

## Achieving Excellence in Care



### ADDRESSING AGED DEBT IN THE CARE HOME INDUSTRY

Revolutionising Financial Management in Care Homes: A Comprehensive Solution to Aged Debt.



The care home industry is currently grappling with a significant financial challenge: aged debt. This issue stems from the complex nature of care home fees, which are often split across multiple funding sources for each resident. Existing accounting systems are not equipped to handle this complexity, leading to inaccuracies and inefficiencies that result in unpaid fees and mounting debt. This paper delves into the problem of aged debt in the care home industry, the repercussions it has on the industry, and how Syncurio, a Care Home Management software, presents a comprehensive solution.

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# THE CHALLENGE:

## AGED DEBT AND ITS IMPACT

Aged debt, a term used to describe outstanding debts that are overdue, poses a significant challenge in the care home industry. This issue is not merely a financial problem; it has far-reaching implications that can affect the overall operation and sustainability of care homes.

### The Complexity of Aged Debt

The complexity of aged debt in the care home industry stems from the intricate structure of care home fees. For each resident, the total fee is often split across multiple funding sources, including personal funds, insurance payouts, and government subsidies. This complex financial landscape makes it difficult for care homes to accurately track and manage these multiple streams of income, leading to inaccuracies and inefficiencies that result in unpaid fees and mounting debt.

### The Impact on Care Homes

The repercussions of aged debt are multifaceted and extend beyond financial implications.

- Financial Instability:** Unpaid fees lead to a lack of funds, which can cause financial instability for care homes. This instability can affect their ability to provide quality care to residents, maintain their facilities, and invest in necessary improvements or expansions.
- Operational Inefficiencies:** The resources spent on tracking down unpaid fees and rectifying inaccuracies in financial records can lead to operational inefficiencies. These inefficiencies divert resources away from core care activities, impacting the quality of care provided to residents.
- Limited Growth Opportunities:** Aged debt can limit a care home's ability to grow and expand. Without the necessary funds, it becomes challenging to invest in new facilities, services, or technologies that could improve the quality of care and attract more residents.
- Increased Risk of Insolvency:** In extreme cases, high levels of aged debt can lead to insolvency. If a care home cannot meet its financial obligations, it may be forced to close, displacing residents and resulting in job losses for staff.

## Introducing Syncurio: Transforming Aged Debt Management

Syncurio Care Home Management software offers a targeted solution to aged debt in the care home industry. It accurately tracks and manages fees from multiple funding sources for each resident, providing a clear view of both the total fee and the breakdown of different funding sources. With Syncurio, care homes can effectively manage their finances, reduce aged debt, and enhance their overall profitability, leading to improved operational efficiency and financial stability. Syncurio empowers care homes to focus more on providing quality care to their residents.

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# CONSOLIDATING FINANCIAL DATA: THE KEY TO EFFECTIVE DEBT MANAGEMENT

The screenshot shows the Syncurio software interface for a resident named Joan Appleton (Resident ID: APP001). The interface is divided into a sidebar on the left and a main content area. The sidebar contains navigation options: Resident Details, Admission Details, Fees (highlighted), Notes, and Attachments. The main content area displays a table of fees for Joan Appleton, categorized by funding source: Local Authority (North East Lincolnshire) and Self Funding (Private). The table has columns for From, To, North East Lincolnshire, Client Contribution, Private, and Total. The data is as follows:

		Local Authority		Self Funding	
From	To	North East Lincolnshire	Client Contribution	Private	Total
26/12/2022		£250.00	£500.00		£750.00
01/11/2022	25/12/2022	£700.00			£700.00
01/10/2022	31/10/2022			£700.00	£700.00

Syncurio is a transformative force in care home financial management. This advanced software tackles aged debt, a persistent challenge in the industry. Syncurio offers a comprehensive solution that addresses this issue at its root, setting a new standard in financial management.

The software's design emphasises precision and transparency. Syncurio provides a clear, accurate picture of a care home's financial health, essential for identifying and addressing financial discrepancies.

Recognising the unique financial dynamics of care homes, Syncurio provides a unified view of diverse funding streams for each resident. This enhances financial accountability and reduces the risk of unpaid fees, making Syncurio a powerful tool against aged debt.

