
Government Pricing Retail vs Mail Order Ratio Implementation

Client Profile

- Our client is recognized worldwide for providing innovative medicines to patients, physicians and healthcare organizations. Their business develops and markets patent-protected prescription drugs for important health needs. Our client's products are concentrated in major therapeutic areas: Cardiovascular and Metabolism, Oncology and Hematology, Neuroscience and Ophthalmics, Respiratory, Immunology and Infectious Diseases.
- Our client's current product portfolio includes more than 45 key marketed products, many of which are leaders in their respective therapeutic areas. Their product development pipeline involves about 140 projects in various stages of clinical development – including potential new products as well as potential new indications or formulations for existing products.

Mindlance Solution

- The Mindlance team developed a comprehensive solution to help our client realize the full benefit of applying the new methodology to their pricing calculations while still remain in compliance with CMS guidance.
- The ratio calculation was performed by applying the mail order ratio value to the AMP eligible rebates data. The ratio calculation methodology included deriving ratio values using the split between mail order and non-mail order portion of the retail sales data grouped at the script level.
- The solution provided by Mindlance was implemented giving careful consideration to the fact that our client was using historical data for smoothing in their existing Monthly AMP calculations. The solution provided by Mindlance addressed the requirement of simultaneously using both the prior and new ratio calculation methodology during the initial phase i.e. after the deployment of the new methodology until the mail order data split and ratio process is fully adopted by the client business team and their customers.

Client Situation

- Our client has been using the I-many Government Pricing (GP) application for its compliance and price reporting process.
- Our client needed to implement changes to their existing pricing calculation methodology to address a portion of the DRA ruling which redefined the retail class of trade to exclude pharmacies that are wholly owned subsidiaries of PBMs from AMP calculations.

Client Benefits

- Our client has been able to realize the full benefit of the GP mail order solution developed by Mindlance to apply the ratio calculation methodology to their Monthly AMP calculations and perform the required submissions more accurately.