



## Emergency Medical Services Corporation

EMSC achieves cost recovery with ACL AuditExchange



“The ROI on AuditExchange is excellent. Less than a year after implementation, the solution has already paid for itself many times over.”

**Brian Anderson**, Accounts Payable Manager

### SOLUTION

#### » Continuous Auditing

- ACL AuditExchange & Services
  - Implementation & Consulting
  - Training

### KEY BENEFITS

- » Significant, ongoing cost recoveries
- » Error identification with less manual processing
- » Proactive monitoring and self-auditing

### INDUSTRY

- » Healthcare

### REGION

- » North America

### Company Profile

Founded in 2005, Emergency Medical Services Corporation (EMSC) is the leading provider of emergency medical services in the United States. EMSC operates two business segments: American Medical Response, Inc., the company’s healthcare transportation services segment, and EmCare Holdings Inc., the company’s facility-based physician services segment. With headquarters in Greenwood Village, Colorado, EMSC has 250 administrative offices and annual revenues of US \$3 billion. In 2009, EMSC provided services for approximately 13 million patient encounters in more than 2,200 communities.

### Objectives

Every other year, EMSC engaged a third-party firm to audit Accounts Payable data for errors, duplicate payments, overpayments, outstanding checks and other control issues. The process was productive, but the AP group was eager to pursue these exceptions internally because they knew finding payments before they leave company accounts dramatically improves recovery. By performing the testing in-house, the team also hoped to eliminate the vendor recovery firm’s considerable fee.

EMSC’s Internal Audit department was successfully using *ACL* and suggested the AP group also implement the technology to achieve continuous auditing. The two groups began by creating a test analytic that identified outstanding (un-cashed) vendor payments. The automated process matched bank records with data from the company’s Oracle database, aged the data for 90 days, and sent a report directly to Accounts Payable. A part-time employee who had been manually reviewing each issued check could now simply study the report and determine whether the outstanding payments should be voided, reissued or remitted (escheated) to the state government.

After successfully establishing a review process of the outstanding checks, the AP department chose to implement ACL AuditExchange 2 (AX) to further automate daily processes and achieve 100 percent data coverage – allowing their part time employee to dive deeper into post auditing AP.



## Implementation and Planning

The AP team engaged ACL's Professional Services Group to lead the AX implementation and ensure a seamless experience. An ACL consultant spent one week working on-site to create and schedule custom analytics. Each test was tailored specifically to address the AP group's needs. The consultant also provided hands-on training, real-time troubleshooting, and answered questions as they emerged. After another two weeks of remote collaboration, the automated analytics were fully up and running.

Once a week, nine different analytics automatically compare data populations to find outstanding credit memos, duplicate payments, one-time payments disbursed to recurring vendors, repetitive invoice numbers, and other red flags in the data. By Monday morning, the team has a complete report to guide deeper investigations.

## Results

With ACL AuditExchange Emergency Medical Services Corporation has:

- Experienced significant cost recoveries
- Automated AP testing to reduce time consuming manual processes
- Freed employees to pursue high value exceptions

After just eight months, the ACL solution has identified and recouped over \$300,000 in improper payments. The team can independently target exceptions – and correct or recover erroneous checks before they are cashed. Instead of working with two- or three-year-old vendor data during a third-party audit, the automated analytics draw from current,

complete populations and active vendors, promoting a more straightforward recovery process.

Reviewing outstanding checks has also reduced the company's escheat process, whereby outstanding funds that haven't cleared the bank must be remitted to the appropriate state government after a set time period. In the past, the AP group simply returned this money to the state without further analysis. Now, the team can quickly examine all unclaimed funds and prevent unnecessary government payments.

AuditExchange has also made it easier for the AP group to see data patterns and avoid repetitive errors. For example, the team has identified instances where vendors change their names or bill EMSC twice under two different names. Now staff can quickly highlight and remedy this error or, if necessary, advise the business unit to review its relationship with the supplier in question.

With AX, the team is continuously refining its processes and applying daily findings to help reinforce internal controls. The power and flexibility has encouraged staff to adopt AX into their daily routines, using the reporting capabilities to review results and share discoveries. The group has saved time, money, and continues to enjoy a significant return on its AX investment.

## Next Steps

The AX implementation has increased the visibility of Accounts Payable at EMSC – moving the group's role beyond a basic corporate function to deliver added value back to the organization. With this successful program underway, the AP group will continue to develop increasingly sophisticated ways to leverage ACL AuditExchange.

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[references@acl.com](mailto:references@acl.com)

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