

Improving Revenue Leakage Through Better Medicaid Claims Validation

**Three Manufacturer
Perspectives**



Introduction

More than 75 million Americans were enrolled in Medicaid in 2019, making it the fastest growing insurance coverage program in the US.

With a growing population of program participants, the amount of Claim Level Data (CLD) will continue to grow exponentially. Invoice level validations alone cannot bring to light all the potential disputes in the Medicaid data. Without a solid CLD strategy in place, manufacturers are prone to errors and significant revenue leakage.

Simply adding CLD to the Medicaid rebate adjudication process, however, is not a one size fits all approach. We have profiled three manufacturers that, although having different adoption journeys, greatly benefitted from effectively implementing CLD.



Manufacturer 1

A global, enterprise pharmaceutical manufacturer focused on psychiatry and neurology therapies and an existing IntegriChain Managed Services customer

Need

The automated ability to monitor, identify, and prevent revenue leakage as it arises.

Challenges

The manufacturer's contracts and pricing team was not aware of any revenue leakage issues. They had implemented annual manual CLD reviews, making it extremely difficult to identify any revenue leakage with such large amounts of data. They also had a very specific quantity threshold for validations and were skeptical about finding a CLD program that could fit their specific needs.

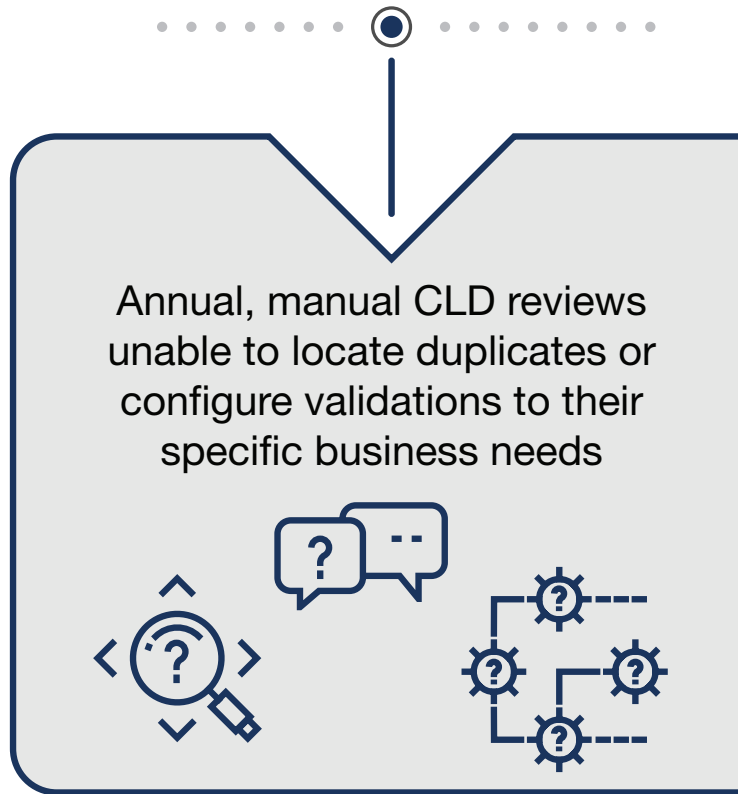
Solution

This team had previously tried to contract CLD reviews with another vendor but was unimpressed with the results. This project ultimately caused more work on their end due to having to clarify the data through more manual processes. When IntegriChain suggested that they fold CLD into their existing Medicaid Rebate Management process in place, they were intrigued by the idea of a fully automated process. Because the team was already pleased with the work IntegriChain was doing with their Medicaid, Government Pricing, and Managed Care as their Managed Services provider, they decided to run a proof-of-concept (POC) pilot program to add CLD to their existing Medicaid process.

