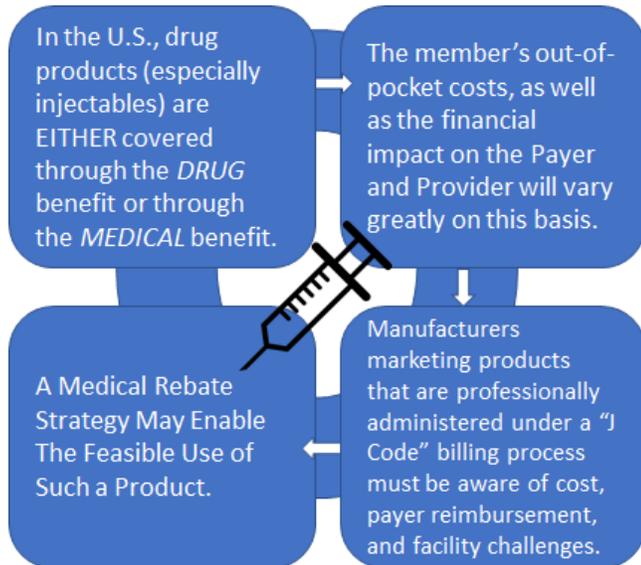


## The "Medical Rebate" Use Case - An "SME" CASE STUDY -



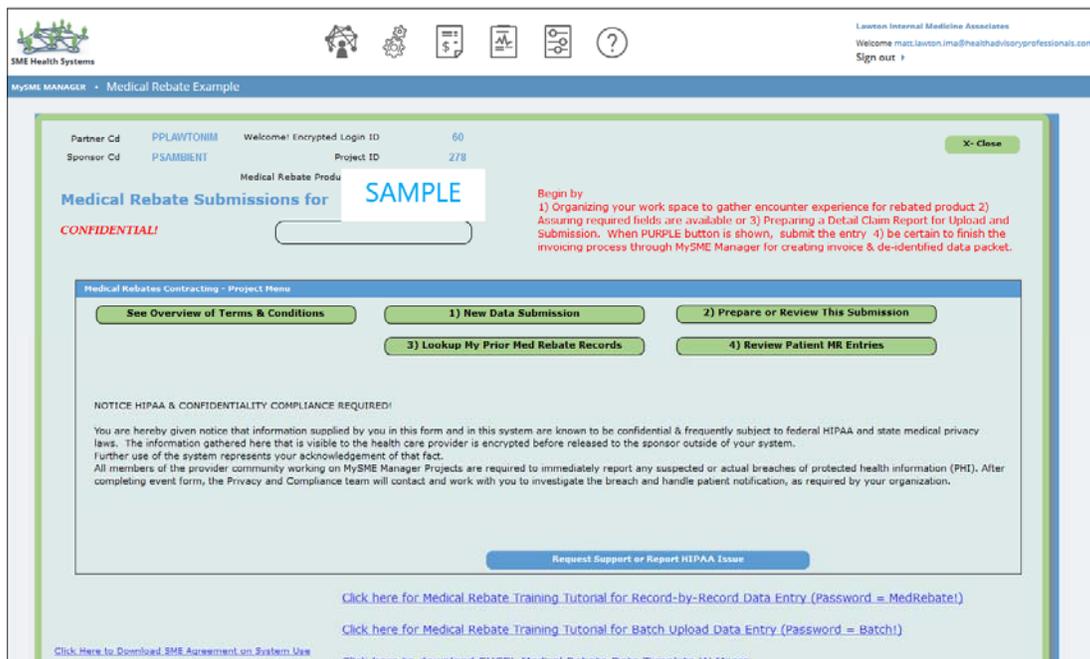
**Medical Rebates.** The primary goal of the Medical Rebate use case is to illustrate how MySME Manager™ supports both manufacturers and payers or providers with legitimate rebate arrangements intended to reduce product cost for entities taking complete or partial risk. In this case, the rebate provides a cost-offset for products administered to a patient by a professional.

