



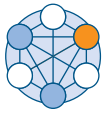
WHITE PAPER

# Four Ways to Improve Your Unsaleable Returns Process

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The financial loss stemming from a global pandemic has significantly impacted hospitals and health systems across the U.S. Although the pandemic disrupted our daily lives and business operations quickly in the short term, the impact is likely to last for a while. In fact, a recent report found that hospitals could lose between 53 billion and 122 billion due to the lingering effects of COVID-19. While return on capital has always been important, recent months have significantly increased the focus on revenue.

As your hospital or health system aims to save and recover dollars, a great place to start is to simply take a fresh look at your programs — specifically your unsaleable returns process. Ignoring any opportunity to improve revenue could have unfavorable consequences on your bottom line and potentially impact the amount of time available to focus on patient care. An action as simple as evaluating your existing process and pinpointing areas for improvement could make a major difference on the journey to financial recovery. Here are four critical areas to focus on as you review your unsaleable returns process.



### Cut Down on Manual Processes

A great deal of operations within hospitals and health systems are still manual. Many healthcare payment processes remain paper intensive and expensive. An Electronic Accounts Payable Benchmark Survey found that it costs as much as \$39 for hospitals to manually process each invoice and paper check. The unsaleable returns process, in particular, can be lengthy and highly manual — but it doesn't have to be. Having the right partner can make all the difference.

McKesson's Rapid Returns program, for example, takes on the administrative burdens of tracking and reconciling funds. Our program aims to help hospitals and health systems:

- Increase credit for returned pharmaceuticals and OTC products by providing customers access to McKesson's negotiated returns policies
- Give customers credit upfront
- Simplify the returns process with an online portal

As a result, health systems can not only receive their credit faster, but also save time. Time that can be used to focus on patients.



### Look at Your Credits

Are you getting the credit you deserve within a time frame that is reasonable for your business? If it takes longer than 30 days for you to receive credits for your unsaleable returns, there could be room for improvement.

In some instances, turnaround time could take months, which could make the reconciliation process more difficult and lead to the loss of working capital. With McKesson's Rapid Returns program, credit memos are issued to your McKesson account 30 days after processing is complete.

Additionally, Statements of Account provide line-item details for every product you return. Through a transparent statement, there's no guesswork needed when it comes to how much you will receive and when you will receive it.

Each Statement of Account even includes the corresponding McKesson credit memo number and is available for viewing within seven days of the credit's date.



## Expedite Shipping Time

Take a look at your current shipping process. Many hospitals and health systems work through a third party to ship and return products. Some are also responsible for paying shipping and processing fees to send multiple boxes to multiple manufacturers. The ability to eliminate or reduce third-party involvement and ship all items from a single location is possible and could meaningfully impact productivity.

McKesson's Rapid Returns program only asks customers to scan their items, place them in a box, and print a shipping label. From there, we handle all returns-related questions and work directly with the reverse distributor. We also leverage our relationships with manufacturers so you don't have to request return authorizations. Once you send your returns, McKesson takes it from there.



## Evaluate Your Tracking

Using online technology to track your credits can help you gain a clearer picture with the ability to see every step of the process. Partnering with our team of experts can help ensure you have access to the digital tools you need to save time and better manage your returns. We offer access to a free, web-based processing tool, developed specifically for health system pharmacies.

From reducing manual processes to making shipping more efficient — in taking a thoughtful approach to evaluate your current unsaleable returns process, your hospital or health system could identify key opportunities for savings.

To learn more about McKesson's Rapid Returns program and other opportunities for revenue recovery, visit our [Rapid Returns page](#).

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#### Sources:

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