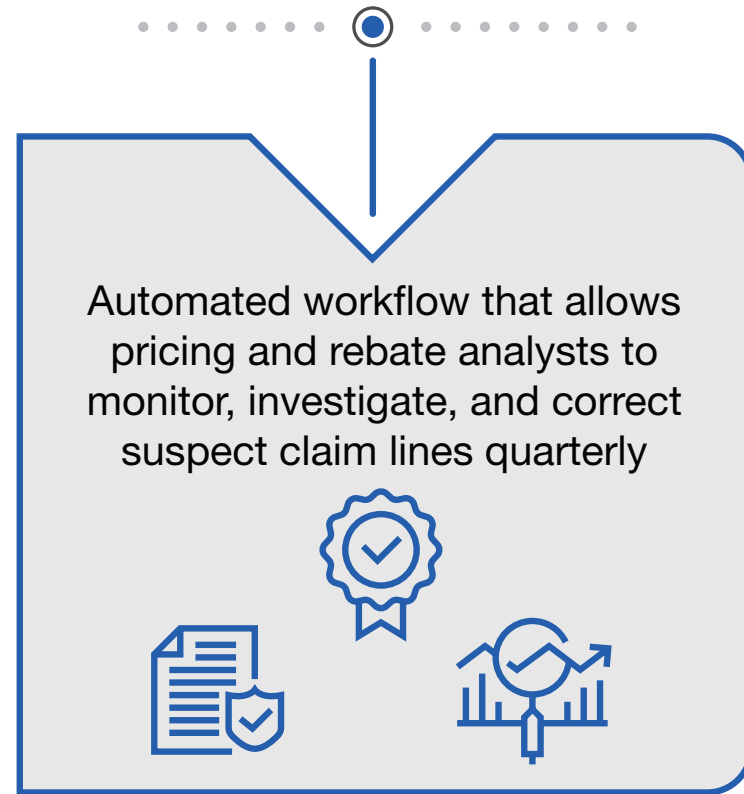


Manufacturer 1 Results

BEFORE



AFTER



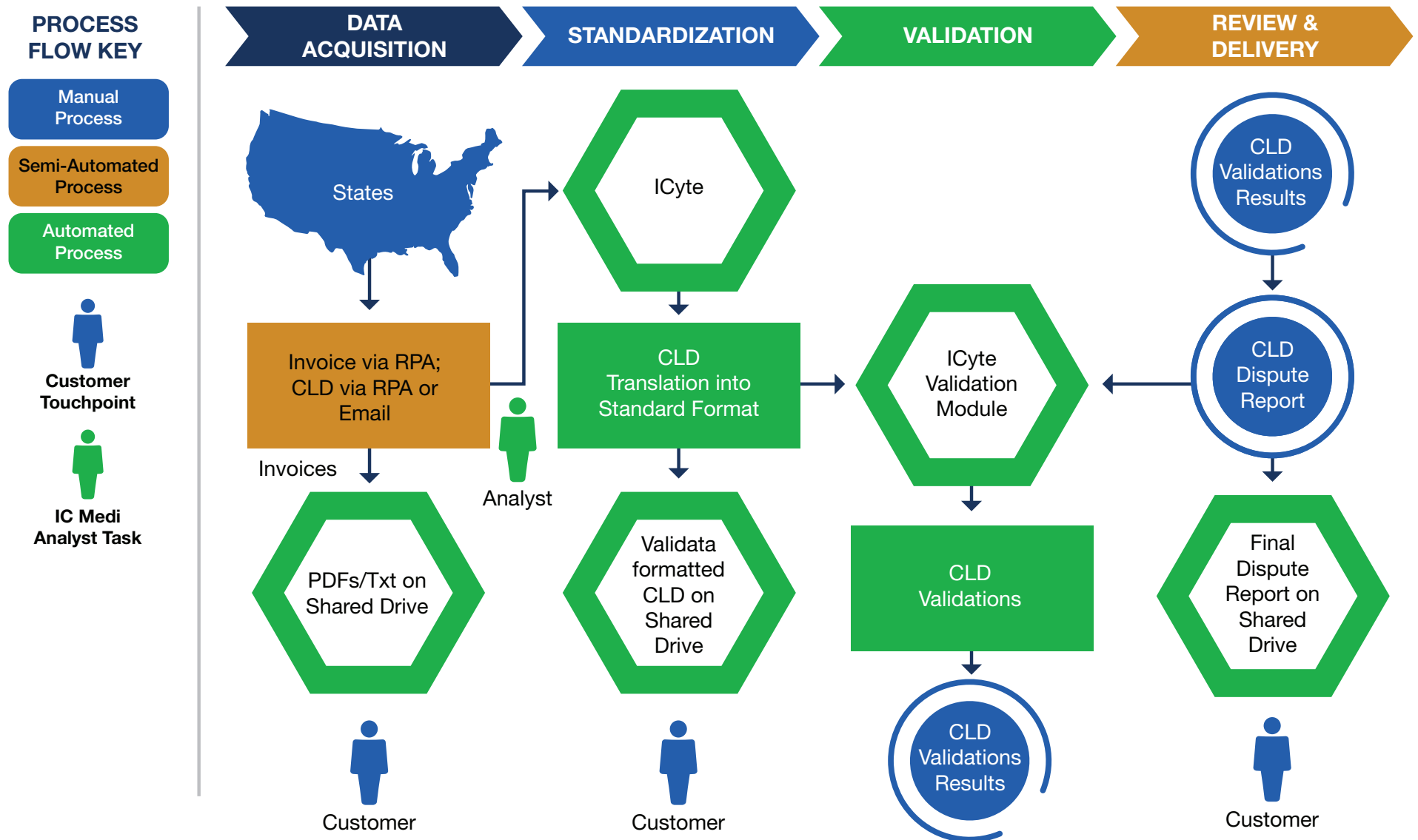
Manufacturer 1 Savings

The first POC and had identified as much as \$25 million worth of potential disputes. Wanting to know more, the manufacturer contracted IntegriChain's Advisory team to run additional POCs as the claims came in and noticed more duplicate and quantity issues, including unit conversion and inventory issues. They were instantly impressed that IntegriChain completely automated scrubbing and retrieval for most states with a quarterly process--managing the CLD process more completely, in a more timely manner, and with more detailed validation.



In fact, CLD dispute findings in one quarter for this manufacturer was more than \$600K in revenue leakage and ultimately leading to \$6M in total disputable findings just within the first few quarters of implementing CLD.

