



GOVERNMENT CONTRACTING AND PRICING

Align policies, procedures, and controls in practice with drug pricing regulations associated with government pricing

Due to the continuous evolution of government programs, pharmaceutical manufacturers will have to continuously assess the impact of changes in these programs to their overall brand strategies. The internal systems must be able to facilitate the manufacturer to effectively assess, identify, and resolve compliance risks associated with government pricing. Investing in a revenue management solution that allows for integration of customer, contract, product, marketing, financial, reporting, and analytical systems enables organizations to effectively:

- Implement pricing strategies
- Enforce deal analysis discipline
- Track and align discounts with product sales
- Manage “best price” and other government required terms
- Manage contract sales opportunities and channel relationships
- Execute timely, error-free trade incentive payments

As a result, organizations reduce regulatory compliance risk, improve customer satisfaction, and reduce sales and operations costs to save millions annually.

Paragon Extracts Value from Government Pricing Operations

Paragon is an advisory consulting and systems integration firm specializing in solutions that meet the business needs and regulatory requirements of the pharmaceutical, biotechnology, and medical device industries.

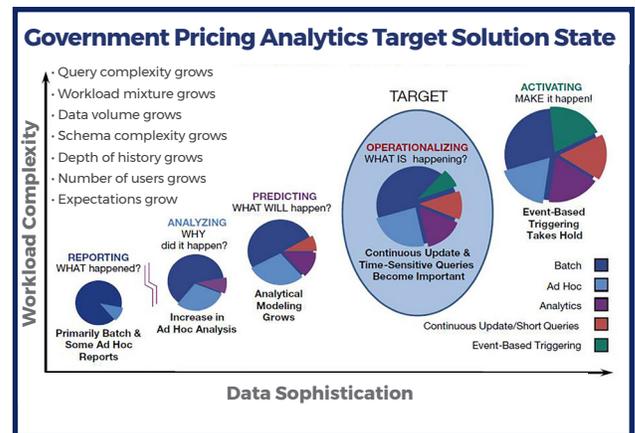
We apply our proven operational methodologies by blending business process and technology to enable government pricing teams to achieve successful realization of their compliance and revenue enhancement objectives:

- **Organizational Service Benchmark** – industry benchmarks for the laundry list of services provided by, or requested of, government pricing team organizations
- **Compliance Efficiency Evaluations** – ensure high adoption of the new operating environment via effective communications and engagement programs
- **Value-Added Service Enablement** – achieve value-added services such as revenue leakage capture through benchmarking, prioritizing, and simplifying government pricing operations
- **Government Pricing Analytics** – evaluate the aggregated transactional data that is tied to the general ledger available in many government pricing systems to enable true customer performance dashboards

Paragon’s Government Pricing Analytics

Achieving compliant price calculations across price types is an absolute necessity. While this is mandatory, value can also be extracted by the government pricing function to improve client relationships, increase product portfolio performance, and capture revenue enhancement through more informed price decisions.

Paragon’s government pricing analytics provides a proven approach to innovate and enhance the government pricing function in an enterprise by providing predictive analytics that are tied-out to the entities general ledger through standard operating procedures. This eliminates qualitative debates and aligns portfolio objectives to quantitative measures.





Organizational Design for Effective Revenue Management

As is true of many process improvement or systems deployment projects, implementation of a revenue management system will often necessitate changes to the organizational structure. Paragon assesses the impact of the new system on the current structure and delivers: an Organizational Design Plan for the design of the future state; new job descriptions and/or roles and responsibilities based on changes to the structure and business processes; and other related materials such as key process indicators (KPIs)/scorecards, service level agreements (SLAs), incentives, and performance metrics that provide support for the future state organization.

Analytics Analysis and Definition

Revenue management capabilities focus on formulating the price, product, customer, and contracting strategies needed to maximize margins within the revenue management system. Paragon delivers analytics leadership to assist clients in mining and analyzing data from all systems related to the contract / revenue management process. Paragon provides analysis and definition against organizational KPIs such as process performance, throughput and compliance, and strategic contract KPIs including contract performance, market share, profit and revenue targets, and contract segmentation.

Case Study: Government Pricing System Integration

Business Challenge: A top tier pharmaceutical client that completed a recent merger sought to establish a harmonized approach to government pricing that would provide a single source of record and used the same methodologies as the current separate legacy applications to calculate and report: Medicare Average Sales Price (ASP), Medicaid Average Manufacturer Price (AMP) and Best Price (BP), Public Health Service (PHS) pricing, Federal Supply Schedule (FSS), Non-federal Average Manufacturer Price (Non-FAMP), and Ceiling Price (FCP).

Paragon Approach: The Paragon team began the integration effort by developing and testing all the transactional data, policies, and logic from one legacy system into the merged legacy system that would become the single source of record. Paragon reduced costs by executing the data migration, application enhancements, configuration changes, and validation end-to-end and bring to bear its accelerators to execute the merger successfully.

Client Success: The implementation enabled the client to:

- Improve efficiency to expand internal service offerings
- Reduce information technology costs by retiring the legacy system
- Increase the ability to govern and accurately audit prices for a broad product portfolio
- Reduce the risk of non-compliance by improving data quality, data synchronization and SOPs

About Paragon Solutions

Paragon is a consulting firm that helps health and life sciences companies become high-performing, compliant, and digitally connected. Paragon powers business transformation and delivers better business outcomes by providing valuable consulting services as a trusted partner to our clients. We do this by building long-term client relationships based on our domain expertise, creative ideas, pragmatic consulting services, and quality delivery of solutions.

For more information, visit us online at www.consultparagon.com, or call 1.800.462.5582.

Paragon Client Roster

Our client roster includes life science industry leaders such as:

- **AbbVie**
- **AstraZeneca**
- **Bausch & Lomb**
- **Bayer**
- **Bristol-Myers Squibb**
- **Celgene**
- **CSL Behring**
- **Daiichi-Sankyo**
- **GSK**
- **Lilly**
- **MedImmune**
- **Merck**
- **Novo Nordisk**
- **Otsuka**
- **Roche**
- **Shire**
- **Chiltern**
- **inVentiv Health**
- **Worldwide Clinical Trials**
- **Regeneron**