



Transparency. Relationship. Trust.



# How to Build High-Trust, High-Value Vendor Relationships

**Building a Vendor Management Office to Create  
Transparency, Trust, and Mutual Benefit**



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*Founder & Chief Executive  
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*Vice President, Revenue  
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## Healthfuse creates transparency and trust between hospitals and their revenue cycle vendors



**Reduce Vendor Cost by 10-20%**



**Increase Collections by 20-30%**



**100% Performance Visibility**



**Ensure Compliance with SLAs and Regulations**



**Save Time via Automation and Expert Support**

We do so by providing technology & analytics, execution support, and deep research

**The Only At-Risk and Sole Source Awarded Vendor Management Program in the Industry**  
Guaranteed Cost Savings and Collections Improvement



**\$900M+**  
in Bottom-line  
Improvement To-Date

**100%**  
Success Rate  
via ROI

**10-20%**  
Reduced  
Vendor Cost

**20-30%**  
Increased  
Collections





## Pioneering Transformative Care. Innovation is in our DNA.



**Serving 4 Million**  
One of Florida's Largest  
Hospitals



**Licensed for 1,041 Beds**  
More than 8,000 Team  
Members



**Top Organ Transplant Centers**  
Designated Comprehensive  
Stroke Center



**Ranked #1 in Tampa Bay**  
US News & World Report  
(2020-2021)

**Tampa General is committed to providing area residents with excellent and compassionate health care ranging from the simplest to the most complex medical services.**

**We heal. We teach. We innovate. Care for everyone. Every day.**



**Industry Situation &  
Trends in Outsourcing/  
Vendor Management**



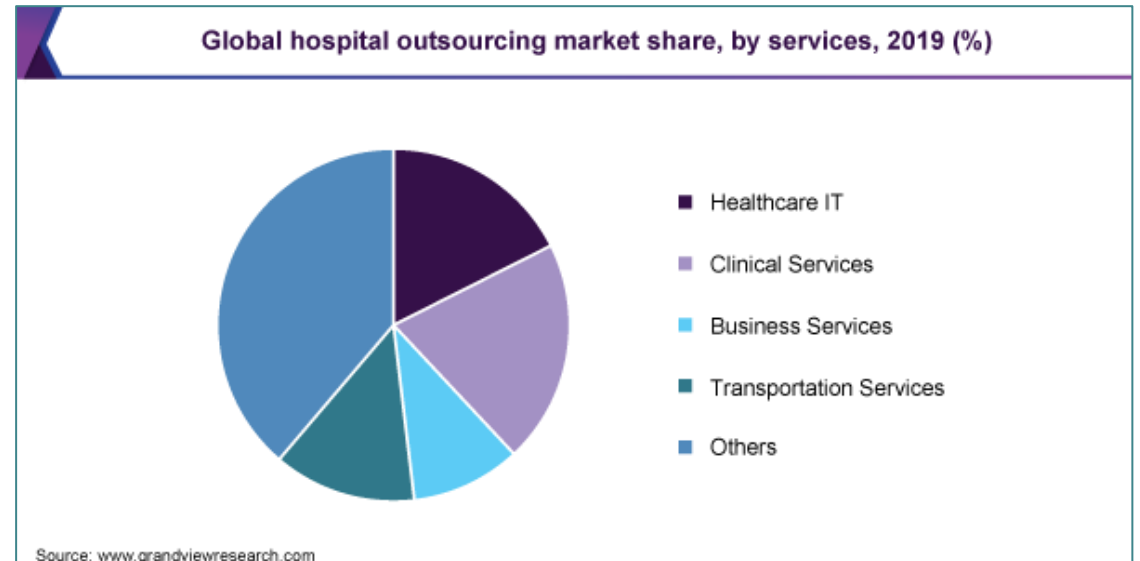
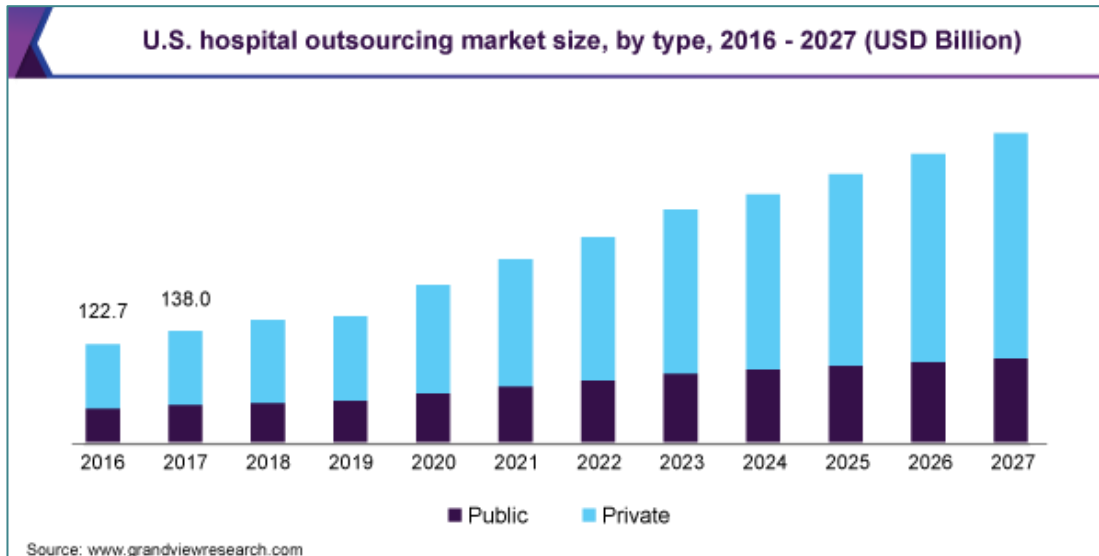
**Rethinking Vendor  
Management – From  
Sourcing to Performance  
Management**



