



Contracts Lifecycle Management Compliance

EMC consultants address the operations and systems issues inherent in the contracts management lifecycle to identify areas of revenue leakage and revenue lift, develop hypotheses regarding the value potential of improved capabilities, and generate a blueprint for realizing tangible benefits. Using proven methodologies, our team has delivered bottom-line results for clients.

Challenge

As a major health insurer and purchaser of pharmaceuticals, the federal government has a significant interest in drug pricing. Over time, development of myriad healthcare policies and programs has resulted in a complex system of price reporting rules for pharmaceutical and biotechnology companies. Compliance requires visibility into commercial and government contracts and the ensuing price, discount, and incentive combinations. Non-compliance, whether due to incompetent systems or unethical intent, has resulted in billions of dollars in fines for companies in these industries. To avoid these fines, many companies have launched new initiatives to automate or outsource processes to ensure compliance.

When one large biotechnology company was fined for erroneous submissions in their government pricing reports, they turned to EMC® Consulting to identify and remedy operational inefficiencies in calculating and reporting both commercial and government prices.

Solution

The team from EMC worked with the client to clarify the issues the company faced going forward. They looked at operational issues to determine the feasibility of changing internal processes or outsourcing components to bring processes into alignment with federal regulations.

EMC Rapid Operational Diagnostic

- Reviewed contracts lifecycle management program assessing current state processes and technical capabilities
- Identified gaps in processes
- Developed a roadmap for key work streams, dependencies, timelines, and stakeholders/functions impacted through the transformation management process

EMC User Requirements Definition (URD)

- Interviewed key stakeholders including business managers, compliance and ethics officers, and commercial operations team
- Addressed requirements for managed care rebating and chargeback processes and the government pricing function
- Identified key functionality required to support new contracting processes and to better align their business with government regulations

Result

EMC provided explicit requirements that enabled the client to issue a Request for Proposal (RFP) for new systems for the government pricing and chargeback functions. In addition, the client decided to outsource the managed care rebating function until plans for a fully integrated, single-source platform for contracting functions is implemented. The EMC team provided the insights and analysis to support these strategic business decisions.

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Take the next step

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