

USA LARGE HEALTHCARE PROVIDER CASE STUDY

LEAVING MONEY ON THE TABLE

RIC

Delivering The New Standard

THE CLIENT

After RIC had been working with the same large USA healthcare provider for almost 2 years to review their storage, shredding and services programs, the client elected to go it alone. The client's decision not to use RIC's expertise in records management contracting, pricing and overbilling resulted in them walking away and missing \$332,000 in annual savings or \$1,660,000 over the remainder of their contract term.

The client's senior management called in a third-party audit company to review new storage contract and billings. The audit company outsourced the audit to RIC, because of our expertise in the storage and services industry. During the client review process, RIC discovered the lost savings of \$332,000 annually and potential over-billings of \$472,000.

KEY CONTRACT OBSERVATIONS

1. There was a clear lack of definition as to when certain pricing should be applied or approved before the healthcare provider should be charged;
2. There were a series of at least nine individual unjustified charges and/or price increases that ranged from a few thousand dollars per month to many thousands of dollars per month.
3. The lost savings annually is \$332,000 or \$1,600,000 over the remainder of the contract term. The aggregate of recoverable over-billing is clearly in the range of \$ 472,000.

THE RESULTS

The client's vendor agreement that was in place since September 2014 was revised by a new contract in September 2018 that continues to 2024. The large USA healthcare provider felt that using an external consulting firm with substantial storage industry expertise was *not* an activity that was needed to save them money.

In examining the client's new contract, RIC observed that the healthcare provider ended up spending substantially more money annually because their new agreement had many unexplained costs and fees that could be increased and charged at any time.

CONCLUSION

Over-billing by records management companies need not occur if clients embrace a proactive program to eliminate superfluous charges that are pervasive in the industry. This brief case study is a perfect example of a situation where RIC could have recovered a substantial amount of the records management company's over-billing on behalf of the client and reduced their ongoing storage costs.

RIC's approach does not cost the client anything at the front end. We absorb all front-end costs and our fees are based on a mutually agreed upon percentage of the actual dollars recovered from the vendor.

Reliance Information Consulting (RIC) was formed in 2014 with a commitment to assist our clients achieve substantial over-billing recoveries and reduction in operating costs - while also doing our very best to upgrade the standards of performance by the storage and services industry.

We look forward to assisting our clients achieve their recoveries and operational savings.