**Lessons Learned from  
Tampa General Hospital  
and The Road Ahead**



## Growth Prior to Pandemic; Accelerating Now



*Outsourcing and Vendor Reliance is Not Going Away*

**Those Who Prioritize Vendor Management Will Be Best Positioned to Address Financial Requirements**



# RCM: An Underserved Area

- Healthcare finance has grown **increasingly complex and expensive**
- **Great Resignation** – war for talent; workforce staffing issues
- **Increased regulations**, such as Surprise Billing

## **BUT THERE ARE...**

- **Performance gaps** – disconnect between expected vs. actual results
- **Limited time and tools** to manage and hold vendors accountable



**90%**  
of hospitals are paying more than market rates for products and services

**60-70%**  
of accounts placed with collection outsourcers are not being worked in accordance with contract terms, service-level agreements, or state & federal regulations

**5-7%**  
of monthly vendor invoices are duplicative or inappropriate





# Vendor Management Defined



## 1 Create a Vendor Strategy

- Business case development
- Define **Process improvement** and best practice strategies
- Where to utilize technology
- **Insource vs. outsource**
- **Identify gaps** and areas to leverage niche solution providers

## 2 Sourcing & Implementation

- **Leverage research** database of and vendor comparison grids
- **Determine best fit vendors** with best-in-class performance, service and rates
- **RFP facilitation**

## 3 Contract Negotiation & Management

- Multiple bids to determine **best-in-market rates**
- Establish clear, industry standard service-level agreements
- Provide **freedom and flexibility**/most favorable terms

## 4 Vendor Performance Management

- **Audit** - to ensure process compliance
- **Invoice** - to ensure contract compliance and avoid duplicative invoicing
- **Inventory** - prevent missed placements, duplication

## Determining Your Business Case

### Collections/Performance Improvement



Improve performance of existing collection outsourcers to increase collections



Increase collections by implementing new vendor strategies previously not done internally or externally

### Cost Savings/Containment



Renegotiate vendor fees to best-in-class market rates to reduce vendor cost



Identify vendor invoice discrepancies and recover inappropriate and duplicate fees

### *Other Areas to Consider*

**Cyber Security, Compliance (S2T2, HITRUST), Speed to Value, Complexity to Implement**



## Humble

- Know strengths and weaknesses (soft and strong spots)
- Servant's heart: Are they open to feedback and continuous improvement?