Infusible or professionally-administered products in therapeutic categories that compete with retail or specialty pharmacy self-administered alternatives are most likely to adopt a Medical Rebate Strategy. In order to provide a sound rationale to the physician for these products, the manufacturer must develop a lucid value hypothesis compared to other options and address situations where the provider is being reimbursed

at levels less than their actual costs. The product illustrated for this fictitious Use Case is an infusible anti-inflammatory drug covered under the medical benefit.

Using MySME Manager™, the Project Partner submits utilization for the target product and may provide additional clinical details as well. The SME Medical Rebate form and process is structured to conform with the NCPDP Medical Rebate Standard, but also allows manual entry of single infusions by the provider's office.

The Medical Rebate agreement terms and conditions are entered into MySME Manager™ by the manufacturer (Project Sponsor). In addition to the Master Services Agreement agreed to by both the Sponsor and Partner within the framework, this project is supported by a separate legal agreement that defines the financial terms and conditions.



Partner Cd: PPLAWTONIM | Welcome! Encrypted Login ID: 60  
 Sponsor Cd: PSAMBRENT | Project ID: 278

Medical Rebate Product: **SAMPLE**

**CONFIDENTIAL!**

**Medical Rebates Contracting - Project Menu**

- See Overview of Terms & Conditions
- 1) New Data Submission
- 2) Prepare or Review This Submission
- 3) Lookup My Prior Med Rebate Records
- 4) Review Patient MR Entries

NOTICE HIPAA & CONFIDENTIALITY COMPLIANCE REQUIRED!

You are hereby given notice that information supplied by you in this form and in this system are known to be confidential & frequently subject to federal HIPAA and state medical privacy laws. The information gathered here that is visible to the health care provider is encrypted before released to the sponsor outside of your system. Further use of the system represents your acknowledgement of that fact. All members of the provider community working on MySME Manager Projects are required to immediately report any suspected or actual breaches of protected health information (PHI). After completing event form, the Privacy and Compliance team will contact and work with you to investigate the breach and handle patient notification, as required by your organization.

Request Support or Report HIPAA Issue

[Click here for Medical Rebate Training Tutorial for Record-by-Record Data Entry \(Password = MedRebate!\)](#)  
[Click here for Medical Rebate Training Tutorial for Batch Upload Data Entry \(Password = Batch!\)](#)  
[Click here to download SME Agreement on System Use](#)  
[Click here to download EXCEL Medical Rebate Data Template W Macro](#)



**Payer OR Provider Options.** Unlike pharmacy rebate claims to payers, medical rebate claims typically originate in the provider's office as a result of an infusion, injection or other Health Care Provider (HCP) administered service. It will typically be billed as part of the Medicare Billing-837P and/or Form CMS-1500 formats.

Modify	Remove	record	id	units	date	brand	plan	code	name	services	provider	product	quantity	diagnosis	
Modify	Remove	UM	1	PP	F	323781394	Health Plan Name	1	907678679	53380-1	US	03	300.00	MG	02
Modify	Remove	UM	2	PP	F	323781394	Health Plan Name	1	907678679	53380-1	US	03	300.00	MG	02
Modify	Remove	UM	3	PP	F	323781394	Health Plan Name	1	907678679	53380-1	US	03	300.00	MG	02
Modify	Remove	UM	4	PP	F	323781394	Health Plan Name	1	907678679	53380-1	US	03	300.00	MG	02
Modify	Remove	UM	5	PP	F	323781394	Health Plan Name	1	907678679	53380-1	US	03	300.00	MG	02
Modify	Remove	UM	6	PP	F	323781394	Health Plan Name	1	907678679	53380-1	US	03	300.00	MG	02
Modify	Remove	UM	7	PP	F	323781394	Health Plan Name	1	907678679	53380-1	US	03	300.00	MG	02
Modify	Remove	UM	8	PP	F	323781394	Health Plan Name	1	907678679	53380-1	US	03	300.00	MG	02
Modify	Remove	UM	9	PP	F	323781394	Health Plan Name	1	907678679	53380-1	US	03	300.00	MG	02
Modify	Remove	UM	10	PP	F	323781394	Health Plan Name	1	907678679	53380-1	US	03	300.00	MG	02
Modify	Remove	UM	11	PP	F	323781394	Health Plan Name	1	907678679	53380-1	US	03	300.00	MG	02
Modify	Remove	UM	12	PP	F	323781394	Health Plan Name	1	907678679	53380-1	US	03	300.00	MG	02
Modify	Remove	UM	13	PP	F	323781394	Health Plan Name	1	907678679	53380-1	US	03	300.00	MG	02
Modify	Remove	UM	14	PP	F	323781394	Health Plan Name	1	907678679	53380-1	US	03	300.00	MG	02
Modify	Remove	UM	15	PP	F	323781394	Health Plan Name	1	907678679	53380-1	US	03	300.00	MG	02
Modify	Remove	UM	16	PP	F	323781394	Health Plan Name	1	907678679	53380-1	US	03	300.00	MG	02
Modify	Remove	UM	17	PP	F	323781394	Health Plan Name	1	907678679	53380-1	US	03	300.00	MG	02
Modify	Remove	UM	18	PP	F	323781394	Health Plan Name	1	907678679	53380-1	US	03	300.00	MG	02
Modify	Remove	UM	19	PP	F	323781394	Health Plan Name	1	907678679	53380-1	US	03	300.00	MG	02
Modify	Remove	UM	20	PP	F	323781394	Health Plan Name	1	907678679	53380-1	US	03	300.00	MG	02
Modify	Remove	UM	21	PP	F	323781394	Health Plan Name	1	907678679	53380-1	US	03	300.00	MG	02
Modify	Remove	UM	22	PP	F	323781394	Health Plan Name	1	907678679	53380-1	US	03	300.00	MG	02

