



**Client** Pharmaceutical Services Company  
**Industry** Healthcare  
**Contract Type** Contingency Fee Audit and Cost Reduction

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**Highlights** **Recoveries of overbillings:** \$525,397  
**One-year cost reductions:** \$758,292

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## Background

The Client, a major pharmaceutical services company, was seeking to recover any past overpayments for telecom services and to reduce the cost of these services moving forward.

In the invoice audits, WidePoint was authorized to compare current inventory records against the Client's contracted rates and tariffs. These services include all wireline (voice, data, toll free, calling cards, and pagers) services. For the contract compliance phase, WidePoint compared all facets of the Client's telecommunications contracts to insure Invoice-Contract compliance and pursue recovery of overpayments from the carrier on behalf of the Client.

The Client had thousands of lines serviced by a multitude of carriers. The Client wanted to consolidate multiple accounts for the same telecom carrier under one master account when possible, and ensure that the consolidated accounts take advantage of contracted discounts and rates. Pagers were audited for plan optimization and inventory accuracy, and wireless devices were audited for inventory/invoice reconciliation purposes.

The Client was spending more than \$31 million annually with various telecom suppliers. Approximately 90% of the invoices processed were paper invoices, with only a few suppliers providing electronic invoices. The Client had in the past purchased TEM software, but it was only partially implemented.

The Client has its own telecommunications staff that is responsible for pre-payment billing audits, and had started a project to identify billing errors and obtain refunds from suppliers, identifying \$1 million in savings and recoveries.

The Client had negotiated its own contracts for telecommunications services through its procurement department.

## Approach

WidePoint's audit began with gathering invoices and contract documents. Billings were validated against contracts and service guides. Discrepancies between contracts and invoices and between invoices and service guides were documented.

In the course of the audit, the rationalization of service was tested. This asks the questions of need, application, alignment, configuration, choice of service, choice of vendor, and cost versus market. Service rationalization produces ongoing cost reduction.

## Results

The successful outcome included:

- **Review of Past Invoices:** Recoveries of over billings totaled \$525,397.
- **Reduction of Ongoing Cost:** One-year cost reduction totaling \$758,292 was realized.
- **Documenting Evidence of Overcharges:** Complete billing and contract documents as well as the theory of error and any necessary information to correct billing with the carriers assures Caremark will receive proper credit.
- **Verifying the Accuracy of Refund Amounts:** Refunded amounts are validated as they are received as part of the quality control process.