

Improving Aggregate Spend and Disclosure Compliance with Automated Reporting and Master Data Management



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Development

Agenda



- **Compliance Trends**
- **Data Management for Aggregate Spend**
- **Disclosure and Aggregate Spend Reporting – The Ideal Solution**
- **Global Transparency**



→ Trend toward transparency

- Many states and federal government have enacted legislation regarding disclosure of promotional spend
- Each law has different required information and report format

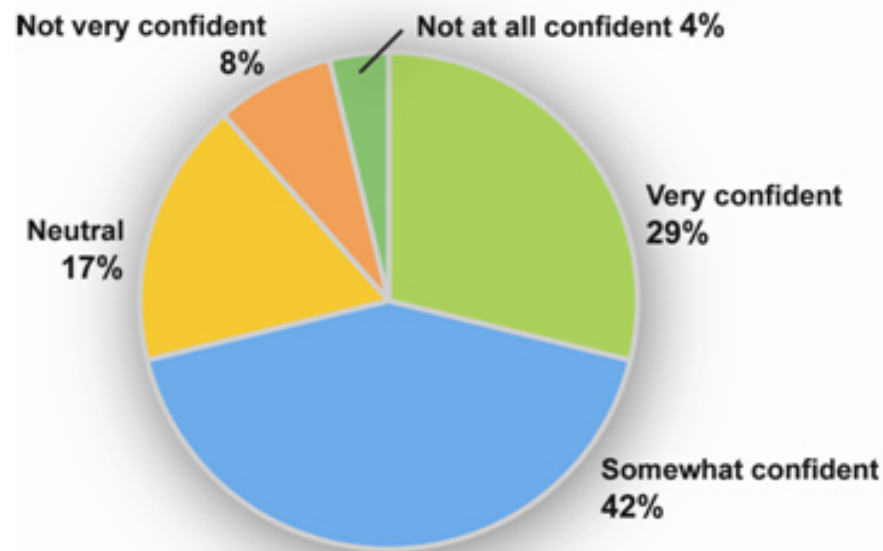
→ New federal law adds layer of complexity

→ Addition of global codes of conduct and anti bribery legislation

Confidence in Compliance



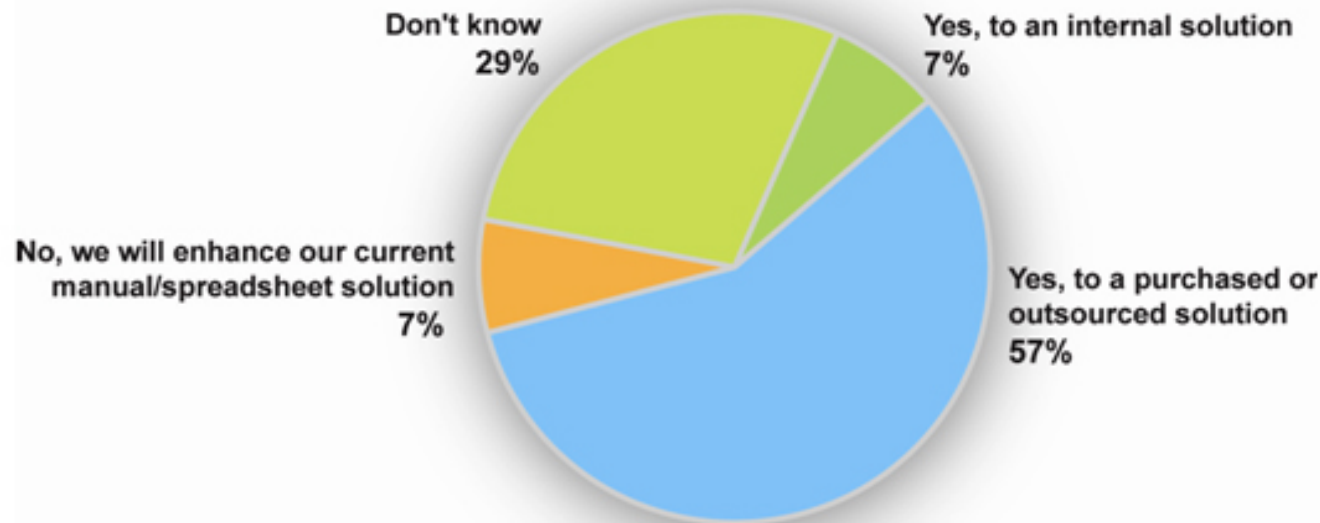
- According to a recent survey by Cegedim, only 29% of respondents reported that they are very confident that their company's disclosure reporting is fully compliant with current regulations.



The Sunshine Act will prompt many companies to look for outsourced help



- Of those respondents who currently use a manual solution, over half indicate that they plan to purchase an outsourced automated solution to help satisfy Sunshine Act requirements.



