

# Operationalize state-specific drug price transparency regulations

In recent years, prescription drug pricing has received increased scrutiny, extensive media coverage, and the attention of lawmakers. The combination of high-profile wholesale acquisition cost (WAC) increases and the inability of the federal government to address concerns about this common practice has led many states to propose and pass legislation on price transparency.

Under these rules, pharmaceutical manufacturers must generate and send reports that relate to specific pricing scenarios and guidelines. By obtaining this valuable information, participating states now have access to valuable product pricing information that they can utilize however they see fit.

Because each state designs its own approach to managing price transparency, reporting rules, formats, and timelines differ greatly from state to state. Managing and meeting these requirements has created administrative challenges for pharmaceutical manufacturers.

To streamline the end-to-end state price transparency reporting process, Model N has created a highly configurable, easy-to-use solution. Model N State Price Transparency Management delivers the visibility and automation that enables you to comply with the vast, ever-growing set of state regulations.



*Home screen with status summaries*

## Types of price transparency regulations

- **Reporting prior to WAC price increase:** Notification of a price increase on qualified products above a specified threshold in advance of the increase
- **Scheduled WAC increase reporting:** Reports that include all qualified WAC increases over a specified time period, which are sent on a scheduled basis – typically quarterly
- **Scheduled price reporting:** A disclosure of all prices for the specified set of products regardless of price increase activity
- **New product entry reporting:** Identification of newly launched products that qualify for inclusion because they meet specific criteria and thresholds

## Governance

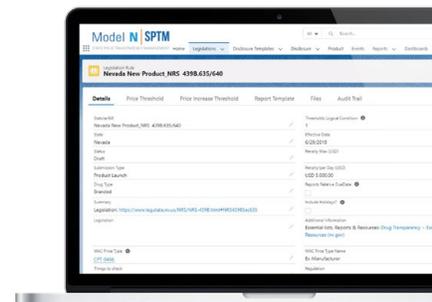
Not providing the right or complete information on time can put you at risk for non-compliance. Potential penalties can range from \$1,000 to \$30,000 per day or \$200 to \$20,000 per violation.<sup>1</sup> With Model N's solution, you can track and record all activity in a single application for simplified evidence collection in the event of an audit. Furthermore, you can easily reproduce any previously created report for on-demand access.

## Legislation repository

Because price transparency requirements vary by state, maintaining overall compliance is a logistical challenge. State Price Transparency Management allows for legislation rules to be configured based on state-specific regulations, including:

- Threshold values, such as price increase percentage, cost of treatment, and WAC price ceiling
- Threshold conditions, for example the cost of treatment exceeds a specified dollar value, or the WAC increases by a certain percentage
- Applicable products and associated WAC prices
- Penalties including per-day and maximum penalties
- Areas to notate free text for legislation and regulation information, notes, and reminders

As regulations change or new states enact laws, the application allows you to easily modify existing legislation or create new legislation, either as a copy from existing templates or from scratch.



Legislation details

<sup>1</sup> Chia-Feng Lu. "Transparency in Prescription Drug Pricing: Recent State and Federal Developments to Watch." Greenberg Traurig. July 8, 2021.

## Report templates and on-demand report generation

Because each state defines what to disclose, how to disclose, and to whom you should disclose differently, managing the various report outputs is cumbersome. State Price Transparency Management streamlines the process by enabling you to create and reference templates that address unique reporting needs, including data fields, rules, and formats. Simply add and remove fields directly from the user interface.

Reports are autogenerated based on each state’s unique triggering event to ensure state-specific timelines are always met. Set up your solution by:

- Defining reporting and notification deadlines
- Selecting submission type (pre- or post-launch)
- Establishing submission frequency (annual, monthly, or quarterly)

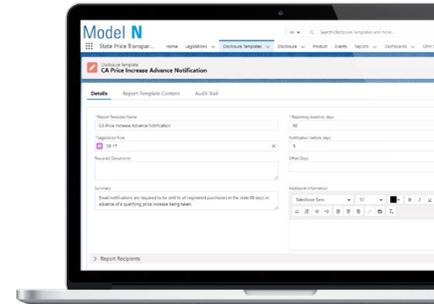
And if you are already a user of **Model N Revenue Cloud**, products and WAC prices are automatically pushed into the State Price Transparency Management application. Additionally, cost of treatment information and other state-specific data can be integrated and scheduled for automatic data loads. By combining all data and information into a single application, you can eliminate duplicate work and reduce the risk of missing key data, which can lead to costly penalties.

## What-if analysis

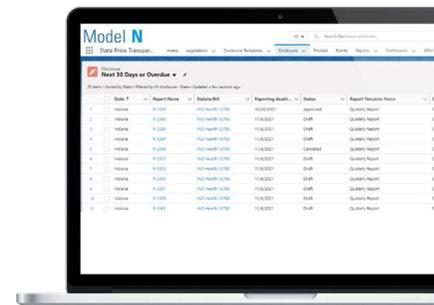
To stay below statutory reporting thresholds for current and future regulations, you may need to adjust your pricing strategies. State Pricing Transparency Management gives you the ability to make informed decisions by simulating potential downstream impacts of future pricing or product events, such as price increases or new product launches.

## Model N Revenue Cloud for Pharma

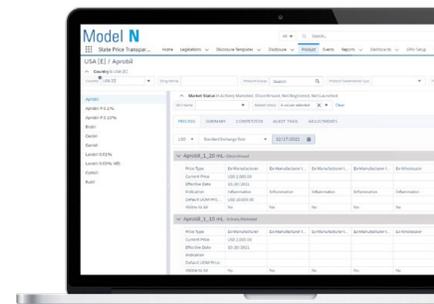
Built specifically to help address the challenges facing the life sciences industry, Revenue Cloud delivers the proven processes and flexibility to reduce revenue leakage in payer and provider contract pricing and rebating processes. Plus, with applications like State Price Transparency Management, you can ensure adherence to complex and evolving government pricing regulations. [LEARN MORE →](#)



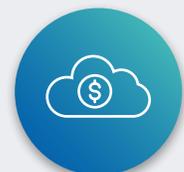
Report templates



Report disclosure status



Products and prices



## Collaboration

Pharmaceutical price transparency laws have impacts across your entire organization. State Price Transparency Management enables you to create workflows and processes that foster communication among government pricing and programs, commercial contracting, finance, compliance, and legal teams. The approval engine provides an easily maintainable set of rules that define approvers and levels. At any time, approvals can be reassigned and manual steps added if necessary. Along with multi-level approval workflows and scheduled reports calendars, you can create user-specific dashboards that indicate approval status and help eliminate bottlenecks.

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## Automate the process of meeting diverse transparency requirements

-  **Reduce risk of non-compliance with all state-specific price transparency requirements by providing all necessary reporting on time and in the correct format.**
-  **Streamline cross-departmental visibility and collaboration with approval workflows and scheduled reports calendars.**
-  **Translate current and future legislative activity into tasks that can be configured and triggered based on each state's laws and regulations.**
-  **Integrate with Revenue Cloud and other systems to access pricing, product, and other required data.**

## Answer the increasing call for transparency in drug prices

Schedule a demonstration to learn how Model N State Price Transparency Management can help you manage and meet the unique reporting needs of the vast set of state price transparency regulations.