

CASE STUDY

Overpayment Due to Dark Data

Scenario

Two large non-profit Health Systems in the Southwest merged and contracted SpendMend to conduct a Procure to Pay review. One of the main challenges management encountered was consolidating hundreds of hospitals on multiple systems and procedures into one system with unified controls. Dark Data was hiding current and potential control gaps.

Findings

SpendMend mapped the Purchase Order close out process within the “Legacy” system as they moved toward the “Parent” system. We used our SpendMend Process to mine the data creating a holistic view of both ERP systems for potential duplication on the payment side. We noted multiple scenarios where duplicate payments were made due to the Legacy system purchase order not closing properly. In one instance, the dollar figure approached the seven-figure mark. During our review with the vendor, they acknowledged the overpayment and also shared concerns with the payment of invoices that had aged well past 90 days. We shared that information with the client and led a joint session with the vendor to determine the breakdown in the process.

Result

Our client not only received reimbursement of a significant overpayment and mended a control breakdown which enhanced their process and removed frustration on the vendor side.



Analytics



Spend Optimization



Accounts Payable Audit



Contract Compliance



Sales & Use Tax

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& Spend Optimization