DATA MANAGEMENT FOR AGGREGATE SPEND

The Process

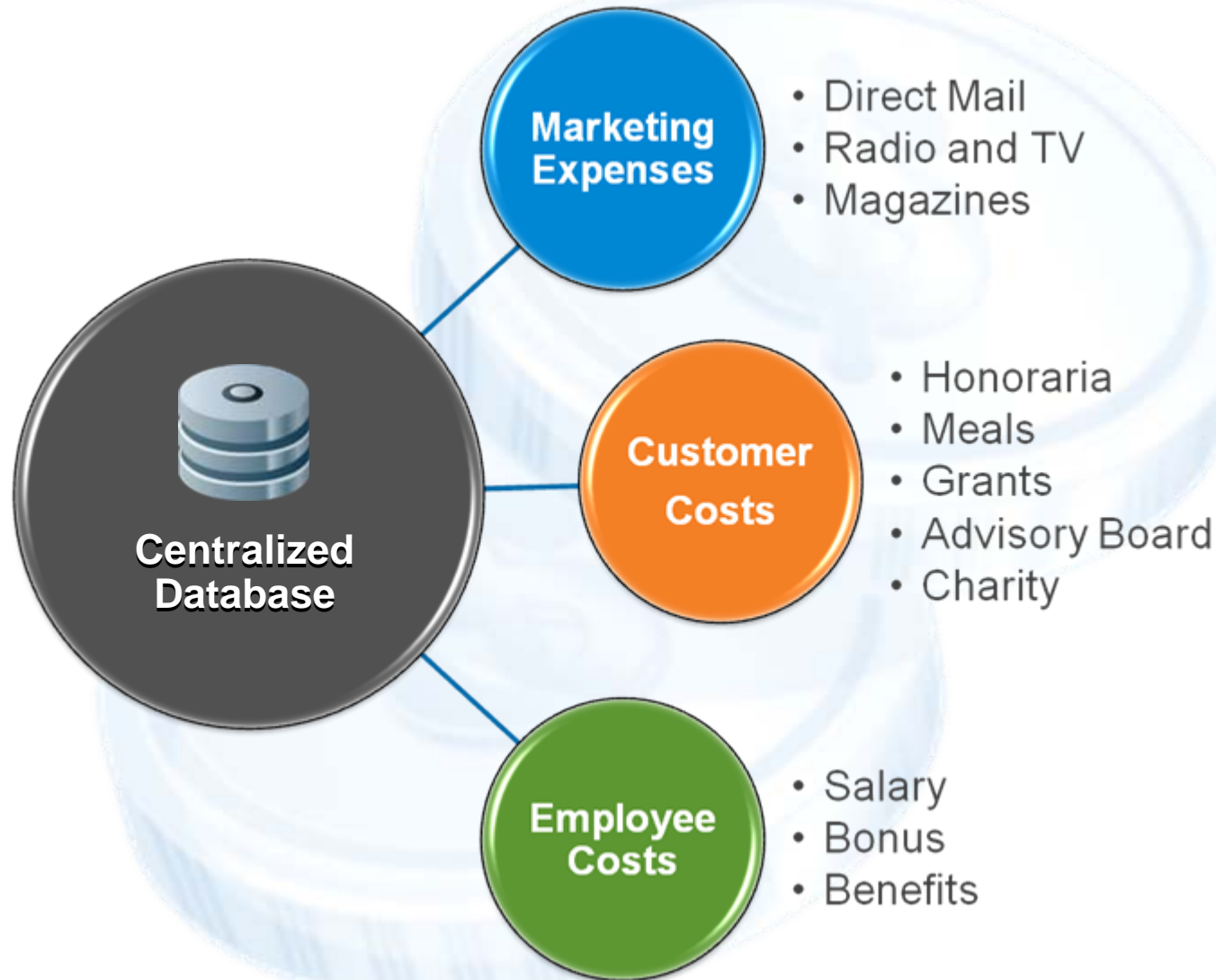


→ Transparency mandates accuracy

- Master data handling needs to operate at a more advanced level
 - Needs to become second nature for all the enterprise spend related systems



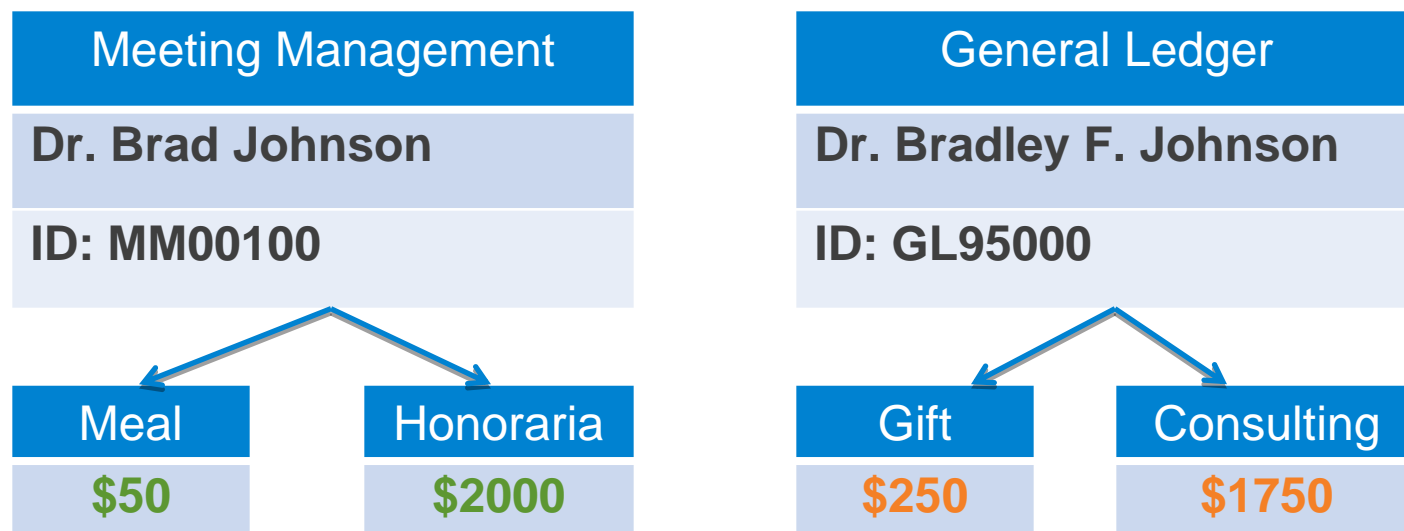
Have you Consolidated all Expenses?



What if your Systems use Different Customer Lists?

