

CASE STUDY

Vendor Statement Auditing

“System Consolidations Equal Financial Leakage”

Region: Southwest

HQ: Texas

Employees: 28,298

Beds: 4,777

Patient Revenue: \$7.1 Billion

EHR: Epic / Meditech

ERP: Oracle

GPO: Vizient

“SpendMend knows the hospital’s suppliers better than the hospital.”

-Sr. Business Analyst, Finance and Supply Chain Operations

Problem

A massive Southwestern Health System had undergone a long period of consolidations with other health systems and hospitals which diminished their ability to effectively communicate with suppliers. The Health System was not receiving vendor statements and had very little direction when reviewing the small number of documents that did come into their new consolidated offices.

Solution

SpendMend leveraged their massive database of health industry suppliers to request vendor statements for the client’s top 250 suppliers. Receiving over a 95% response rate, SpendMend reviewed approximately \$3.2M of open credits on the vendor statements. Due to the age and complexity of the credits, the client doubted the validity of the credits. SpendMend began a comprehensive effort to validate the open credits and ensure cash benefit was received for the Health System. If the credit was no longer valid, SpendMend provided detail along with a journal entry upload to the Health System as to why the credit should be removed thereby improving the accuracy of the financial statements.

Result

SpendMend assisted the Health System to realize \$1.8M from aged credits. SpendMend continued the statement review into all ranks of the supplier population and recovered an additional \$5M to date.