

Healthcare Receivables

What is Healthcare Receivables Finance?

Healthcare receivables finance is a form of asset-backed lending that advances capital to healthcare providers based on outstanding medical invoices and insurance claims. These receivables typically stem from payments owed by private insurers, Medicare, Medicaid, and patients. By monetizing pending claims, this strategy supports provider cash flow while offering investors short-duration, secured credit exposure tied to essential services.



Why invest?

- **Secured and collateralized:** Loans are backed by verified insurance claims and receivables, reducing default risk.
- **Stable and predictable cash flows:** Reimbursement cycles offer recurring payment structures with low delinquency rates in core segments.
- **Low market correlation:** Returns are driven by medical billing cycles rather than capital markets or consumer spending.
- **Short-to-medium duration:** Receivables are typically collected within 30 to 180 days, supporting regular liquidity.

Risks to consider

- **Billing and reimbursement delays:** Claims may be delayed due to administrative or payer-side processing issues.
 - **Mitigation:** Focus on verified claims, aging thresholds, and claims with strong historical payment performance.
- **Regulatory and compliance risks:** Healthcare finance is subject to HIPAA, insurance, and medical billing regulations.
 - **Mitigation:** Partnering with experienced servicers, ensuring compliant documentation, and adhering to data security standards.
- **Credit and default risk:** Patient non-payment or insurance denials may impact cash flows.
 - **Mitigation:** Structuring recourse provisions, prioritizing claims to insurers and payers with high payment reliability, and maintaining reserves.

Conclusion

Healthcare receivables finance provides investors with secured, short-duration credit exposure tied to essential healthcare services. With stable reimbursement cycles, collateral backing, and low market correlation, it serves as a strong complement within asset-backed lending and alternative credit portfolios.

Common sectors or products in Healthcare Receivables Finance



Medical factoring: Advances made by purchasing receivables at a discount from healthcare providers



Revenue cycle financing: Credit facilities secured by outstanding insurance or patient claims



Pharmaceutical and equipment receivables: Financing tied to supplier invoices awaiting reimbursement



Medicare and Medicaid claims financing: Loans secured by government-backed payment obligations

About MA Asset Management

We have a 10+ year track record of investing in directly originated private asset-backed credit across differentiated lending strategies.

The team are focused on income generating assets that provide investors with a steady stream of monthly income. Beyond traditional private credit, we also negotiate both long-term loan flow agreements and credit facilities with originators.

MA Asset Management, LLC is a wholly owned subsidiary of MA Financial Group, a publicly listed company on the Australian Securities Exchange (ASX).

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