

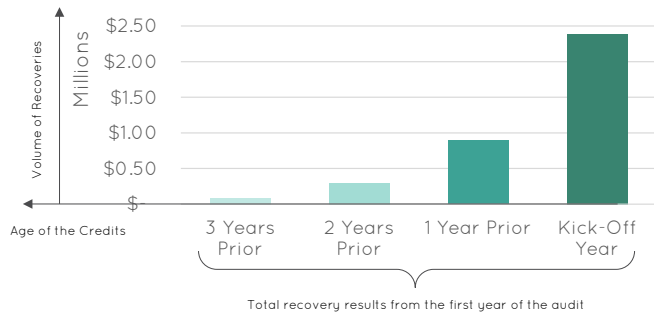
YOU REALLY CAN'T AFFORD TO WAIT!

DELAYING A RECOVERY AUDIT FOR EVEN JUST ONE MONTH WILL COST YOU MORE THAN YOU REALIZE

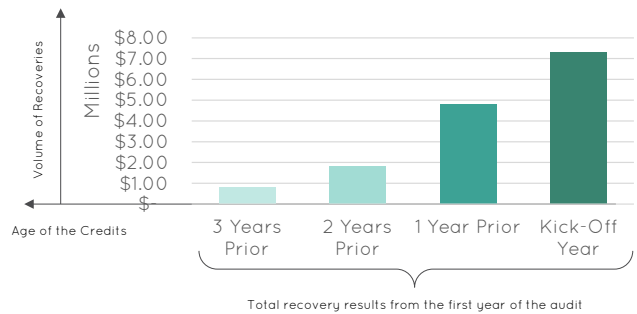
In the past 25 years SpendMend has audited over 250 U.S. Healthcare Systems. In that time, we've learned that when it comes to Recovery Auditing... time is of the essence.

This document shares aggregate results for 25 clients. The four clients highlighted below (all part of the larger sample) have at least one year with SpendMend, without any prior recovery audit effort for at least two years.

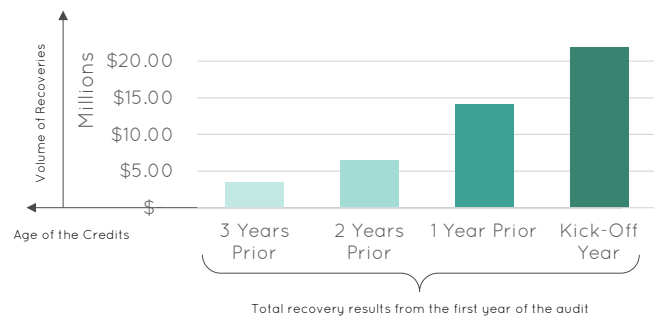
Through our work we have learned that delaying the start of an audit is extremely costly. On average, delaying an audit will cost \$104,000 per month - per every \$1B that your system spends in a year.



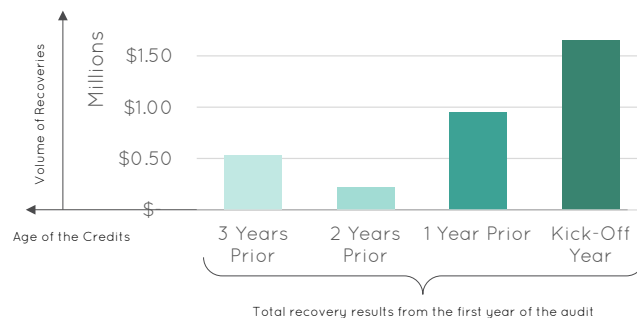
Annual Addressable Spend: \$2.1B, Year One Recoveries: \$3.7M



Annual Addressable Spend: \$8.9B, Year One Recoveries: \$14.67M



Annual Addressable Spend: \$29B, Year One Recoveries: \$40.06M



Annual Addressable Spend: \$2.9B, Year One Recoveries: \$2.89M

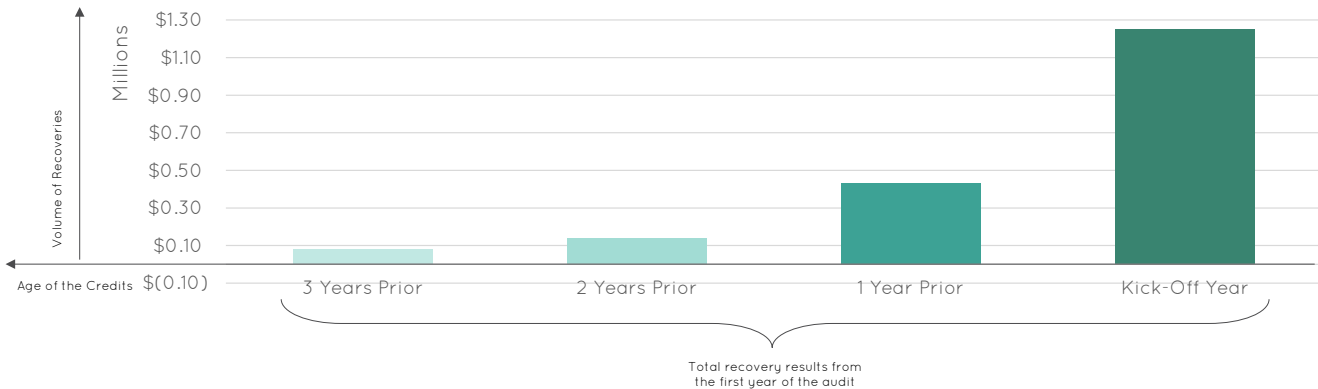
Notice on the four charts from our sample there’s consistently less discoverable money as we look further back in client AP records. Recall that these clients have not engaged any recovery efforts for at least two years prior to working with SpendMend.

The key question becomes: *If clients are not finding historical recoveries through other means... where is all that money going?*

The four highlighted accounts are not anomalies. For this review, we have also aggregated year-one results for 25 current clients to reveal the consistency of our audit trends. The analysis presented in the chart below illustrates the severe cost of delaying a recovery audit.

Aggregate (average) Results from Top 25 SpendMend Accounts

*All results are per \$1B in annual addressable spend



In the chart above, money from prior years has disappeared for many different reasons. Finance team members, sourcing and procurement staff, vendors, and others have made daily decisions that drove financial leakage and eliminated the possibility of recovering these “lost” dollars. These dollars are often swept from the financial ledger with no opportunity to recover them at a later date.

Through our work we have learned that delaying the start of an audit is extremely costly. On average, delaying an audit will cost \$104,000 per month – per every \$1B that your system spends in a year.

For more in-depth analysis about the cost of delaying a SpendMend Recovery Audit please read the complete white paper on the topic or contact a SpendMend representative today for a one-on-one discussion about these results and how they may apply to your health system.