



**Expense Reduction
Analysts**

**What if you had the
financial resources
to do more?**



Community Health Center Captures \$1.1M in Additional Cash Flow Over Three Years and Across Six Expense Areas

Overview

Community Health Association of Spokane (CHAS), a nonprofit, federally qualified health center providing medical, dental, pharmacy, and behavioral health services for 60,000 patients annually in 12 clinics, was looking for cost-saving strategies across its major business expenses. Expense Reduction Analysts (ERA) was engaged to review CHAS’s spend in pharmaceuticals; office, cleaning, medical, and dental supplies; cleaning services; telecommunications; and purchased garments in order to generate increased cash flow that CHAS would then use to support its dental services expansion plans while improving its cash reserves.

Results

Deep market knowledge, proprietary data modeling, and solid supplier relationships helped the client realize significant savings over a three-year period.

ERA consultants began by analyzing the client’s spend with the incumbent group purchasing organization (GPO) to determine if it was achieving the maximum discounts and cost management. Upon analyzing all seven expense areas, ERA validated that the client was realizing the maximum savings for 340B pharmaceuticals—but that opportunities existed in several other areas allowing CHAS to realize significant cost reductions.

The ERA Difference

CHAS appreciated that ERA assumes all risk for identifying savings and only receives payment if savings are found.

ERA identified several options that offered substantial savings and presented these to the chief financial officer and the CHAS team for review. ERA’s process allowed the CFO to work collaboratively with the key stakeholders to reach a consensus and select options

that were in CHAS’s best interest. In the end, ERA negotiated contracts to help CHAS save 5.5% for office and janitorial supplies; 6.7% in medical supplies; 21.4% for dental supplies; 28.6% for janitorial services, 25.7% in purchased garments and 29.6% for telecom (voice and data) services . To date CHAS expects the net aggregate cash flow improvements will exceed \$1.1M over the three-year period following implementation.

Let Us Help

We’re ready to help you discover the solutions that are right for you. Contact an ERA Consultant in your area to learn how we can help you find additional cash that you might be leaving on the table.

Over three years, a total savings of \$1.1M was found across the expense areas of:

340b Pharmaceuticals - Office Supplies - Janitorial Services & Supplies - Medical Supplies - Dental Supplies - Dental Lab Services - Telecom and Purchased Garments

“Engaging ERA is a great way to conduct an external double-check in order to benchmark costs. From management’s perspective, it is a really easy way for us to gauge how well we are doing in terms of receiving the best value from our suppliers.”

-JOHN BROWNE, CFO
CHAS



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