

Expense Consulting Case Study – Sholom Community Alliance

What long-term care organization isn't looking to reduce expenses? Review any long-term planning document and you'll find that cost cutting is a priority. Expense Consulting has met so many leaders of organizations who through desperation are forced to slash jobs and cut patient programming to ease pressure. However, thoughtful cost cutting can be a springboard to healthier financials, which in turn can allow for better programming and improved care.

Here is one example of the many AJAS members who have chosen to partner with Expense Consulting and are now realizing significant benefits.

Expense Consulting was engaged by Sholom Community Alliance in November 2017 for a limited number of projects, intended to be a test of Expense Consulting's abilities.

Almost immediately, it became clear that even though the scope of work was limited, the opportunity for cost-reduction was significant. Through working directly with two different pharmacy vendors (one for regular pharmacy, one for hospice pharmacy) Expense Consulting was able to negotiate a 25.5 percent reduction in costs for hospice pharmacy, and a 29.4 percent reduction for standard pharmacy. These reductions alone resulted in a significant, six-figure annual reduction. A detailed analysis identified specific drugs to target in negotiations. By reducing the cost of higher volume drugs, Expense Consulting was able to maximize savings with almost no time required by the client.

Expense Consulting's proprietary database and software allows in-depth reviews of all cost areas. These analyses are used to audit historical invoices for contractual compliance, billing accuracy, and also to identify opportunities to reduce pricing on a forward-going basis.

Subsequent to the pharmacy review, Sholom Community expanded the areas of review to include refuse & recycling, medical supplies, food & dining services, utilities, labs, radiology and more.

Additionally, through the consolidation of two refuse providers, optimization of pick-up schedules and negotiation of rates and fees, Expense Consulting reduced pricing by almost 43 percent. Furthermore, Expense Consulting negotiated a 37 percent reduction in radiology spending, simply by working with the incumbent vendor.

"The process has been surprisingly painless. Expense Consulting exudes professionalism at every turn and always exceeded our expectations." - David Berryman, CFO, Sholom Community Alliance.

Expense Consulting has a strong track record of reducing costs for long-term care providers, while requiring minimal effort on the part of the client. The return on client-time spent with Expense Consulting averages more than \$25,000 per hour. We have been engaged with AJAS members across the country, achieving a cumulative savings of more than \$2 million..

Expense Consulting in the past month has identified billing errors in pharmacy alone for two other AJAS members totaling over \$80,000.

To learn more about how Expense Consulting may be able to work with your organization, reach out to Michael Williams at 860.761.9587.