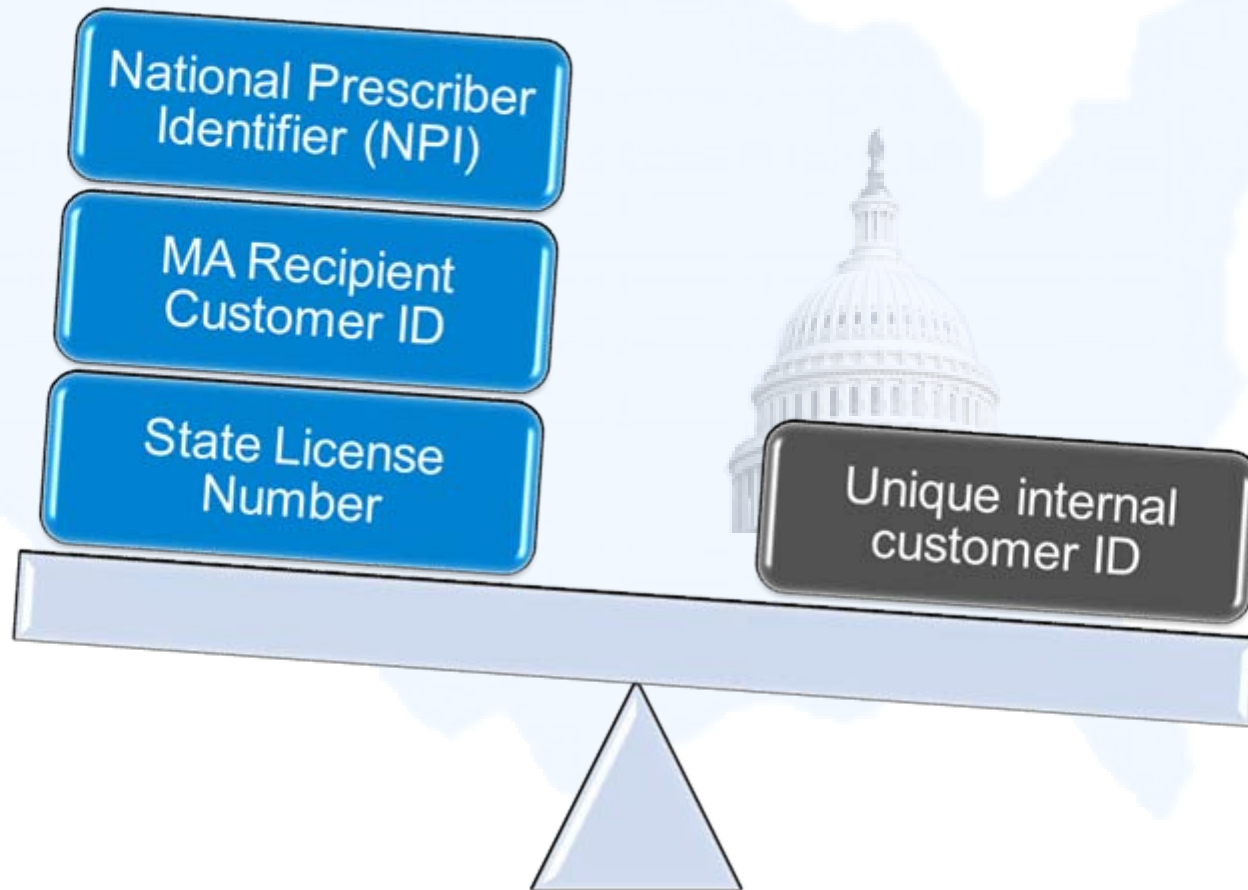


→ **Example: Does your Meeting Management system use the same customer identifier as your General Ledger system?**



→ **Total Reportable Spend: \$2050 + \$2000 = \$4050**

How do you handle State and Federal Identifiers?



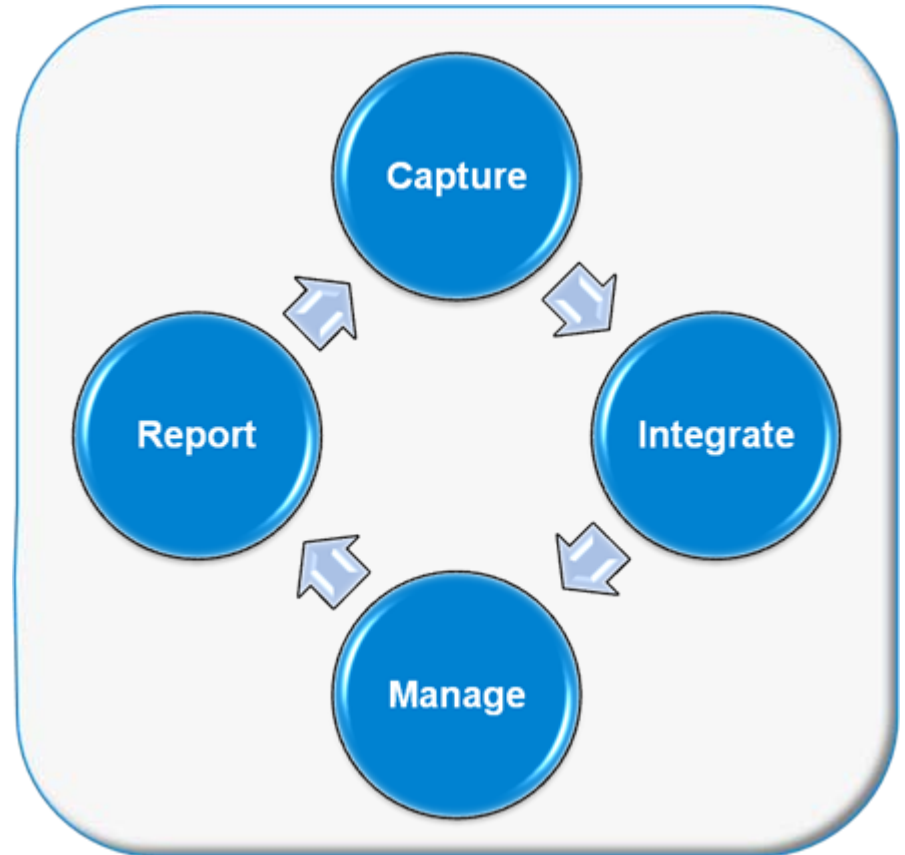
DISCLOSURE AND AGGREGATE SPEND REPORTING – THE IDEAL SOLUTION

Aggregate Spend Solution

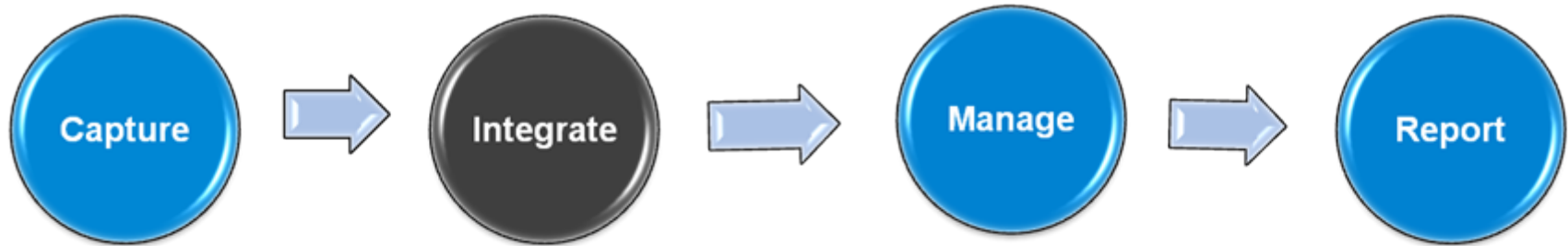


Important System Considerations

- Managing all Spend data in a Single System
- Ease of Integration with your Customer Master
- Management of Templates for State Reports to include Interpretations for Passed Legislations
- Desired Flexibility across each step from Capturing Spend to Reporting

