

CASE STUDY

Managing Returns

“Partnering to Control the Return Module”

Region: Midwest

HQ: St. Louis

Employees: 22,256

Beds: 3,576

Patient Revenue: \$4.8 Billion

EHR: Epic / Meditech

ERP: Oracle

GPO: Vizient

“SpendMend shined light on a problem we had been dealing with for several years. This solution saved us millions and gave us back so much time.”

-Director of Accounts Payable

Problem

A large Health System in the Midwest was challenged with reconciling thousands of return transactions appearing to be open within their PeopleSoft return module. Additionally, their Internal Audit Department was concerned with the materiality of these aged issues on their balance sheet. Due to the cumbersome nature of reconciling the module, Accounts Payable personnel realized the credibility of the outstanding issues were questionable.

Solution

Using data from our Recovery Audit, SpendMend matched \$2M in open returns to credits already received by the Health System. The match delivered to Accounts Payable the data needed to close out the open returns and represented approximately 70% of the exposure in the module.

SpendMend leveraged other audit methods to research and validate the remaining 30%. In addition, SpendMend provided insights and recommendations for closing the remaining open items for reasons that included product exchanges, warranty repairs, return never made, etc.

Result

SpendMend eliminated \$3.2M in overstated returns, and delivered over \$4.4M dollars in open returns back to the organization.