MAXIMIZE REVENUE WITH INTELLIGENT MEMBERSHIP MANAGEMENT
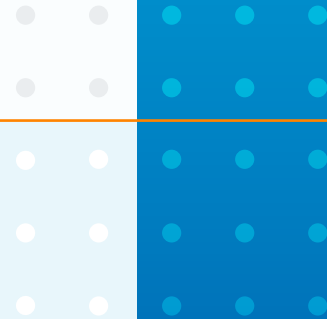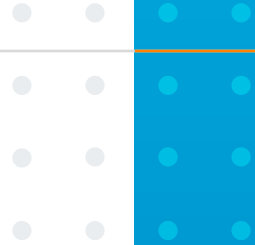
Model **N**

For medtech companies, effective management of membership data is critical to mitigating risk and maximizing revenue. Unfortunately, the activities required to ensure accurate and complete customer profiles and parent-child relationships are typically manual and very time consuming. Due to limited resources, these activities are often overlooked, resulting in duplicate or incorrect customer data, incorrect pricing, and inefficient indirect sales processing.

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100B+

Group purchasing organizations (GPOs) use more than 100 billion data points on clinical, financial, and operational healthcare performance.[1]

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[1] "HSCA RELEASES FOURTH ANNUAL REPORT ON VALUE GPOS DELIVER TO THE HEALTHCARE SUPPLY CHAIN." Healthcare Supply Chain Association. June 2021. https://www.supplychainassociation.org/wp-content/uploads/2021/06/HSCA-4th-Annual-Report-Press-Release-6-3-21.pdf

Massive quantity + inconsistent quality = significant operational challenge

Model **N**

Massive quantity + inconsistent quality = significant operational challenge

Membership information is provided to companies on a regular basis, in large files that often contain numerous data fields. These files must be reviewed and compared to the current master data for validation. Data elements such as identifiers, addresses, and other customer attributes must be continuously updated and maintained. Additionally, parent-child relationship changes, additions, and end-dating must also be identified and applied to make sure the right customers have access to the right prices.

The process is further complicated by the fact that data is often submitted inconsistently (e.g., street, st, st.), requiring analysts to create a standardized field based on the company's standard operating procedure.

Another potential problem arises during the indirect sales adjudication process, where there are often indirect lines that return an error indicating that the ship-to customer provided is not found in the system. This results in medtech companies having to either determine if the customer exists but perhaps with a different identifier than what was provided or determine if the customer is eligible for the contract that was submitted by the distributor.

Lastly, medtech companies contract with integrated delivery networks (IDNs) and other hospital groups that have specific sets of providers designated on the contract as eligible for the negotiated pricing, rebates, and fees. Analysts must compare this list of providers to the current master data and apply the appropriate updates or additions.

Clearly, proper management of this data requires an enormous amount of time and attention to detail to get it right. Getting it wrong can result in misalignment of critical data with customer transactions, resulting in a host of problems.

Examples of customer data elements that require frequent updates and are typically maintained regularly include, but aren't limited to:

- **Identifiers** (Examples: distributor-specific, GPO-specific, DUNS, internal)

- **Addresses** (Examples: street, city, state, ZIP code, country)

- **Customer attributes** (Examples: letter of commitment status, census beds, number of vendor designations)

Potential impact of customer misalignment

Model **N**

Potential impact of customer misalignment

From revenue loss, to customer service issues, to the risk of increased audits, the consequences of poor customer and membership data can be significant. Here are a few common scenarios of what can go wrong.

Duplicate customer records – Eligibility for contracts, pricing, and rebates rely on a combination of accurate customer master records and assigning those customers to the appropriate contract pricing and rebate programs. However, when the same customer exists more than once in a customer master, customers may get incorrectly assigned or omitted from eligibility, leading to incorrect pricing or exclusion from rebate calculations.

Incorrect contract pricing eligibility – When a customer receives the wrong price, the result is often credit-rebills, rebate/fee corrections, and potential sales rep commission recalculations.

Incorrect rebate, fee, and indirect sales payments – Overpaying results in revenue loss, while underpaying leads to unhappy customers – not to mention the extra work required to research and correct the problem, taking the team away from value-add activities. What's more, inaccurate calculations can cause loss of trust from customers as well as internal stakeholders, including sales, finance, and operations management teams.

Introducing an intelligent, automated solution

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Introducing an intelligent, automated solution

Model N Advanced Membership Management solves these challenges by enabling companies with the ability to automate the customer creation and management process.

By utilizing its sophisticated matching logic, you can evaluate customer and/or membership data to determine if each customer exists and if not, potential updates to the customer record are proposed for seamless updates to the customer. Conversely, if the customer does exist, the matching logic evaluates the customer and membership information provided in the file, determines the elements that do not match, and proposes updates to the customer record in the same user-friendly format. Once approved, the changes are then applied to the master data, membership data, and appropriate contracts, as needed.
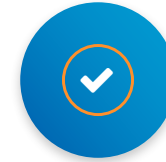
Model N Advanced Membership Management capabilities:

- Partner-specific mapping sets and data transformation options streamline the roster import process and standardize customer master data.

- Smart matching logic utilizes complex algorithms to ensure that submitted customer information is compared to the existing customer database to identify and propose potential updates and new customers as appropriate.

- Proposals are grouped by type for efficient processing.

- Platform is currently designed to support provider-based contracting and related processes.

Advanced Membership Management

Roster processing in three steps

1	2	3
Import	**Compare**	**Apply**

Import rosters and customers

Entry area

Easy data mapping

Validate | Research

Comparison to existing partners

Error correction

Inserts and updates

Update master data

Create new partners

Update membership

Automate roll-down to contracts

The value of standardization, enrichment, and automation

Model **N**

The value of standardization, enrichment, and automation

Applying the three-step roster processing approach used by Advanced Membership Management can significantly reduce error-prone manual tasks, improve profitability margins, and lower the risk of noncontractual noncompliance.

Increase operational efficiency

- Decrease the amount of time spent manually evaluating submitted customer and membership file data by: comparing to existing master data records, evaluating for duplicates, creating new customers, and editing existing customers.

- Reduce indirect sales errors and spend less time processing and more time analyzing.

- Minimize the need to retroactively research and correct previously paid indirect sales, rebates, and fees.

Protect the bottom line

- Reduce revenue loss from customers mistakenly getting access to lower pricing.

- Avoid overpaying rebates and administrative fees, which are often not likely to be recovered.

- Retain the trust – and business – of partners by improving the accuracy of payment and pricing calculations.

Ensure compliance

- Reduce the risk of errors and noncontractual compliance.

- Avoid unnecessary audits and streamline and simplify the process of necessary audits.

Improve business insights

- Provide faster, more confident reporting based on accurate customer and membership data.

- Achieve higher customer satisfaction and gain a competitive edge.

$1M

Save as much as $1 million in operational efficiencies

$10M

Protect as much as $10 million in revenue

$100M

Avoid as much as $100 million in fines

Ready to put an end to your membership data challenges?

Schedule a demo to see Advanced Membership Management in action.

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