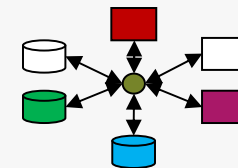


Aggregate Spend Solution – Spend Integration

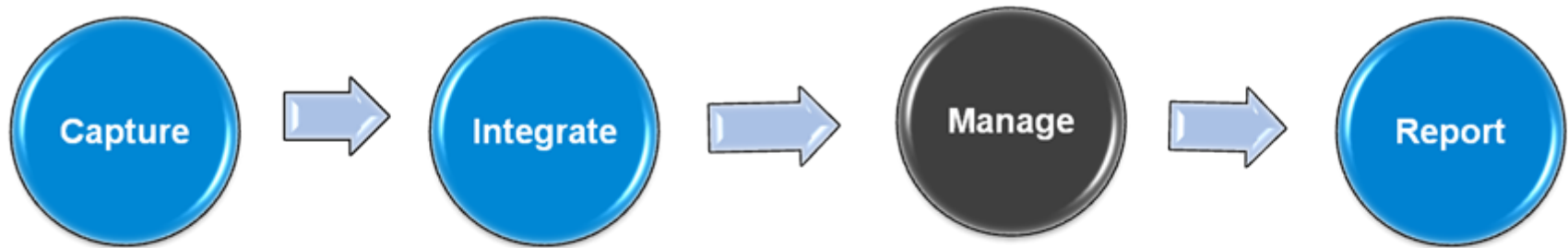


- Establish an **Identity** for the HCP across systems
- Manage & Resolve **Exceptions**
- Maintain **Relationships**

- Use for Reference the Customer Master data
- Resolve Spend data by Matching against the Customer Master
- Monitor Vendor Spend Feeds



Aggregate Spend Solution – Spend Management

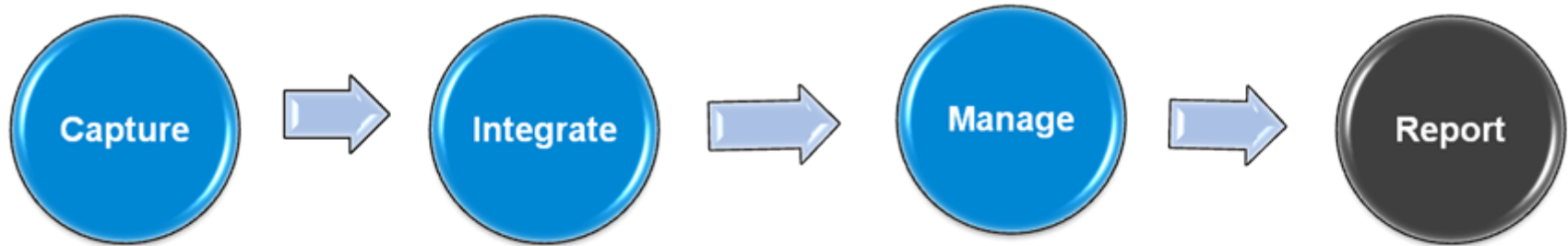


- Set & Monitor **thresholds** using **Alerts**
- Manage **Report Templates**
- View, Monitor, and Edit** Spend data
- Configure** and manage rules per latest **regulations**



- Threshold Violation Alerts
- Flexibility to handle State Report Format Changes
- Flexibility on Data Mapping and Aggregation based on your Company's Interpretation
- System Audit Trailing to Track Changes by Users

