new features—without the need for expensive customizations or IT overhead.

HIPAA compliance:
Offers full support for HIPAA compliance with features that can respect proper use of personal information when accompanied by sound procedure.

Quantified results:
CHCs have reported up to **73% reductions in month-end close times**, 45% efficiency gains through workflow automation, and 50% faster audit preparation. In real terms, this means thousands of dollars saved annually and more staff time redirected to mission-driven work.

Modern finance platforms can act as catalysts for organizational transformation, enabling CHCs to do more with less, respond faster to change, and serve their communities with greater impact.

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Curing financial pains for CHCs

Pain Point	Modern Platform Feature
Lack of visibility into key insights	→ General ledger with statistical accounts, dashboards by payer/site, drill-down to transactions, recurring budget-to-actual reports
Approvals lack audit trails	→ Multi-step approvals, advanced audit trail, permissions, centralized document storage
Month-end close takes 10–30 days	→ Close checklists, automated reconciliations, recurring journal entries, real-time consolidations, dashboards
Boards lack actionable dashboards	→ Role-based executive dashboards with outcome metrics, drill-through, automated board packages

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Vendor Experience

Be sure to work with an organization that is committed to providing you with a world-class accounting system, not just a suite of software and services that you may not need.

Your modern accounting system should come from a provider that meets the following criteria:

	Sage Intacct
System and services heavily focused on the healthcare sector, with hundreds or more customers.	✓
Exclusive focus on finance and accounting systems.	✓
Proven longevity, sustained growth, and financial strength.	✓
Financial and organizational commitment to continued investment and support of both the system and nonprofit customers.	✓
Recognized for excellence by leading industry associations, such as the AICPA.	✓
Top ratings and reviews by customers from trusted and independent third-party sources like G2 and TrustRadius.	✓

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How Sage helped Hunter Health treat more people

Since expanding to multiple locations, Hunter Health has remained committed to delivering high-quality, community-based healthcare services. As the center experienced a remarkable 40% growth in revenue, its lean finance team faced mounting pressure to keep pace with increasing complexity and regulatory requirements.

It resulted in multiple benefits including:

- Keeping pace with 40% revenue growth, all while maintaining a streamlined finance team

- Boosted finance team efficiency by 75%, cutting annual overhead by $100,000

- Reduced the month-end close process by 67%, from a full month to under 10 business days

- Streamlined federal compliance with powerful, multi-dimensional grant reporting

Previously, Hunter Health relied on Microsoft Dynamics GP and Excel spreadsheets to manage its finances, but these systems offered limited visibility, especially when it came to tracking grants and departmental spending. The finance team found themselves stuck in a reactive cycle, constantly extracting and reworking data, which hindered their ability to plan proactively and support organization's growth.

Recognizing the need for change, Hunter Health migrated to Sage Intacct, a cloud-based financial management solution. The transition enabled the finance team to go fully paperless, decentralize purchasing, automate monthly bank reconciliations, and simplify grant reporting.

40%
Revenue growth

75%
Boosted team efficiency

67%
Reduced month-end close process
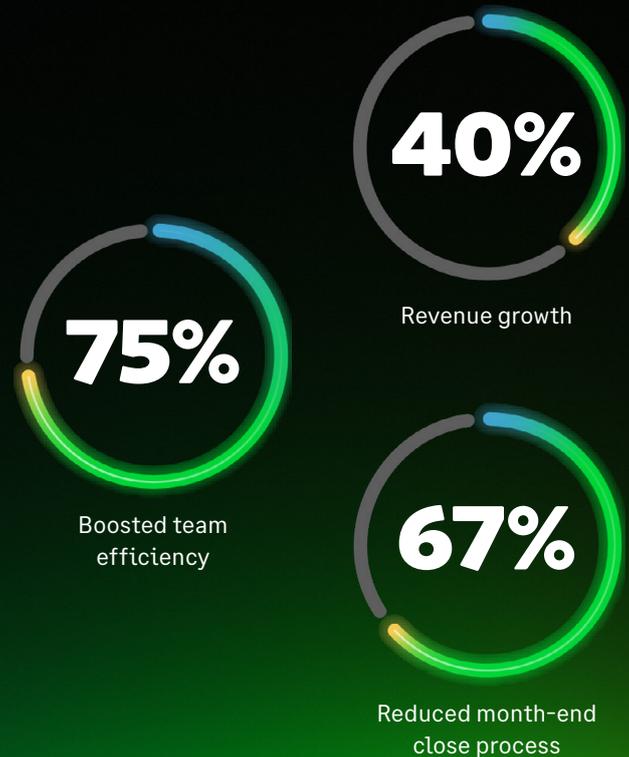
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Sage Intacct flexible general ledger structure also delivers end-to-end visibility across the organization, allowing the finance team to analyze profit and loss in detail and provide timely, insightful reports to the board, supporting well-informed decision-making at every level.

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We no longer need paper backups or a full-time AP clerk to manage vendor invoices, and our budget owners enjoy having more control over their spending.

Lora Winchell
CFO, Hunter Health

Conclusion and **next steps**

Modern finance platforms are now indispensable for CHCs seeking sustainability, compliance, and mission fulfillment in an era of funding volatility and regulatory change. By automating manual tasks, improving visibility, and supporting strategic planning, these solutions empower finance leaders to drive better outcomes for their organizations and communities.

High-performance CFOs need to take a proactive role: beginning by mapping your needs, engaging stakeholders, and evaluating platforms designed for the unique challenges of community health. Leverage peer experiences, request tailored demos, and insist on transparency, support, and a proven track record.

The right financial technology can be the foundation for the next generation of community health—one where every dollar goes further and every patient receives the care they need.

Ready to start your modernization journey?

Take our self-led product tour today →

High-Performance Finance Software

POWERED BY (Ai)

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