Catching Hidden Errors While Measuring Vendor Performance

By Bill Frack, Chief Product Officer

Are you overpaying your point solution vendor?

Employers are increasingly turning to specialized vendors ("point solutions") to enhance their health plans – to better manage chronic conditions, facilitate access to higher quality care, etc. Some employers adopt variable terms to pay for performance, i.e., improved performance results in higher costs.

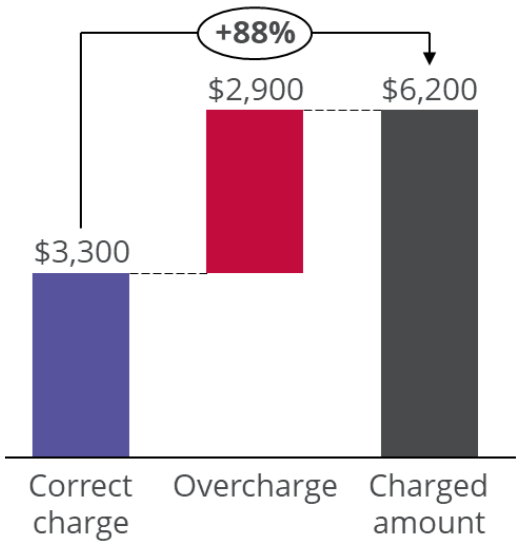
The challenge

However, employers frequently encounter the daunting task of evaluating vendor performance and verifying the accuracy of the associated charges. Invoices, typically self-reported and reliant on assumptions, present a significant validation challenge for employers. Additionally, certain terms, although seemingly logical, are hard to authenticate. Needless to say, any errors are rarely in the employer's favor.

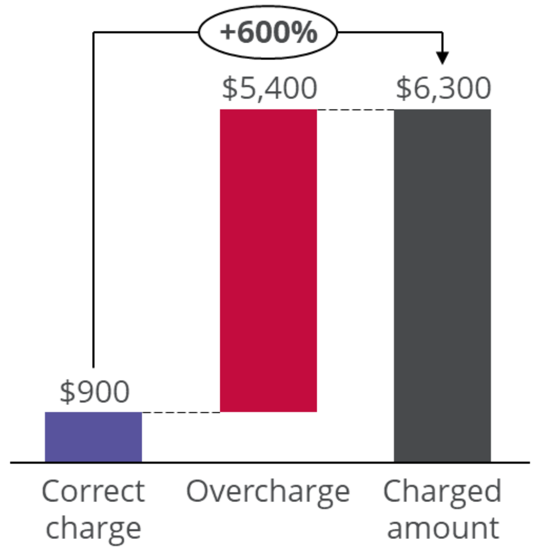
Wellnecity Example

In the example below, a patient assistance vendor made incorrect assumptions about the medication fill cycle and start dosage for a previously known drug.

Drug 1
Example monthly overcharge due to **incorrect fill cycle**



Drug 2
Example monthly overcharge due to **incorrect start dose**



Does this happen regularly? Our experience says yes. 70% of Wellnecity clients encounter material errors in their vendors' invoicing – reducing the financial resources available for benefits and increasing the compliance risk.

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