



Cangene Adopts Revitas Revenue Manager to Automate and Optimize Pricing and Reimbursement Processes



About Cangene

Cangene is a fully integrated developer and manufacturer of therapeutics. Our first drug, WinRho® SDF, has been commercially available since 1980, and since then we have established a solid track record of developing and commercializing products that address multiple therapeutic areas. Our current product portfolio consists of purified, concentrated antibody preparations (hyperimmunes) with target applications in infectious disease, hematology, transplantation and biodefense. Four of our hyperimmune products are approved in the United States and/or Canada, and three products are included in the U.S. Strategic National Stockpile. We are committed to the safety and quality of our products, the service of our customers and the interests of our shareholders.

With the re-acquisition of WinRho® SDF and HepaGam B® in the United States our business is now vertically integrated in the United States. We currently market and distribute these FDA approved products and plan to grow this business with additional products, which will further solidify our commercial presence in the U.S.

In today's complex, competitive, and highly regulated pharmaceutical market, manufacturers must maintain strict processes and manage complex financial calculations required for compliance with government programs including the Medicaid Drug Rebate Program (MDRP), Federal Supply Schedule, Public Health Service (340B), and Medicare Coverage Gap. Companies must manage these obligations while delivering quality, cost-effective drugs to patients and maintaining profitability. For midsize companies, the current landscape poses unique challenges.

Midsize pharmaceutical manufacturers must maintain compliance with the same regulations, but remain competitive with their larger counterparts in order to cement a strong position in specialty drugs, emerging markets, and generics. Effective contract, revenue, and compliance management are critical to success.

The Challenge

In 2009, Cangene Corporation. (www.cangene.com), a fully integrated developer and manufacturer of therapeutics, acquired new drugs from another pharmaceutical manufacturer. That manufacturer had been using Revitas Revenue Manager Classic to manage chargeback and rebate processes for the products. Thus, Cangene needed to decide whether to keep Revitas Revenue Manager in place or implement a new system.

Cangene was faced with the task of managing a large volume of chargebacks and rebates for the newly acquired products. This was a concern for the company, as overpayment of pricing incentives is a major contributor to revenue leakage. Revenue lost to miscalculation of chargebacks or rebates could result in a higher cost of goods sold for the products, which could subsequently drive up the price of products to customers. Cangene is committed to providing quality products to patients at a reasonable cost. Thus, revenue leakage had to be minimized in order to maintain cost-effective operations.

A midsized pharmaceutical company, Cangene needed a revenue management system that could get up and running quickly at minimum cost. The company performed an evaluation of the existing system in place – Revitas Revenue Manager Classic – as well as several other systems on the market. Ultimately, Cangene selected Revitas because Revitas was able to deliver a fully hosted solution and institute a “pay-as-you-grow” pricing structure.

The Solution

Cangene selected Revitas for a number of reasons. Revitas Revenue Manager is an industry-leading solution for the definition and management of chargebackTs, rebates, and other administrative fees. It automates all aspects of these complex pricing scenarios – like claims



validations and fee calculations – in order to help Cangene to prevent revenue leakage and maintain compliance both with contract terms and government regulations. Revitas Revenue Manager also provides comprehensive audit trails and reporting features, easing the process of reporting on compliance.

After making the decision to move forward with Revitas, Cangene elected to upgrade the inherited system to the newer version of Revitas Revenue Manager powered by the Flex platform. Because all chargeback and rebate data related to the acquired products was created in Revenue Manager Classic, migrating the data to Revitas Revenue Manager would be a seamless process.

Currently, Revitas hosts the system, which enabled Cangene to get up and running quickly on Revitas Revenue Manager and keep costs of system implementation to a minimum. With a hosted solution, there is no capital expense for Cangene and is much more cost-effective than an on-premise system.

Revitas offers a solution that is flexible and scalable – ideally suited for a midsized company like Cangene. The company has high growth expectations over the next several years, and Revitas Flex-enabled solutions will support that growth. The Flex platform enables easy implementation of changes to Revitas applications as Cangene’s needs may change over time.

Furthermore, Revitas offers a pricing model based on the size and revenues of the company. The Revitas pricing model is “pay-as-you-grow” and thus, as Cangene grows and its use of Revitas applications expands, the pricing will reflect that. This was ideal for Cangene – the company is able to have the benefits of the same enterprise-class revenue management systems used by large pharmaceutical companies within a much more cost-effective pricing structure.

“We wanted to find a company that would work with us now as a midsized company and be with us as we grow. Revitas was the right choice to meet our needs.”

- Jon R. Knight, Director of U.S. Commercial Operations, Cangene

The Results

Revitas Revenue Manager is a dynamic revenue management system for defining, managing, validating, and executing pricing incentives like chargebacks and rebates. The solutions leverage the Revitas™ Flex platform, which brings agility, extensibility, and security to the system, and enables expansion of the suite to include other Revitas applications, should the need arise at Cangene.

Revitas Revenue Manager automates Cangene’s pricing and reimbursement processes. The system defines, manages, and executes complex pricing terms and scenarios and automates complex fee structures and calculations associated with rebate and chargeback agreements. It also automates script validation, formulary management, and membership management to further reduce the instance of duplicate or ineligible claims. Revitas

Revenue Manager has enabled Cangene to optimize pricing and reimbursement management at each point of the distribution chain and reduce the risk of revenue leakage by ensuring accurate chargeback and rebate payments.

Revitas Revenue Manager also simplifies compliance efforts for Cangene. The system provides visibility across the enterprise into all related revenue activities. Processes that automate and validate claims reimbursements help to ensure compliance with internal, commercial, and government compliance. Revitas Revenue Manager maintains auditability and has robust reporting and analytics capabilities that enable Cangene to prove compliance easily.

Automated revenue and compliance management helps Cangene to protect against revenue leakage, maintain compliance, and avoid unnecessary fines or penalties. Cangene is able to keep its costs at a minimum and continue to provide cost-effective, quality products to patients.

A Look at What’s Next

Revitas is the industry-leader in integrated contract, revenue, and compliance management – and offers a number of applications that integrate with Revitas Revenue Manager that would be beneficial for Cangene. In the future, Cangene might consider additions such as Revitas Government or Revitas Medicaid Rebates, which would augment its success using Revitas Revenue Manager. Revitas Government Pricing would enable the company to ensure accuracy of and create comprehensive reports to maintain and prove compliance with government drug program requirements. Revitas Medicaid Rebates would help to ensure accuracy of payments and to meet the compliance requirements of the Medicaid Drug Rebate Program.