## Hungry

- Is there a commitment to working hard?
- Competitive drive + Innovation: Will they go the extra mile when necessary?

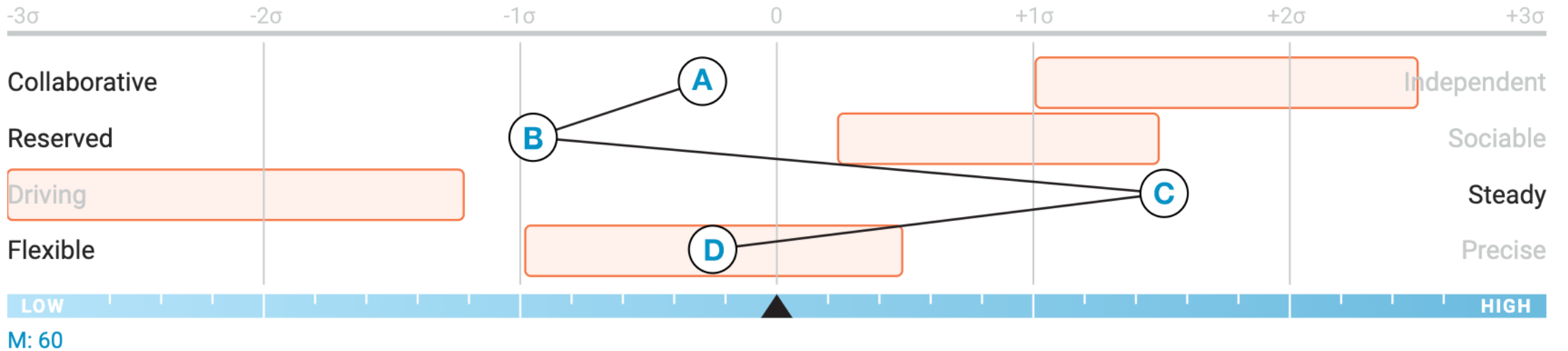
## Smart

- Not really about EQ vs IQ, it's about doing business with people we like
- Intelligence: Can't make these relationships transactional, especially in finding solutions for very challenging issues





