

Telecommunications: Monitoring Accounts Can Lead to Unexpected Cost Savings

With the ever-increasing need to manage costs at healthcare institutions, hospital administrators continue to look for hard dollar savings that can be achieved in a timely manner. Telecommunications spending is increasingly becoming a major expenditure for healthcare institutions, and therefore, the procurement and supply chain activities should be evaluated for unnecessary spending.

While time and resources may be a challenge in such an evaluation, the resulting savings can make the effort worthwhile. In a 250-bed, community-based healthcare facility, for instance, there's a potential to save upwards of \$45,000 through an auditing effort.

It's common for a healthcare facility to use multiple telecom vendors, most of which provide distinct, yet similar services in the areas of voice, video, data, and Internet.

Track Services and Vendors

The first thing that should be done is to implement a tool that can track and monitor contract compliance. This tool, which can be as simple as a Microsoft Excel® spreadsheet, should list all the services and vendors that support each service line. Using the tool, it's possible to monitor rates on an ongoing monthly basis and track the highs and lows on a monthly basis.

In addition, all taxes can be pulled off invoices and input into the tracking tool to check for appropriateness. Also, the individual who oversees telecom accounts and expenditures will be able to see if certain invoices have increased or decreased on a monthly basis. Knowing

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this amount of detail can help an individual to "red flag" a certain invoice for inaccuracies and target opportunities for cost reduction.

Facility staff need to track and monitor contract compliance and market rates as well as review various plan upgrades that may be available through each carrier. It's important to continually track rate structures in the market and negotiate pricing improvements and adjustments whenever possible. Formal contract reviews should be held on a regularly scheduled basis—at least quarterly—with all vendors to optimize pricing, rate plans, as well as to update any relevant terms and conditions.

What to Watch

From a billing perspective, it's important to regularly inspect for the following:

- > Double or incorrect billings
- > Unauthorized, misleading, or deceptive charges

- > Inappropriate tariff charges
- > Discounts and credits not applied to specific accounts.

Those charged with overseeing telecom typically reside within operations or IT staff. However, this responsibility can differ from facility to facility.

Additionally, if the hospital is part of a multifacility system, there could potentially be issues and/or confusion leading to separate bills to multiple locations by multiple carriers. It's important to perform a telecom bill audit and invoice reconciliation analysis to ensure that all bills are sent to a centralized location and inspected for accuracy before they are processed.

Outside Help May Be Necessary

Most healthcare facilities are doing all they can to concentrate on their core business, providing care to patients. As a result, staffing resources are being used elsewhere. To find all the possible savings, it may be necessary for a hospital to seek outside help, which can be found from a variety of sources, including group purchasing organizations, hospital alliance services, or consulting firms with experience in this area.

These companies have knowledge and understanding of industry trends and pricing necessary to make informed recommendations for optimizing billing plans and services provided by each vendor. With today's ever-rising telecommunications costs, proper planning is essential to the fiscal health of healthcare organizations. ☎

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