Model **N**

SOLUTION BRIEF

Government Pricing Solution Brief

The Life Sciences industry is evolving at a faster pace than ever before and drug manufacturers are tasked with managing an unprecedented frequency, uncertainty and complexity of reporting requirements. As government regulations become increasingly more complex, manufacturers are challenged to find a solution that combines rapid performance with scalability and accuracy, while also ensuring compliance.

Model N's GP solution manages complex government price reporting and enables pharma manufacturers to remain compliant by accurately and efficiently calculating prices. A major component to remaining compliant, Model N quickly responds to regulatory guidance by releasing Regulatory Update Packs (RUPs), which contain software and documentation that enables customers to easily update to the latest regulatory changes. For context, in the past 10 years, an average of 2 changes per year have been delivered to ensure our customers remain compliant.

With GP, customers can:

Comply with Government Price Regulations with Accurate Filings and Timely Payments

- Construct auditable and reproducible version-controlled methodologies for government pricing policies
- Confidently structure innovative contracts and complex bundle agreements, while staying compliant with Discount Reallocation Management

Translate Strategy into Execution through Good Governance

- Align commercial and government price management
- Efficiently manage monthly and quarterly government price reporting requirements for AMP, BP, ASP, PHS, FCP, and NFAMP

Optimize your Business with Insights into Ongoing Operations

- Automate the handshake between Government Pricing and Medicaid, Provider and Payer contracting
- Improve operational efficiency and governance capabilities while decreasing overall IT costs in the Model N Cloud

Challenges

The industry is evolving at a faster pace than ever before—drug manufacturers are tasked with managing an unprecedented frequency, uncertainty, and complexity of reporting requirements. In concert with maintaining compliance across a broad range of government regulations, companies must also align their gross-to-net strategies across the business. A slight error in calculations can cause millions of dollars in overpayments. Additionally, businesses face the potential threat of non- compliance, which can translate into a tarnished brand, large fines, or even jail time. It is essential that price and rebate discounts are correctly handled, on time, and for the right amount.

On average, manufacturers have paid $7.35 million for a single overcharge penalty since 2012.

In the past 5 years, TWICE as many overcharge cases have been brought against manufacturers than the previous 10 year period.

"Since Model N fully integrates Government Pricing with Medicaid Claims processing, it gives us the flexibility to implement processes and solutions to address the DRA compliance and other government regulations."

— VP, Finance
Leading Pharma Manufacturer

We're ready when you are

With ready-to-go industry best practices, an industry-leading set of built-in validations and GP formula configurations, Model N provides the confidence to structure innovative price and rebate incentives across channels, customers, and geographies.

US Government Compliance Solution


Validations & Formula Builder


Government Reporting


Discount Reallocation


URA Formula Builder


Claim Management


Ad-hoc Analytics

Experience GP's full capabilities with these add-ons:

GP Intelligence — GP Intelligence is a self-service reporting solution on the data being used / created within the Government Pricing application. The data can be sliced and diced to generate valuable insights. The solution enables generation of different types of charts and graphs which can be used to quickly stitch together a report for management. Reports can be pre-configured based on user requirements and scheduled to run at a set time.

GP Turbo — GP Turbo is a cloud-based calculation engine for government pricing and achieves up to 10x faster performance. The engine attaches itself to the core GP application and makes use of cutting edge AWS and distributed computing (SPARK) technologies to derive a much higher performance. Turbo also cuts a two-step process of population and calculation to a single step of calculation and removes any workbook caching requirements.

Discount Reallocation Management (DRM) — Discount Reallocation Management (DRM) can help customers remain compliant with the mandates outlined in the Deficit Reduction Act (DRA), which relates to bundled drug sales. DRM enables the process by which discounts associated with one set of transactions for products, customers and/or timeframe are reallocated to transactions across a different set of products, customers and/or timeframe. DRM enables complex contracting strategies to be executed with confidence knowing the resulting discounts will be properly reported for regulatory compliance.

"Model N has been ready and able to help us with every curveball thrown at us by the new health care legislation. They have provided high quality updates with great timing to allow our business to adapt."

— Jennifer Draudt
Senior Director of Contracts and Pricing, Par Pharma

* Internal analysis of data courtesy of Statista and Public Citizen

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