Aggregate Spend Solution – Spend Reporting

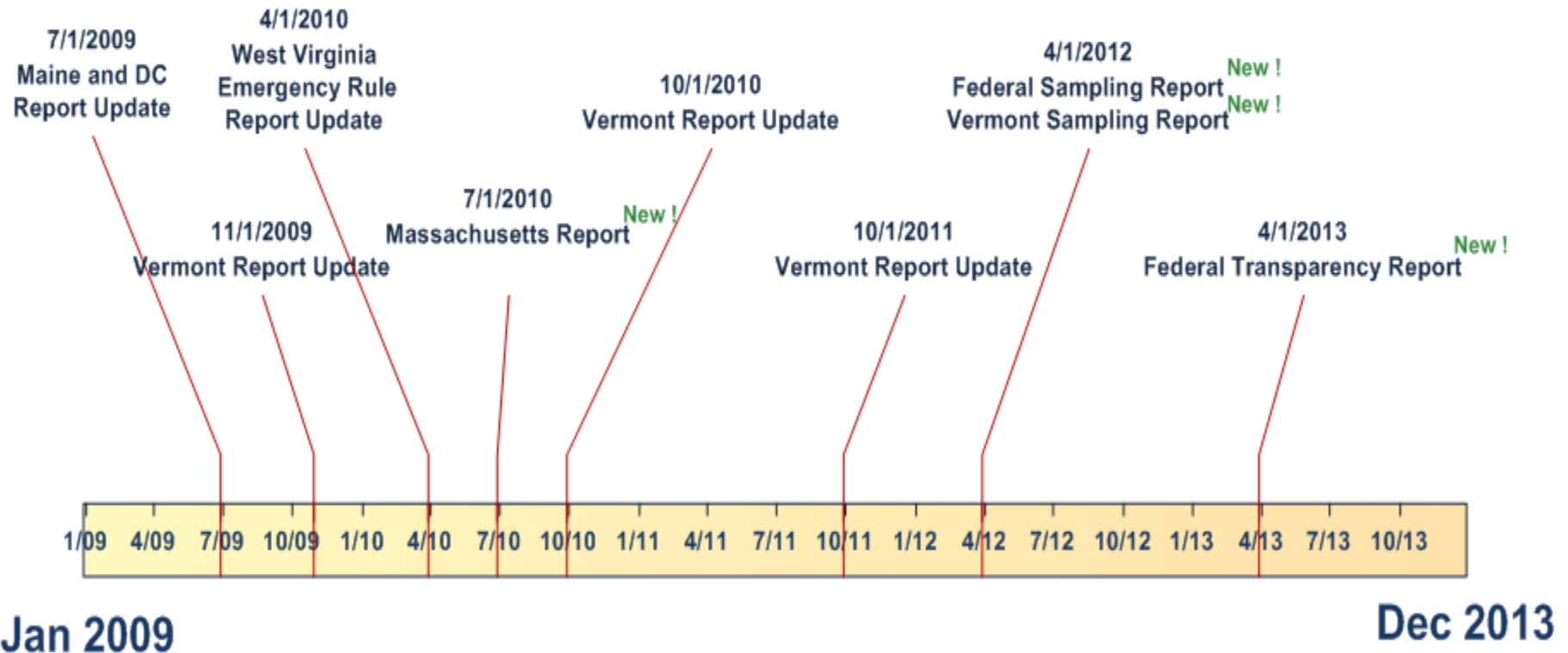


- **Submit reports in State mandated formats**
- **Configure Spend Types using your terminology**
- **Maintain an archive of submitted reports & templates**

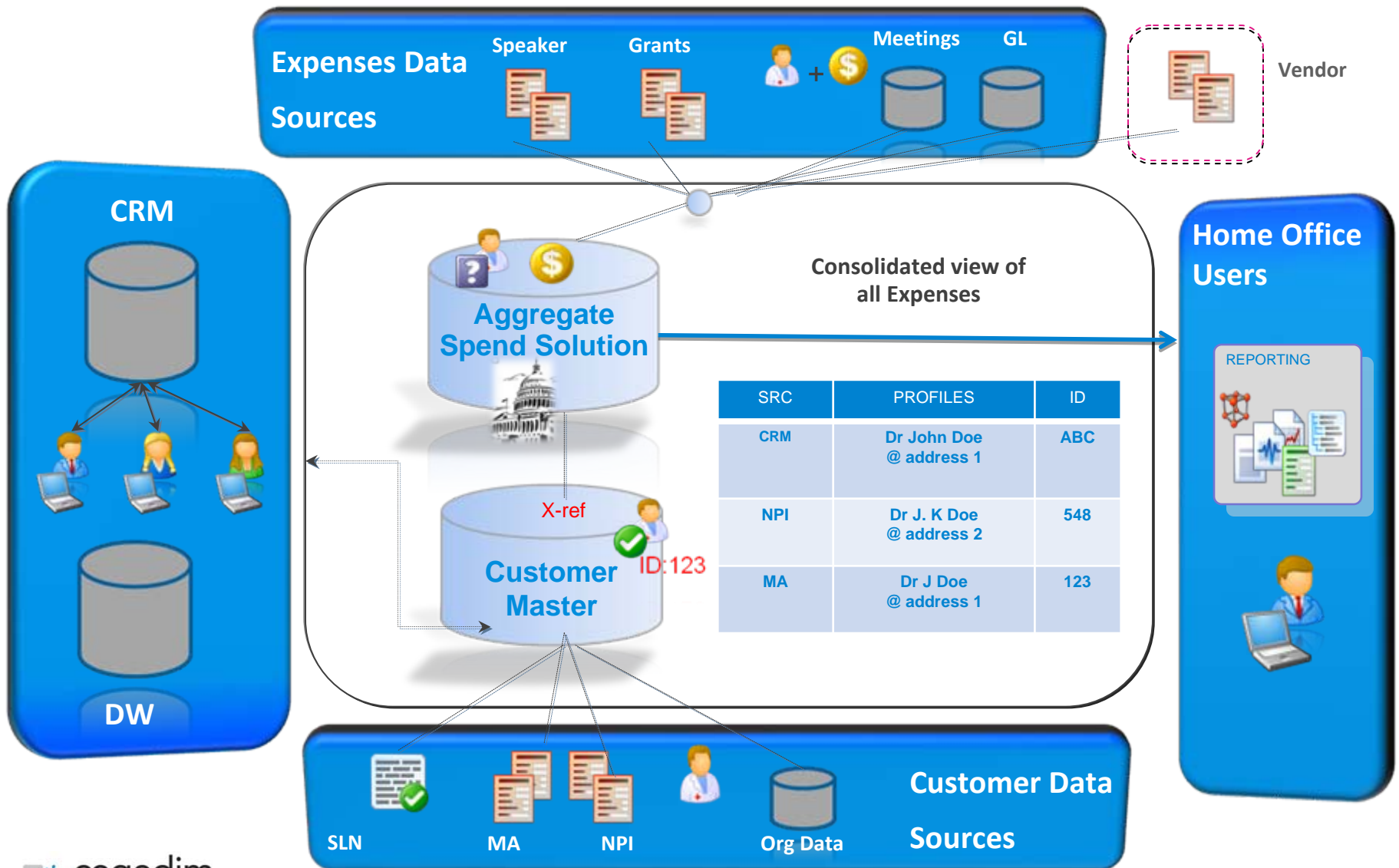
- Easily generate State Reports
- Be Prepared for Federal Reporting (Sunshine Act)
- Generate Adhoc Reports
- Be prepared for Trend toward Reporting against Company Policies



