

A photograph of three business professionals in a meeting. A man in a blue suit and glasses stands in the background, leaning over a table. Two other people, a man in a light blue shirt and a woman in a dark sleeveless top, are seated at the table, looking at documents. The scene is brightly lit, suggesting a modern office environment.

SPEND MEND

The Risks of DIY Asset Recovery and Unclaimed Property Reviews for Healthcare Organizations

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In today's healthcare industry, financial optimization is a top priority for hospitals. While hospitals are focused on minimizing costs and maximizing profits, one area that is often overlooked is the management of unclaimed property, which can result in significant financial losses. Unclaimed property refers to assets such as bank accounts, uncashed checks, insurance policies, or other financial assets that have been abandoned or forgotten for a specified period of time.

Although every major U.S. jurisdiction maintains an online search portal where owners can identify and reclaim assets, the process remains complex and challenging. At its core, asset recovery and abandoned/unclaimed property (AUP) management are essentially the same, and a professional asset recovery review can help hospitals identify and recover unclaimed assets, leading to significant financial benefits.

The Five Reasons Why

In this short article we will explore five reasons your hospital should not perform an asset recovery review or an abandoned or unclaimed property (AUP) review on its own.

1. The Elusive Nature of it All

One of the biggest challenges is the difficulty in locating the unclaimed property through online portals. Many hospitals have multiple facilities and divisions, making it challenging to ensure that all assets have been identified and claimed. Additionally, even minor spelling errors or missing information can effectively hide the unclaimed property from view. Also, unclaimed items are often unexpectedly routed to different jurisdictions, making it difficult to locate.

2. The Complexity of the Process

The process is too complex to accurately manage across over 50 jurisdictions. Performing an asset recovery review requires significant knowledge and expertise. There are various regulatory requirements, jurisdictional rules, and compliance issues that need to be considered. Each jurisdiction has its own set of rules and regulations, and hospitals are required to comply with them. Failure to comply with these requirements can lead to significant penalties, including interest and fines.

3. The Time-Consuming Nature of the Project

The project is time-consuming and requires mass communications efforts. Performing an asset recovery review can be an extremely time-consuming process. It involves identifying potential unclaimed assets, verifying ownership, and submitting the necessary paperwork to claim the assets. For larger hospitals, the process can become even more complicated due to the sheer volume of unclaimed assets that need to be reviewed. The process can be overwhelming, and it can divert resources from other areas of the hospital that require attention.

4. Lack of Access to the Appropriate Databases, Experts, and Technology

Asset recovery requires access to databases, experts, and technology that many hospitals do not have. The search process requires access to public records, databases, and other sources of information. It also requires expertise in various areas, such as accounting, finance, and legal matters. In addition, asset recovery involves the use of technology such as data analytics and automated workflows. Hospitals that do not have access to these resources will find it challenging to carry out a successful asset recovery review.

5. Low Success Rate

Working on their own, hospitals reclaim only 10% of available assets, on average. The low success rate of hospitals performing asset recovery reviews on their own is a significant concern. The lack of knowledge, expertise, and resources leads to a low success rate, resulting in hospitals not recovering the full value of their unclaimed assets. Hospitals that partner with a professional asset recovery service can recover a higher percentage of their unclaimed assets.



The Path Forward

Hospitals that attempt to perform an asset recovery review on their own face various challenges, including complexity, time-consumption, lack of access to appropriate resources, and a low success rate.

Partnering with a professional asset recovery service like SpendMend not only ensures a successful asset recovery and unclaimed property review, but it also eliminates financial risk through our gain share business model.

By choosing SpendMend, hospitals can improve cash flow and profitability immediately, as well as identify gaps in their financial process and improve communication with business partners. With our expertise, technology, and resources, we can help hospitals recover a higher percentage of their unclaimed assets, resulting in significant financial benefits. Don't let unclaimed property continue to hurt your bottom-line, partner with SpendMend and get the value you deserve.

ABOUT THE AUTHOR, TERI HARKINS



Teri has spent her entire 27+ year career focused in cost-cycle management with an emphasis in profit recovery within the healthcare industry and Fortune 500/1000. She has worked in sales and business development in professional services and SaaS space for high-growth businesses, all tied back to profit recovery.

Teri has held multiple roles over her 13 years with SpendMend and most recently works to acquire new hospitals and health systems for the Profit Recovery service line which includes Procure-to-Pay Recovery Audit, Sales & Use Tax, Asset Recovery and Purchased Services Cost Recovery and Contract Optimization.

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