

# CAPITA

## Case Study

### Central Manchester University Hospitals NHS Foundation Trust – easing income collection and increasing cash flow using Capita's payment solutions

In December 2009 the Trust introduced Capita payment solutions and by increasing the ease with which payments are taken is already seeing tangible benefits and efficiency savings.



## The background

The Trust achieved Foundation status in January 2009 and comprises Manchester Royal Infirmary, Saint Mary's Hospital, Royal Manchester Children's Hospital, Manchester Royal Eye Hospital and University Dental Hospital of Manchester. With over 8,500 members of staff, the Trust treats more than a million patients each year.

It is considered to be one of the leading Trusts for teaching, research and specialist services in the North West of England and provides an extensive range of district general hospital services to the local population of 166,000 residents within central Manchester and tertiary and specialist services to patients from across the North West and beyond. The Trust is also a centre of excellence for healthcare research with a long standing and extremely successful academic partnership with The University of Manchester.

## The challenge

Whilst the majority of patients are receiving NHS treatment for which there is no charge, there are a significant number of private patients, particularly in areas such as dental work or laser and surgical vision correction, from who payment is collected. For any Trust, securing timely payment of invoices is a constant challenge, but one which is considerably aided where as well as by cash and cheque, payments can also be taken by credit or debit card, either face-to-face or with card details being given over the telephone or via the internet. Unlike those Trusts who are still using largely paper-based solutions, electronic payment was already in place in the on-site cash office, albeit via a fairly basic payment collection application, but where card payments were involved, validation was reliant on stand-alone bank-owned terminals.

## The solution

In late 2009, the Trust went Live with Paye.net (browser-based income collection tool), Income Management and Secure Bureau Service from the Capita Payment Management portfolio. This supports face-to-face card payments using accredited Chip and PIN devices at five locations within the Trust and also card payments over the telephone where the patient provides details to a member of the cash office staff, who processes the payment on the cardholder's behalf.

The Trust takes the secure handling of personal information including card data very seriously and all payment solutions incorporate the latest card fraud protection measures, which include Chip & PIN for cardholder present payments and Card Security Code for payments made over the telephone.

## The benefits

In the first three months alone, the Trust received nearly 600 card payments in person and almost 500 card payments over the telephone. Formerly, taking each of these Chip & PIN payments would have been more time consuming, as details would have to be input twice, once using the Chip & PIN device and then passed via the internal post to the Credit Control department to update the Debtors system. Prior to the introduction of the Capita solution, card payments were not taken over the telephone, but staff are now able to call patients with an overdue debt and take payment by card during the phone call, so these payments are now helping reduce outstanding debt and increase revenue flow.

With the new system, payment of any invoice can be taken at any location across the Trust that has system access, regardless of which department raised the invoice. Patients are now able to pay by card prior to receiving treatment, whereas formerly they would receive an invoice and in many cases, this would then involve credit control staff in a great deal of time and effort spent chasing payment and in some instances, the payment never being received.

Increasingly patients expect to pay by card and given the inevitable security risk of holding cash on-site and the gradual phasing out of cheques, the Trust finds payment by card to be far preferable to cash and cheque. This also complies with government guidance, which encourages card as a preferred

method of payment and the Trust are seeing a notable increase in the proportion of payments now being made by card.

Payments are received for a range of services including staff services (canteen, transport etc.), prescriptions and clinic treatments. In the first three months around 25% of all payments received were by card and in the case of the eye clinic, the vast majority of payments are now by card.

Once details of an invoice or payment are entered, the integrated system is automatically updated to reflect the new transaction, whereas in some Trusts this is still a time-consuming and protracted manual process involving documents being passed around internally.

The income management solution provides comprehensive file import and data reconciliation facilities, with the option for batch importing of bank statements and the facility for automated reconciliation of newly imported data.

Trusts are duty bound to maintain receipt details for six years. With the current system allowing this detail to be securely stored electronically and easily retrieved and reported upon, there is a considerable saving in paper usage, storage space and time spent managing this, all leading to a reduced 'carbon footprint'.

The reporting facilities will be key in helping meet the requirements of Monitor, the independent regulator of NHS Foundation Trusts and in reporting the 'inter-governmental balances between Trusts'.

With the ever-increasing security requirements around card processing and the need for compliance with Payment Card Industry Data Security Standard (PCI DSS), the Trust was keen to make use of Capita's Secure Bureau Service, a fully managed and accredited solution that allows secure processing of card payments.

The Secure Bureau Service removes the requirement for specialist on-site card processing software, hardware or infrastructure and any storage of sensitive cardholder data, thereby significantly reducing liability in respect of PCI DSS as the major elements of responsibility around security of card data are passed to Capita. Compliance with PCI DSS is applicable to any organisation that accepts card payments.

Using Capita's managed service frees up the Trust's internal IT team from the overhead of managing, monitoring and supporting specialist on-site card validation and authorisation software and hardware. Moreover, as a Foundation Trust, there is the requirement to maintain a 'risk register' and using this solution, completely removes the risks associated with holding patient card details on-site.

For Tom Bates, Financial Accountant at the Trust, the Capita payment solution, which also handles the subsequent income management and reporting, has already delivered a range of benefits. He commented "The Capita solution has proved to be fast, reliable and easy to use and is far more comprehensive and configurable than other products we considered. The implementation went very smoothly and we were particularly impressed by Capita's willingness to adapt their products to meet the requirements of individual Trusts, something that not all suppliers are prepared to do."

By using a service from Capita that includes all those card fraud protection measures that the banks require in order for a payment to be classed as 'secure', the Trust enjoys very competitive card processing rates, which are markedly lower than the cost of processing card payments via the former system.

## Next Steps

With the Capita solution constantly evolving, other options are now being considered...

Currently, batches of invoices are raised by various departments across the Trust and have to be manually input one at a time. Auto Invoicing will allow a batch to be imported and all systems updated in a single automated process, leading to considerable savings in time and removal of dual input, which carries the inevitable risk of keying error.

Using the comprehensive reporting functionality of Income Management, the Trust is keen to provide enhanced management reporting in areas such as revenue projection and budgeting.

With a fair number of smaller value payments and the growth of 'contactless' cards, which allows more rapid payment of values under £15 (no requirement for the cardholder to enter a PIN), the Trust is keen to adopt this newly available functionality.

### About Capita's Managed Service

Capita's highly secure and established managed service portfolio includes a range of products to process card payments via the Internet, touch tone, SMS text, speech recognition and on-site Chip & PIN. Managed by a dedicated team, the solution is used by over 190 organisations who each month process around 1.6 million payments with a total value of more than £130 million.

The solution incorporates the latest measures to help combat card fraud including CSC (Card Security Code) validation for MOTO (Mail Order Telephone Order), Touch Tone and Speech Recognition payments and card password validation (Verified by Visa and MasterCard SecureCode – collectively termed 3D Secure) for payments made via the Internet.

Capita's managed service products are certified to Payment Card Industry Data Security Standard (PCI DSS) Level 1 and Capita is one of the first suppliers to the public sector to achieve this standard.

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