

Telecom Expense Management (TEM) Identifies Overspending & Recovers \$12M of Savings

CASE STUDY

Large healthcare organizations typically operate across multiple locations, and each site has its own telecommunications requirements, spanning private line networks, Wide Area Networks (WANs), phone lines, pagers, and wireless devices. Managing multiple telecommunication services and tracking usage at each site can be cumbersome, especially if an organization is quickly growing or restructuring.

In this case study, we share how a large healthcare organization faced a similar situation. The organization had recently restructured its operations, closed several satellite locations, and cancelled several service agreements with the telecommunications provider. But unbeknownst to the organization, the telecom provider continued to bill and receive payment for these services at the closed locations.

Learn how Pixel Health identified more than \$12M of savings for the client and the team's ongoing role in helping analyze spending and recover funds through Telecom Expense Management (TEM) services.

Key Highlights

Pixel Health's Telecom Expense Management (TEM) team analyzed spending data across all locations:



Identified **\$9.5M of annual savings** by
disconnecting unused
services and negotiating
rates for new services



Worked with the telecom provider to secure a ~\$2.6M credit for the client



Installed a hosted TEM platform for ongoing monitoring and reporting of telecom expenses

1. Analyzing & Validating Expenses

As part of a thorough assessment, Pixel Health evaluated the organization's telecom and mobility bills, contracts, and service agreements. Using the telecommunications provider's Universal Service Order Codes (USOCs) in each bill, they:

- Reconciled USOCs against the services and equipment used at each location
- Analyzed active and inactive locations against active and inactive billing
- Determined if services and features were not in use

The system flagged several inactive locations that still had active billing. After digging deeper into the data, Pixel Health determined that the client was paying for unused telecom services at several closed locations.

2. Taking Action to Receive Credits

After identifying the overspend at the closed locations, the Pixel Health team worked to find records of the requested cancellations and then contacted the telecom provider. As part of this crediting process, Pixel Health:

- Gathered evidence of the cancellation request to demonstrate that the telecom provider billed in error
- Provided statements that confirmed that when some services were upgraded, the old services continued to bill
- Reviewed the contracts and requested credits for tax exemption and any other surcharges that didn't apply

Getting a statement credit isn't always a straightforward process, as the telecom provider may be resistant, but Pixel Health knew how to present compelling evidence.

Understanding How Overspending Oversight Happens

Many healthcare organizations may think they wouldn't face a similar overspending situation, but our team at Pixel Health has found that this scenario can be common. Consider these situations:



Lack of Follow-up

A healthcare organization places a cancellation order and expects to receive the "final" bill to close out the service. But they may forget to follow up and verify that future bills have stopped, even if the equipment is no longer in use or the service is discontinued.



Limited Access & Awareness

The internal team responsible for ordering a cancellation of services may not have access to review the billing statements. Meanwhile, the accounts team that approves the telecom bills may not be aware of the cancelled services.



Organizational Complexity

Several parties may be involved in managing an organization's technology, which adds to the complexity and ultimately creates gaps in oversight.

3. Reviewing Current & Future Contracts to Negotiate Better Rates

As part of improving visibility into telecom usage and needs, the Pixel Health Telecom Expense Management (TEM) services reviewed the organization's current contracts and rates and:

- Negotiated reduced rates during the renewal process
- Corrected rates in current contracts
- Converted outdated services to new technology
- Helped the client secure the most favorable contract terms

Many of the Pixel Health team members previously worked for carriers and telecommunications companies, and they knew what to look for in contracts. They leveraged this experience and know-how to help the client get competitive rates, better terms, and the right services for their healthcare organization.

4. Enabling Ongoing Management of Telecom Spending

Beyond the auditing and validation process, Pixel Health installed a hosted telecom expense management (TEM) platform for the client. With this platform, the client can:

- Perform monthly management to truly understand their spending
- Identify redundant or underutilized services
- Review trends and get a snapshot of their current expenses
- **Empower ongoing savings** for the organization