## Precision and Transparency

The solution's design emphasises precision and transparency. It provides a clear, accurate picture of a care home's financial health, essential for identifying and addressing financial discrepancies. This clarity is achieved by consolidating all financial data, including fees from multiple funding sources for each resident. This unified view enhances financial accountability and reduces the risk of unpaid fees.

Furthermore, the solution's commitment to transparency ensures that all stakeholders, from care home operators to residents and their families, have a clear understanding of the financial dynamics at play. This transparency fosters trust and confidence, which are crucial in maintaining a positive relationship between care homes and their residents.

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## Enhanced Fee Management

The solution's advanced fee management system sets it apart from traditional systems. Unlike systems that treat each funding source as a separate line item, the solution integrates all funding sources into a single, comprehensive view. This holistic approach eliminates the need to cross-reference remittance notices or other documents, saving time and reducing the risk of errors. Moreover, the system does not allow for overlapping or duplicate fees, ensuring that each resident's fee structure is accurate and up-to-date.

In addition, the solution's fee management system is designed to adapt to the evolving needs of care homes. As funding sources and fee structures change over time, the system can easily accommodate these changes, ensuring that care homes can effectively manage their finances in a dynamic environment.

## Improved Auditing Capabilities

With the solution, auditing becomes a streamlined and efficient process. The software's robust auditing capabilities allow care homes to easily review and verify their financial records, ensuring compliance with regulatory requirements and fostering trust among residents and their families. By simplifying the auditing process, the solution frees up valuable time and resources that care homes can invest in improving the quality of care they provide.

Syncurio's auditing capabilities extend beyond compliance. By providing a detailed audit trail, the solution enables care homes to identify trends and patterns in their financial data, which can inform strategic decision-making and drive operational efficiency.

## Better Management Accounts

The Syncurio solution goes beyond simply managing fees and payments. It also provides valuable insights into key performance indicators such as occupancy rates and average fees. These insights enable care homes to better understand their profitability and make informed decisions about their operations. With this solution, care homes are no longer in the dark about their financial performance – they have the data they need to drive success.

Furthermore, the solution's capabilities provides care homes with a powerful tool for financial planning and forecasting. By leveraging this data, care homes can anticipate future financial challenges and opportunities, enabling them to proactively manage their finances and ensure their long-term sustainability.



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# CLIENT IMPACT

## What Clients Say:

"Managing aged debt was a significant challenge in my role as CFO of a large care home group. Syncurio's consolidated financial data system has transformed our approach, helping us effectively manage debt and gain valuable operational insights."

**Chris — Group CFO**

"In my role as a Finance Manager, I've seen how inaccuracies in financial records can lead to a build-up of aged debt. Since we started using Syncurio, we've been able to significantly reduce our bad debt. The system's ability to provide a clear, accurate breakdown of fees has been instrumental in this transformation. "

**Jane — Finance Director**

## Case Study: Transforming Financial Management in Care Homes with Syncurio

"Care Group X", a prominent care home group, was facing a significant challenge with accumulating bad debt from residents' beds. The root of the problem was the lack of clarity and accuracy in their financial records due to multiple funding sources for each resident. This led to discrepancies in their accounts, resulting in an accumulation of aged debt.

Recognising the need for a more efficient system, Care Group X turned to Syncurio. The implementation of Syncurio's fee sheet system provided a clear and accurate breakdown of individual fees and total fees across the home. This level of detail enabled the group to accurately identify their aged debt and effectively chase it down, significantly reducing their bad debt in a short period.

The impact on Care Group X's profit and loss statement was immediate and substantial. Furthermore, Syncurio's solution offered the ability to generate better management accounts, providing valuable insights into the profitability of their care homes.

This transformation serves as a testament to the power of effective financial management in the care home industry. By consolidating financial data and ensuring accuracy and transparency, care home groups can enhance their overall financial management, leading to sustainable growth and success.

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# CONCLUSION

The challenge of aged debt in the care home industry, exacerbated by the complexity of multiple funding sources and the limitations of traditional accounting systems, necessitates the adoption of innovative solutions like Syncurio. By consolidating financial data and providing a clear, accurate breakdown of fees, Syncurio enables care homes to effectively manage their aged debt, improving their financial health. Furthermore, it offers valuable insights into key metrics, empowering care homes to make informed decisions and optimise their operations. As the industry continues to evolve, embracing such solutions will be pivotal in ensuring the financial health and sustainable success of care homes.



Get in touch today to find out how Syncurio can help your care home.

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