

Model N

CASE STUDY

Pharma manufacturer uses 340B Vigilance to prevent duplicate discounts

ABOUT THE CUSTOMER

A leading pharmaceutical manufacturer participates in the 340B Drug Pricing Program. Under the program, they sell their drugs at a deeply discounted price to serve the needs of underinsured populations and eligible patients.

BUSINESS PROBLEMS FACED BEFORE MODEL N

- Lack of visibility into prescriptions dispensed using 340B inventory
- Extensive manual effort to identify ineligible or duplicate rebate claims
- Loss of revenue because of duplicate discounting

OUTCOMES ACHIEVED WITH MODEL N



Prevented \$50 million in rebate overpayments in year one



Quickly rolled out an industry-leading script validation tool in just four months



Improved accuracy in managed care, Medicare, Medicaid, TRICARE, and coverage gap rebate processing

THE SITUATION

The manufacturer suspected that they were paying additional rebates on top of the discounted 340B price because those drugs were being incorrectly dispensed to patients who were covered by commercial insurance, Medicaid, TRICARE, and other programs. To limit duplicate discounts, the manufacturer began searching for a solution that would give them visibility into the prescriptions dispensed by covered entities and their contract pharmacies using 340B inventory.

The manufacturer issued a policy statement that requires contract pharmacies, or covered entities on their behalf, to submit prescription-level data in return for receiving shipments billed at the discounted rate. The manufacturer then contracted with a third party to collect and manage this script data through a purpose-built portal. But without an automated tool, combing through that data to identify invalid scripts and duplicate discounts was virtually impossible.

THE SOLUTION

Enter Validata, the industry-leading script validation tool from Model N. Validata integrates with the third-party portal to consume the script data. Validata's 340B Vigilance add-on module then scrubs this definitive list of transactions and prescriptions that are attested to by the covered entities and/or their contracted pharmacies as being dispensed from the

340B inventory. If the application identifies the same prescription IDs or other information from Medicaid, pharmacy benefit managers, or other rebate requestors, the script is flagged as a potential duplicate. From there, the manufacturer can prevent the payment from happening or determine the best way to recoup money paid on an erroneous claim – both of which were previously impossible without 340B Vigilance and Validata.

RESULTS

With the inclusion of the 340B Vigilance add-on, Validata has become a powerful tool for the manufacturer. Now in addition to improving accuracy in managed care, Medicare, Medicaid, TRICARE, and coverage gap rebates, the manufacturer has successfully prevented more than \$50 million in 340B payer rebates in just one year.

WHAT'S NEXT?

Model N has now integrated ineligible service provider data into 340B Vigilance. Using this data, the manufacturer can validate eligibility and make sure that they're only fulfilling requests from covered entities. Further, the manufacturer can source and develop a list of ineligible service providers, and 340B Vigilance will support the scrubbing process.

[Learn how Model N can help you efficiently manage the 340B process. >](#)