

## CASE STUDY

## Overpayment

*“Rampant Overpayments Due to Unseen Records”*

**Region:** Southwest

**HQ:** Texas

**Employees:** 28,298

**Beds:** 4,777

**Patient Revenue:** \$7.1 Billion

**EHR:** Epic / Meditech

**ERP:** Oracle

**GPO:** Vizient

### Problem

Two large non-profit Health Systems in the Southwest merged and contracted SpendMend to conduct a Recovery Audit, because both systems were experiencing difficulty in their effort to consolidate hundreds of hospitals across multiple systems (and procedures) into one system with unified controls.

### Solution

SpendMend mapped out a process to help both Health Systems close open purchase orders within the Legacy system as they routed toward the “parent” system. Our data mining techniques allowed us to look across 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, which caused two unique purchase orders to remain open for the identical product. SpendMend mediated between the merging systems and their vendors to help resolve the open issues.

### Result

SpendMend delivered \$10M in errant transactions. Our client quickly learned of the blind spot and mended the control breakdown which enhanced their process and also solved frustration on the vendor side.

*“Our merger opened the door for millions of lost money. SpendMend quickly found it and slammed that door shut”*

-Accounts Payable Manager