

Optimize Revenue Management and Improve Customer Relationships

With Model N Syndicated Customer Master

Model **N**

EBOOK



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In life sciences, a clean and comprehensive customer master database is a critical factor in ensuring correct pricing, fostering positive customer relationships, and protecting revenue. Unfortunately, due to the growing complexity of customer data and the time and resources required to maintain it manually, many organizations struggle to keep it consistently accurate and updated. This can create a host of problems that ultimately lead to significant revenue erosion.



The challenges with managing customer data

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The challenges with managing customer data

An always-accurate customer master can unlock vital insights to give life sciences companies a strategic edge. To benefit from these insights, however, companies must first overcome the following obstacles.

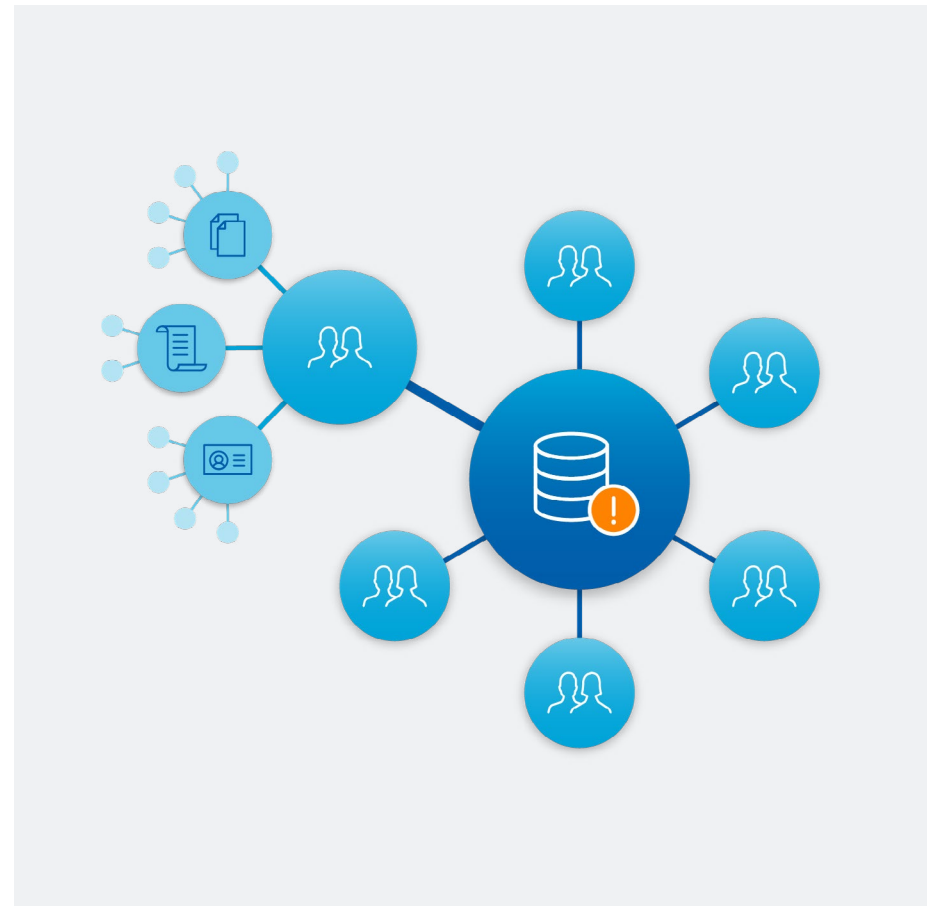
The data is complex.

Customer masters must contain a wide array of:

- Published affiliations, including group purchasing organization (GPO) membership, private equity ownership, government program participation, and integrated delivery networks (IDNs)
- Contract eligibility, such as tiered pricing, rebates, and resolved price
- Unique identifiers

A single physical customer location may be associated with multiple identifiers – such as the Drug Enforcement Administration registration number, Health Industry Number or Public Health Service registration, Dun & Bradstreet Number, and Global Location Number – and those IDs might be used inconsistently or change over time. All this data must be synced correctly to avoid duplicates and errors.

In addition, many diverse sources – including public databases and specialty vendors – generate customer data, and multiple software systems gather it. The data arrives in many different forms and must be cleaned and standardized before it is usable.