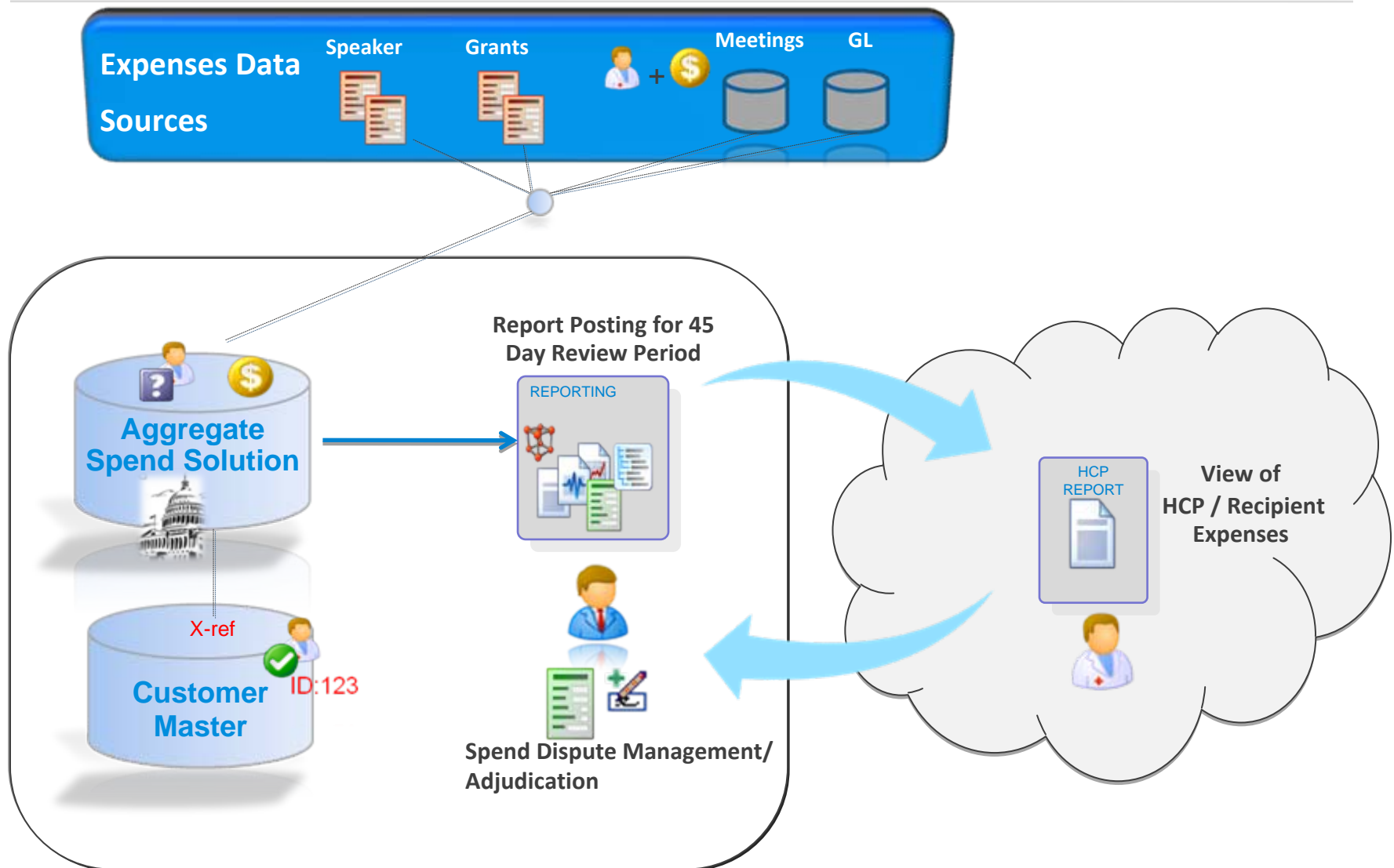
Aggregate Spend Solution – Keeping Up With Reporting Updates



Ideal Integrated Solution



Review of Report by Covered Recipients



Aggregate Spend Solution – Other Factors for Outsourced Solutions



- **Proven Track Record of Solution Provider**
- **Solution Provider extending the capability beyond State and Federal Reporting**
- **Your input into the Solution Provider product roadmap**

GLOBAL TRANSPARENCY

Global Transparency – Code of Conduct



- **Pharmaceutical Research and Manufacturers of America (PhRMA)**
- **U.S Medical Device industry association (AdvaMed)**
- **European Medical Device Industry Association (EucoMed)**
- **International Federation of Pharmaceutical Manufacturers and Associations (IFPMA)**
- **European Federation of Pharmaceutical Industries and Associations (EFPIA)**

Global Transparency – Anti Bribery











ORGANISATION
FOR ECONOMIC
CO-OPERATION
AND DEVELOPMENT



- Foreign Anti Bribery regulations (i.e.: FCPA)
- OECD Convention (36 countries)
 - International anti-corruption instrument focused on the 'supply side' of the bribery transaction

Global Transparency- Code of Conduct Examples



	Items must not be offered for the personal benefit of healthcare practitioners or staff Items must be inexpensive – relevant to the recipient's profession and £6 limit Companies must make publicly available financial support for public/patient groups and donations / grants to support healthcare and research	£6
	Gifts must be "inexpensive" The occasion for such a work lunch/dinner must be documented The companies must publish the granting of donations or other unilateral monetary or benefits with a value of more than € 10,000 per benefit recipient/year. The member companies must give details of donations made from the 1 January the 31 December.	Max. 10K€
	inexpensive gifts related to the practice of medicine or pharmacy. Gifts will be considered to be inexpensive when their cost does not exceed 30 Euros.	30 €
	Gifts can not exceed 100 PLN as long as related to medical practice.	100 PLN
	Companies can only put up to 50% of the cost of doctor's travel and accommodations at conferences	
	Gifts can not exceed € 20 as long as related to medical practice Can provide scientific publications as long as they don't exceed € 500 per year per physician	20 € / max. 500 €
	Gift inexpensive and relevant to recipient's practice or employment Small gift shall not exceed 20 YTL; authorized gifts (listed) for use exclusively in medical practice shall not exceed 200 YTL	20 YTL / 200 YTL
	Gift shall be less than 200 CZK Medical literature shall be less than 1,500 CZK Total annual spend shall not exceed 1,500 CZK	200 CZK / max. 1,500 CZK

Global Transparency - Focus on the Life Sciences by Department of Justice



→ November 12, 2009 : The Justice Department put the pharmaceutical industry on notice

*“According to PhRMA’s 2009 Membership survey, close to **\$100 billion dollars of total sales (...)** **were generated outside of the United States**, where health systems are regulated, operated and financed by government entities to a significantly greater degree than in the United States” (....)*

*“In the pharmaceutical context, we have additional expertise that **significantly enhances our ability to proactively investigate and prosecute** these often complex cases”*

*“FCPA unit and our health care fraud unit are already beginning to work together to investigate FCPA violations in the **pharmaceutical and device industries** in an effort to maximize our ability to effectively enforce the law in this area”*

**Lanny A. Breuer, Assistant Attorney General
Criminal Division**

Foreign Corrupt Practices Act (FCPA)