Manufacturer 1 CDL Process



Manufacturer 2

One of the world's largest pharmaceutical companies

Need

A faster, more efficient way to accurately standardize CLD from a large amount of data that their team was processing manually.

Challenges

The manufacturer had some unique requirements, including massive data volume and a large number of products. With more than 2,000 NDC-11s covering over 200 Medicaid programs, the CLD process had to be robust.

Despite this vast amount of data to wrangle, the team was still doing the process manually. It was simply taking too long to pull this data themselves, and they needed to make their process more efficient through automation. To pull and process all the data themselves from a single state portal took at least two weeks.

The manufacturer's contracts and pricing team also didn't have the workforce power or resources needed to scale an upfront CLD process, which involves integrating the data into a standardized format so it can be validated.



Manufacturer 2 Solution

Solution

The manufacturer and IntegriChain agreed on a process in which IntegriChain runs the initial CLD retrieval from the state Medicaid portals and standardizes the output so it can be more easily fed into the manufacturer's system and parsed as needed. After implementing IntegriChain's CLD solution, the team immediately noticed that there was cleaner data to work with upfront, which saved them many workforce days on an ongoing basis.

IntegriChain now manages the claims of 28 states for the manufacturer, averaging more than 200 programs across those states that are processed quarterly.

The cleaner data comes from IntegriChain's RPA automated process, which is capable of pulling the data during processing and enabling upfront disputes or adjustment claims all in three to four business days, rather than the two weeks it was previously taking the manufacturer. Although the manufacturer was skeptical at first, the pilot program made them believers. For the first time, they were able to process clean, standardized data and easily forecast their revenue leakage over the year.



IntegriChain's RPA was capable of processing claims in 3-4 business days, as opposed to the 2 weeks it previously took the manufacturer.

28 states
x 10 programs/state
x 4 quarters a year = 1,120
x 2 workforce-weeks = 2,000+ workforce-weeks saved!

Manufacturer 3

A global pharmaceutical manufacturer that makes generic medicines and biopharmaceuticals

Need

Due to a lack of Market Access staff, the manufacturer was looking for a partner that could accommodate massive CLD volume, automated invoice-to-CLD reconciliation, and be flexible enough to accommodate future growth. More specifically, this would encompass:

- Pulling all available invoices for more than 25 available labelers
- Processing 500 NDCs for all 51 states and about 400 programs
- Automating retrieval standardization for more than 30 states that are on portals
- Creating a system to process and standardize other states that rely on emailed CLD

Challenges

When the manufacturer moved their headquarters to another state, they were immediately met with a staffing shortage and a large data volume to process. They were unable to identify a partner that could not only pull and validate CLD data but could also perform automated invoice reconciliation--and do this all at a massive scale.



Manufacturer 3 Solution

Solution

Shortly after IntegriChain's first POC for this project, the manufacturer contract and pricing leadership quickly realized that IntegriChain's CLD managed services would be able to address their large and growing volume of Medicaid claims and deliver accurate results in the required processing window.

IntegriChain went a step further and created a bespoke user interface to simplify the manufacturer's review of CLD validations as well as to authorize payments before moving the data into their backend systems. This enabled the manufacturer's contracts and pricing team to quickly and easily reconcile invoice information with CLD data, something they never thought possible.



Conclusion

No matter how you approach your Medicaid process, it's clear that without at least some level of use of CLD, you might be prone to significant revenue leakage. For manufacturers with operational and technical capacity, you will need to identify stakeholders and have internal conversations about how to incorporate CLD into your ongoing processes. For those with leaner workforce pools, it's worthwhile to consider outsourcing parts, or all, of the CLD process.

If you are currently considering incorporating CLD, IntegriChain is the ideal partner for CLD validation. With the systems, processes, and expertise already in house, our ICyte Platform supports more than 150 managed services customers and provides a stable, high performance, and scalable foundation for everything from CLD to government pricing, chargeback management, and gross-to-net.

In addition, IntegriChain can walk you through the above considerations and define a pilot program to prove the value of incorporating Medicaid CLD into your ongoing process, whether in-house or outsourced. Partnering with IntegriChain on CLD allows a manufacturer to remain in control of their strategy as well as determine what to dispute, while IntegriChain is responsible for everything in-between including data management, script-level validation, analysis, and reporting.

About IntegriChain

IntegriChain is Life Sciences' data and application backbone for patient access and therapy commercialization. More than 250 manufacturers rely on IntegriChain's ICyte Platform to orchestrate commercial and government payer contracting, patient services, and distribution channels. ICyte is the first and only platform that unites the financial, operational, and commercial data sets required to support therapy access in the era of specialty and precision medicine. With ICyte, Life Sciences innovators are digitalizing labor-intensive processes – freeing up their best talent to identify and resolve coverage and availability hurdles and to manage pricing and forecasting complexity. IntegriChain is backed by Accel-KKR, a leading Silicon Valley technology private equity firm. The company is headquartered in Philadelphia, PA, with offices in Ambler, PA; Somerset, NJ; Raleigh, NC, and Pune, India.