# Measuring Individual Fit



## Net Promoter Score (NPS)





# Measuring Org Alignment



**ADAPTABILITY**  
Pattern, Trends, & Market

**Are we listening to the marketplace?**

Translating the demand of the business environment into action

**Are our people aligned and engaged?**

Build human capability, ownership, and responsibility

**INVOLVEMENT**  
Commitment, Ownership & Responsibility

**MISSION**  
Direction, Purpose, & Blueprint

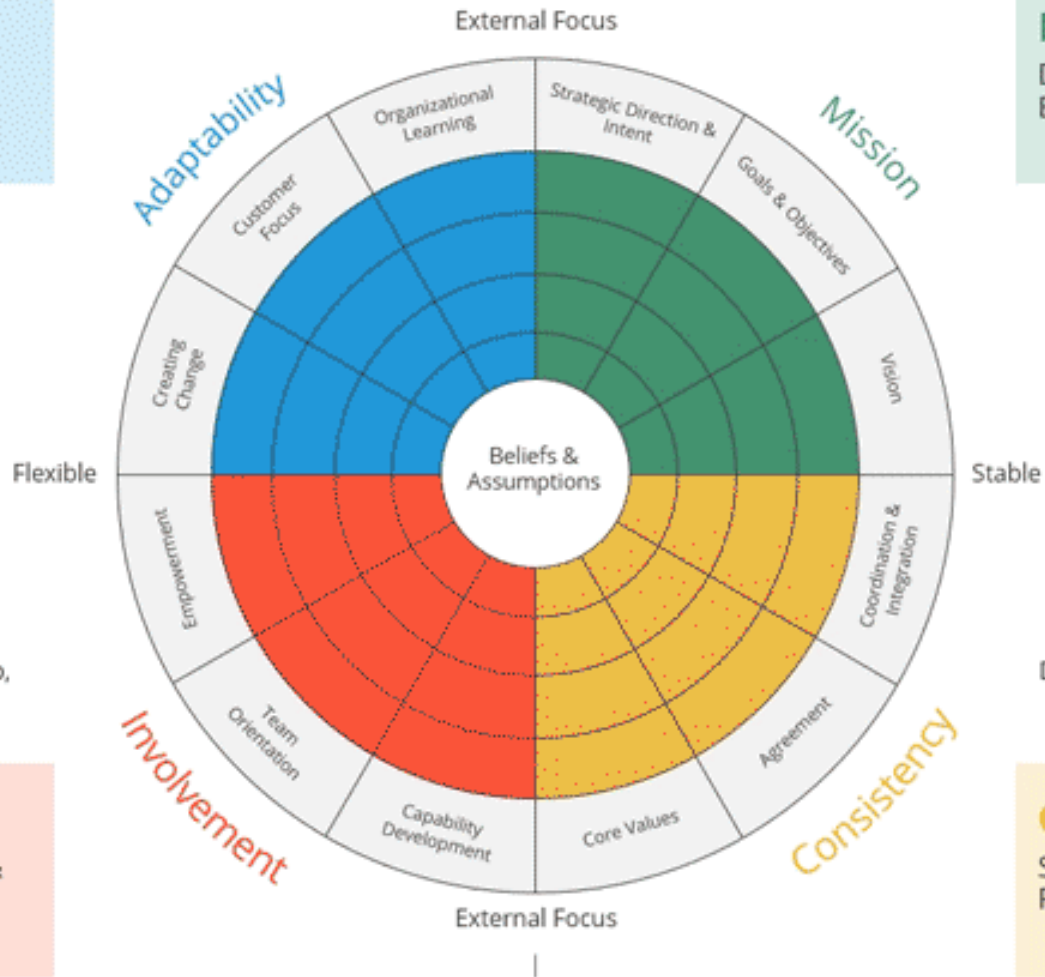
**Do we know where we are going?**

Define a meaningful long-term direction

**Does our system create leverage?**

Define the values & systems that are the basis of a strong culture

**CONSISTENCY**  
Systems, Structures, & Processes





# Measuring Performance

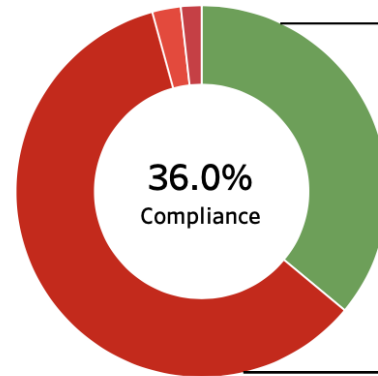
- Outcomes are key, but processes and behaviors are controllable
- Trust and verify – always areas of opportunity
- Pinpoints gaps and improvement areas
- Identify themes and trends - making coaching and corrective action planning tangible and specific



August 2021

| Early Out Self Pay

Facility: All    Strategy: All    Vendor: All    Acct Status: All    Flag: All    Active Payers: All    Activity: All    Phone Filter: All    Collector: All



Placed Balance	Current Balance	At Risk Balance <span style="float: right;">i</span>
\$41,746,828	\$38,823,956	\$22,607,561
Active Inventory	Flagged Inventory	% Active Payers
8,918	5,705	7.7%

Inventory Aging Breakdown				Account Age	Last Call Age	Last Pay Age	Guarantor Balance			
				All values	All values	All values	All values			
Days / Mo.	% Comp.	Volume	% of Vol	Balance	% of Bal	Avg. Last Call	Avg. Last Pay	% Active	NASP	NASP %
<a href="#">0-30</a>	89.3%	2,183	24.5%	\$8,637,891	22.2%	21	28	2.9%	0	0.0%
<a href="#">31-60</a>	32.7%	1,846	20.7%	\$7,410,065	19.1%	42	33	4.6%	159	8.6%
<a href="#">61-90</a>	13.0%	2,087	23.4%	\$8,184,851	21.1%	62	43	5.1%	140	6.7%
<a href="#">91-120</a>	13.8%	2,105	23.6%	\$7,471,024	19.2%	76	55	7.3%	113	5.4%