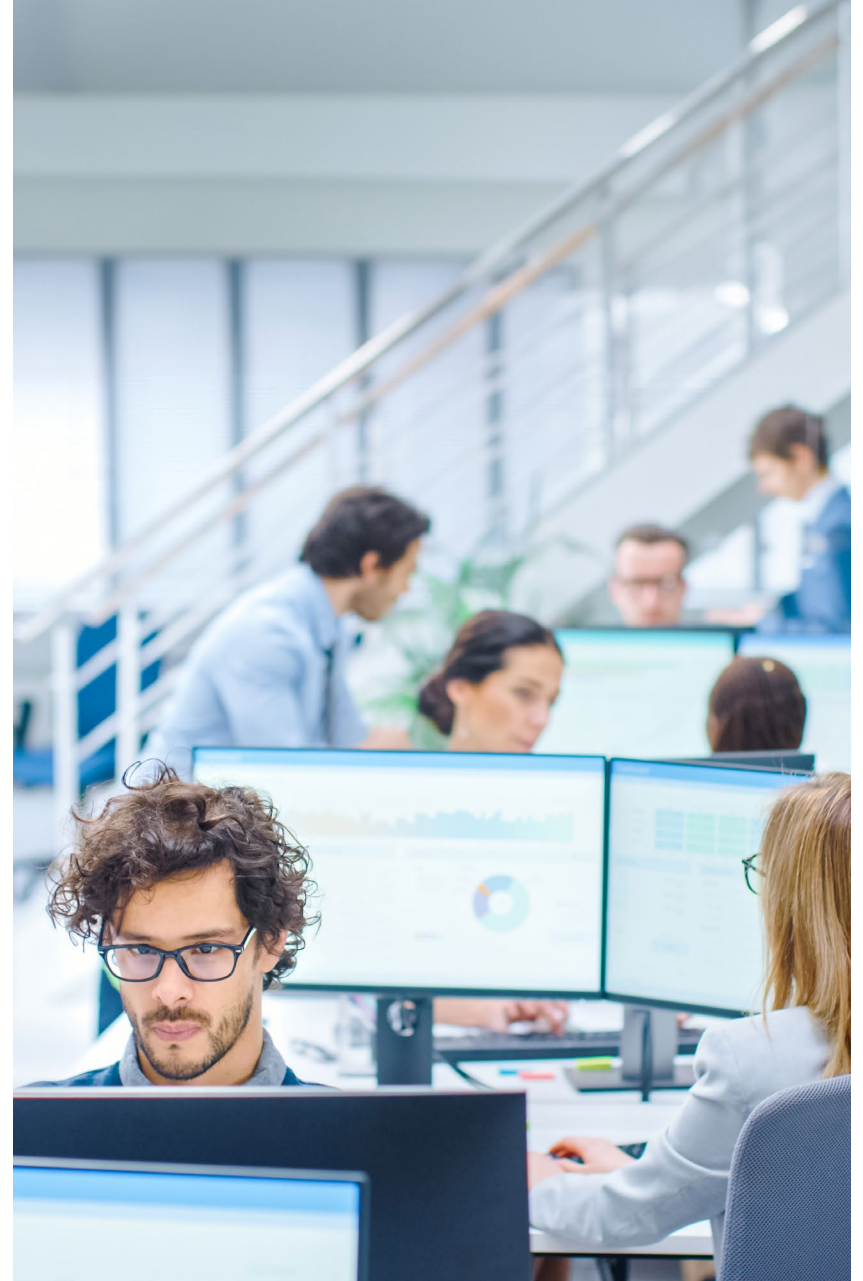


The data is resource-intensive to manage.

Upholding customer master data requires substantial resources. Manufacturers must manually verify entities and their GPO membership status, which can take hours for a single customer. Many organizations add more staff to compensate for the volume and complexity of the maintenance process, adding significant expense to the effort.

The data is always changing.

Customer data changes constantly. For example, a hospital may join or leave IDNs and GPOs, impacting its eligibility for customized contract pricing. Manufacturers may receive outdated information, partial updates, or nothing at all about these modifications. Without current and complete data, companies make inaccurate cost of trade (COT) classifications, which can lead to ineligible rebates and affect government pricing calculations.