Anti Bribery Provisions

Prohibits bribery of foreign government or political officials for the purpose of obtaining or retaining business or securing any improper business advantage

FCPA

Requirements

Books & Records Provisions

Requires SEC-registered or reporting issuers to make and maintain accurate books and records and to implement adequate internal accounting controls

Addressing FCPA



FCPA

Anti Bribery Provisions

Capability in Solution

- *Store relationships between HCP and Organization such as hospitals*
- *Alerts to detect spend on HCPs with specific relationships with organizations (employed at government hospital)*

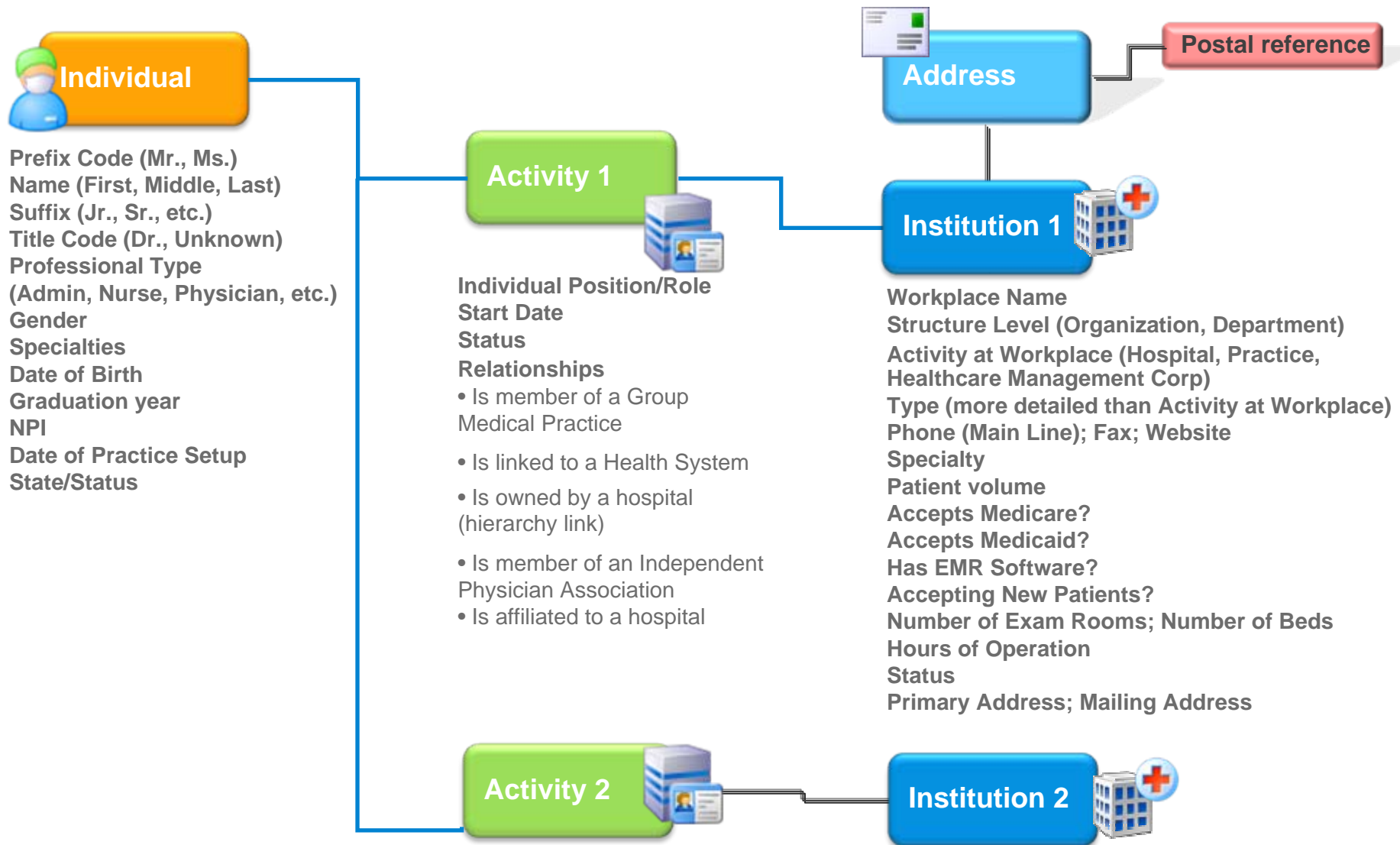
Books & Records Provisions

Capability in Solution

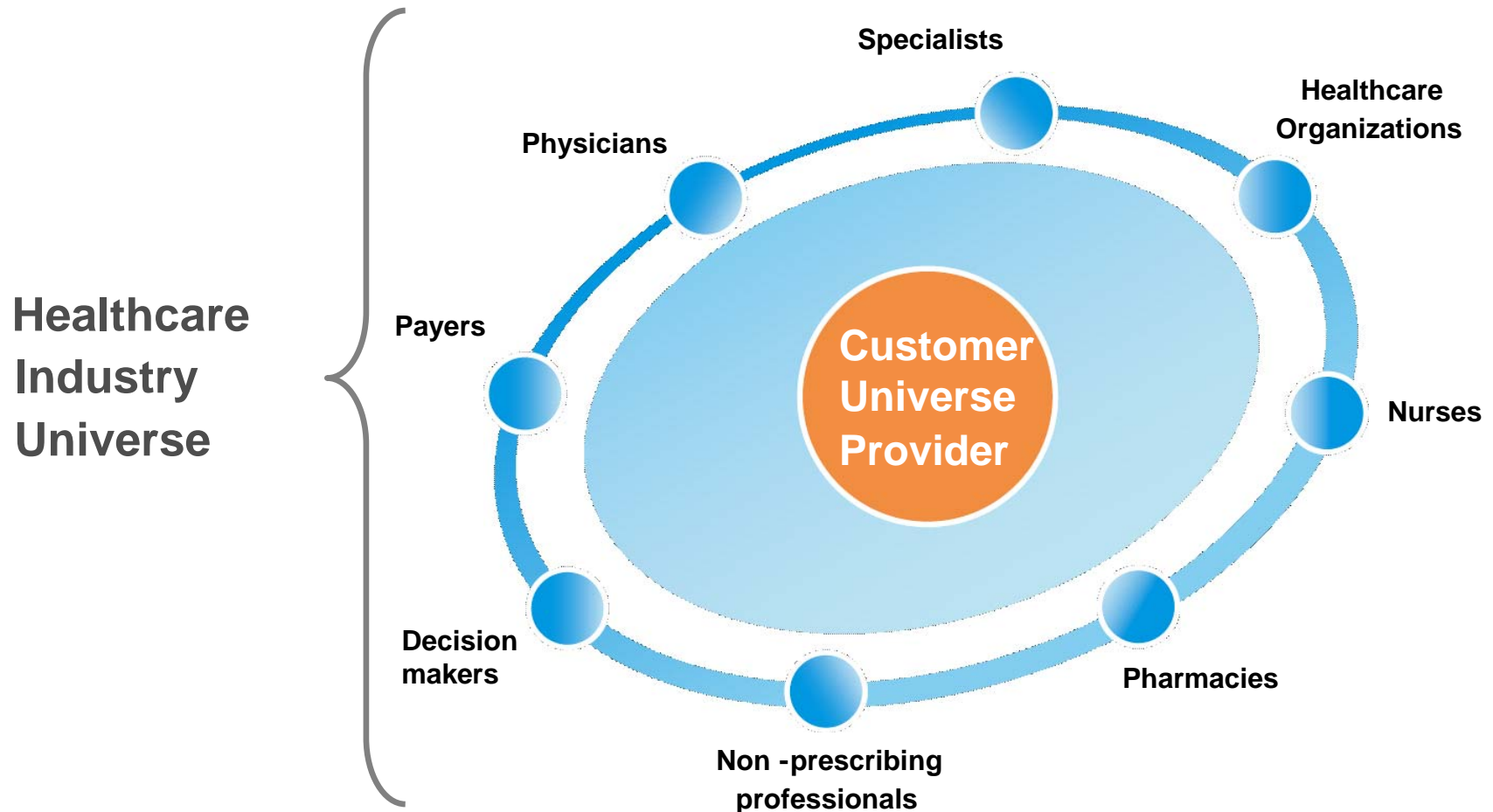
- *Store the requisition # and purchase # for spend*
- *Ability to view a scanned image of the documents*

Requirements

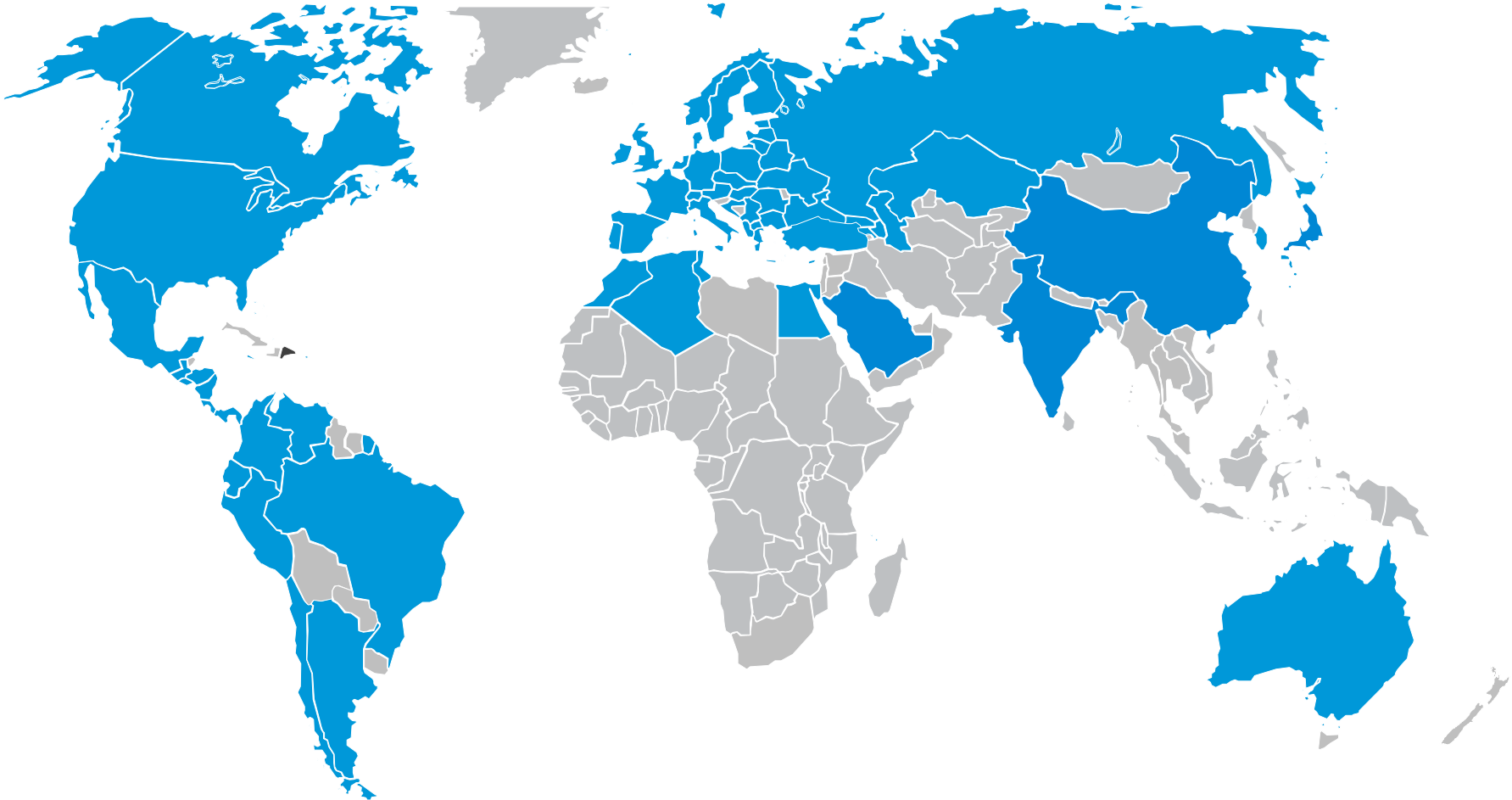
Global Transparency – Relationship View



Global Transparency- Comprehensive Customer Universe



Global Transparency– Worldwide HCP Coverage



Determine providers who can supply global HCP reference services



Thank you...

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