Medicaid

The Medicaid program has experienced significant expansion over the last decade, with enrollment growing 54%, due in part to the Affordable Care Act. With this expansion, and costly penalties that can be both financial and reputational, manufacturers face the challenge of finding a solution that combines rapid performance with scalability and accuracy, while also ensuring compliance.

Model N's Medicaid solution complies with government calculation and reporting requirements, translates strategy into execution, and optimizes business insights into ongoing operations. To stay current with guidance, Model N quickly responds by releasing Regulatory Update Packs (RUPs). These RUPs contain the necessary software and documentation for customers to easily update and process based on the latest regulatory changes. For context, in the past 10 years, our customers have received an average of 2 changes per year to ensure compliance.

With Medicaid, customers can:

Remain Current with Government Regulations

- Supports changes in URA calculations with a flexible formula builder

- Enables processing payments for state and supplemental programs as well as the federal program

Streamline Information Sharing

- Produces a consolidated payment package with all necessary reports in one click

- Easily generates electronic ROSI and PQAS reports

Reduce Overpayments in Medicaid Rebates

- Automates validations to identify any outliers in the claim

- Provides streamlined processing to support timely payments and avoid interest penalties

Challenges

The industry is evolving faster than ever before — drug manufacturers are tasked with managing complex requirements that are changing at an unprecedented rate. In concert with maintaining compliance across a broad range of government regulations, companies must also align their gross-to-net strategies across the business. A slight error in calculations can cause millions of dollars in overpayments. Additionally, businesses face the potential threat of non-compliance, which can translate into a tarnished brand, large fines, or even jail time. This makes it essential to handle price and rebate discounts on time and for the right amount.

On average, manufacturers have paid $7.35 million for a single overcharge penalty since 2012.

In the past 5 years, TWICE as many overcharge cases have been brought against manufacturers than the previous 10 year period.

"Since Model N fully integrates Government Pricing with Medicaid Claims processing, it gives us the flexibility to implement processes and solutions to address the ACA compliance and other government regulations."

— VP, Finance
  Top 10 Pharma Manufacturer

Experience Medicaid's full capabilities with these add-ons:

Validata Script Management — Validata's Medicaid module provides support for Medicaid script validations. This includes: basic integration with Model N Medicaid systems, storing and referencing Medicaid pharmacy data, identifying inconsistencies in Medicaid scripts, and validating across market segments to avoid duplicate payments.

Medicaid Intelligence — Medicaid Intelligence is a self-service reporting solution on the data being used or created within the Medicaid application. The data can be sliced and diced to generate valuable insights, and analysis of the trends can reduce fraud, waste, and abuse. The solution enables generation of different types of charts and graphs which can be used to quickly stitch together a report for management. Reports can be pre-configured based on user requirements and scheduled to run at a set time.

Accruals Management — Accruals Management is an end-to-end Gross-to-Net solution that seamlessly consumes prices, rebates, fees and chargebacks from other Revenue Cloud for Pharma applications. This allows forecasting and reconciliation modules to quickly and accurately manage liabilities at any level of detail with full visibility into each gross-to-net component. Accruals eliminates the need for dozens of spreadsheets and maintains an audit log for compliance. It delivers significant productivity improvements by eliminating manual operations and promotes collaboration by which multiple users may use the solution. It is flexible in its ability to roll up discounts by NDC codes, therapeutic areas, contract groups, or any such hierarchy.

We're ready when you are

With ready-to-go industry best practices, an industry-leading set of built-in validations and Medicaid formula configurations, Model N provides the confidence to structure innovative price and rebate incentives across channels, customers, and geographies.

"[CMS] substantially increased the alternative unit rebate amount calculation for these line extension drugs... and they are going to add significant rebate liability to manufacturers of line extension products."

— Jennifer Draudt
  Senior Director of Contracts
  and Pricing, Par Pharma

In 2017, total Medicaid spending increased by 3.9%

Medicaid spending for 2018 is projected to grow by 6%

* Internal analysis of data courtesy of Statista and Public Citizen

Model **N**