Why manual processes are insufficient

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Why manual processes are insufficient


The customer master is a dynamic entity requiring regular maintenance. To confirm appropriate prices, rebates, and payments, life sciences companies must correctly match each customer with their precise contracted pricing and verify their eligibility for incentives. Manual processes simply can't keep up with the data volume and rapid changes, and often result in incomplete or inaccurate identifiers and missing or outdated data. This contributes to revenue loss in several ways.

Incorrect discounts, rebates, credit rebills, and prices

Accurately assigning each customer's COT designation is essential to applying appropriate discounts. Modern contracts contain complex structures that vary widely between customers, and incentive eligibility fluctuates. An outdated or incomplete customer master leads to incorrect COT assignments. Companies may overlook warranted discounts, incorrectly extend discounts to ineligible trading partners, or charge the wrong price, resulting in strained relationships and uncaptured revenue. Credit rebills create operational headaches, can hurt sales competition, and result in revenue reductions.

Chargeback mistakes

Without complete and precise customer identifiers, chargeback requests cannot be automatically verified against pricing contracts. To determine each transaction's validity, companies often resort to expensive manual reviews, which are inefficient, resource-intensive, and leave a significant margin for error. Invalid chargebacks still slip through, and systems may improperly reject eligible chargebacks, resulting in lost revenue and disgruntled partners.



**40%-
75%**

In recent years, pharmaceutical manufacturers have reported **actual revenue of 40% to 75% of gross sales due to rebates and discounts.**¹

¹"A primer on Medicare Part D prescription drug rebates: Insights into the possible impact of the Inflation Reduction Act." Milliman, 2023.

Government price reporting non-compliance

An incomplete customer master database directly obstructs accurate government price reporting. Key drug pricing calculations like Medicaid Unit Rebate Amounts and 340B ceiling prices rely on COT tiers. Inaccurate COT classifications lead manufacturers to miscalculate mandated rebates and discounts and submit incorrect reports. Companies risk jeopardizing compliance, potentially incurring financial penalties or even expulsion from the Medicaid program.

Delayed customer onboarding

With incomplete or inaccurate information undermining customer verification processes, manufacturers struggle to efficiently provide potential partners with price quotes. These delays result in customer frustration, lost revenue opportunities, delayed cash flows, and resource inefficiency.



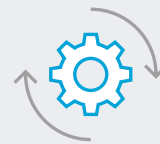
Pay the right amount every time
with always-accurate customer data

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Pay the right amount every time with always-accurate customer data

Model N Syndicated Customer Master seamlessly integrates into Model N Provider Management and third-party data sources to provide life sciences companies with an evergreen database of validated customer identifiers and affiliations, ensuring the maintenance of data integrity over time.

- **Reduce costs and scale your internal teams** by directly integrating your Model N adjudication system with this accurate and complete data source. Spend less time focusing on validating data through manual research and more time focusing on analyzing results.
- **Guarantee rebate accuracy and ensure government price reporting compliance.** Enhance customer and trading partner satisfaction, leading to stronger partnerships and increased sales velocity.
- **Improve chargeback accuracy and reduce revenue leakage** by using accurate and timely GPO membership and eligibility information that's automatically updated within Syndicated Customer Master.



Model N Provider Management

Gain real-time visibility and insights into your commercial contracting process to reduce revenue leakage and ensure contract compliance.

Model N Syndicated Customer Master is an integrated data service for life sciences manufacturers that ensures accurate customer-specific pricing across channels quickly and efficiently. The end result? Optimized revenue, improved customer relationships, and consistent compliance with government regulations.

Schedule a demo to see Model N Syndicated Customer Master in action.



Cost-effective scalability



Seamless cloud-based integration



Accurate pricing and payments



Extensive industry knowledge



Always-current customer master

About Model N

Model N is the leader in revenue optimization and compliance for pharmaceutical, medtech, and high-tech innovators. Our intelligent platform powers your digital transformation with integrated technology, data, analytics, and expert services that deliver deep insight and control.

Our integrated cloud solution is proven to automate pricing, incentive, and contract decisions to scale business profitably and grow revenue. Model N is trusted across more than 120 countries by the world's leading pharmaceutical, medical technology, semiconductor, and high-tech companies, including AstraZeneca, Stryker, Seagate Technology, Broadcom, and Microchip Technology. For more information, visit modeln.com

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