# Measuring Contract Compliance

Flag inappropriate and duplicate fees, such as:

- Non-payment transactions
- Fees inconsistent with contract rates
- Duplicate fees
- Cross-vendor duplication

Model impact of grace periods and placement delays

**TGH Tampa General Hospital**

Invoice Reconciliation

Vendor Name: MOS BD | Transaction Code (T): (All) | Tx Description: (All) | Tx Type: (All)

The account table below is comprised of all accounts in the invoice file. The table to the right represents the distribution of fees assessed across each account.

Account Rollup Details

Account Number (T)	Hospital Payment	Invoice Payment	Fees Assessed	Fee %
<b>Grand Total</b>	<b>\$22,230.27</b>	<b>\$25,174.32</b>	<b>\$7,671.55</b>	<b>30.3%</b>
00200235	\$1,617.52	\$1,617.52	\$164.13	35.0%
00304737	\$4,355.51	\$5,192.75	\$558.73	17.0%
00420056	\$992.55	\$992.55	\$347.39	35.0%
00366273	\$361.83	\$361.83	\$343.57	35.0%
00375860	\$925.00	\$925.00	\$323.75	35.0%
00086840	\$483.00	\$483.00	\$238.05	35.0%
00147027	\$230.00	\$400.00	\$230.00	35.0%
00366274	\$385.54	\$385.54	\$204.94	35.0%
00576479	\$462.01	\$462.01	\$361.70	35.0%
00366269	\$1,623.25	\$1,623.25	\$342.74	17.0%
00313603	\$364.52	\$364.52	\$238.28	35.0%
00221186	\$353.64	\$353.64	\$233.77	35.0%
00061795	\$350.00	\$350.00	\$222.50	35.0%
00355640	\$103.17	\$281.58	\$102.06	35.0%
00366214	\$289.58	\$289.58	\$201.35	35.0%
00290075	\$433.74	\$279.58	\$17.35	35.0%
00543185	\$249.20	\$249.20	\$17.25	35.0%
00586317	\$243.41	\$243.41	\$15.23	35.0%
00152113	\$243.51	\$243.51	\$14.67	35.0%
9403644	\$225.54	\$225.54	\$78.95	35.0%
00113930	\$225.00	\$225.00	\$78.75	35.0%

Fees Assessed \$ Range: \$0 to \$994. Median Fee \$: \$16.

Contingency Fee % Range: 17.0% to 35.0%. Median Fee %: 35.0%.

Hospital Transaction Detail | Invoice Detail





# Q&A with Anthony Escobio

A photograph of a business meeting. In the foreground, a person's hand points to a document with charts and graphs. Another person's hand is visible, holding a pen over a laptop. The background is blurred, showing a window with sunlight. The entire image has a teal overlay.

**How has your vendor strategy changed;  
what does it look like today?**



**What have been the results and what has been the impact to your vendor relationships?**



**How has the culture at Tampa General Hospital contributed to its success?**

A photograph of a business meeting. In the foreground, a person's hand points to a document with various charts and graphs. Another person is seated at a desk with a laptop, holding a pen. The scene is brightly lit, suggesting a sunny day. The image has a teal overlay.

**How do you future proof your RCM and vendor management strategy?**



## Future Proofing RCM Vendor Management



## Practical Tools to Get Started

- 1. Preliminary vendor assessment (benchmarking vendor strategy, spend and performance)**
- 2. Predictive Index proof of concept (testing the behavioral make-up of their team)**
- 3. Sourcing webinar/methodology to reduce sourcing from more than 6 months to less than 6 weeks**



**Questions?**





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# Thank You; Reach Out With Questions



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