- **Payer Batch Upload.** For this Use Case, if submitted by a Payer/Health Plan, medical claims submitted by physician offices to the health plan for reimbursement are aggregated and submitted by payers to manufacturers for rebate payments. The submission may involve a BATCH FILE UPLOAD which does not contain visible patient information, but may feature unique encrypted member information that could be referenced for looking up and validating the payment of a specific claim.

- **Provider Patient-Specific Record Entry.** If submitted directly by a provider (hospital, outpatient facility or provider office), the medical claims will likely be entered manually and data involving the patient is visible to the data-entry user but is encrypted within the data set submitted to the manufacturer sponsor.

1 Payer Batch Upload

In either case, the user must be careful NOT to upload any files containing unencrypted patient data.

**Calculating the Rebate.** In this Use Case, payment is based on the quantity (measured in UNITS) used in a patient's drug administration. The basis for the claim is the same as the basis for the billing to a third-party payer or to a patient himself, as depicted in a HCFA/CMS 1500 paper claim.

The claims use current valid diagnosis and procedure codes and are coded to the highest level of specificity (maximum number of digits available). It is recognized that the ACTUAL dose administered to the patient may be less than the full container, thus, while the reimbursement sought is for the FULL container, information relating to the actual DOSE administered is also required.

The submission requires the use of a full 11-digit NDC (National Drug Code) without dashes or spaces for each product administered and submitted for rebate.

**Precautions Around Compliance Concerns.** Payments of Medical Rebates may fall under the necessary reporting requirements of the federal government relating to "Best Price" and government pricing rules and/or Sunshine Act payments made to a provider. The manufacturer must consider these things as well as how to create transparency such that the arrangement is not misinterpreted as a violation to the Anti-Kickback Statute. Each firm must understand all of its obligations in this regard.

2 Provider Specific Record-Entry



## Medical Rebate Project Snapshot –

**Methodology:** Each unique project undergoes the same basic process before it can be proposed to and implemented by any number of project partners who may independently elect to participate. In this instance, a short administrative project is advisable to assure manufacturer and partner staff have appropriately aligned expectations and capacity to support the Medical Rebate Project with complete and valid data.

- 1. Project Definition Phase.** SME Health Systems resources work directly with the manufacturer and its team of consultants and managers to define the needed flexible data container for this project. At this phase the data fields sought<sup>1</sup> and the flow of collection are mutually agreed.
- 2. Medical Rebate Form Design Phase.** A customized Medical Rebate form is designed for data collection, and modified based on feedback from the sponsor.
- 3. Form Testing Phase.** The forms are tested for flow and data output for future analysis.
- 4. Project Launch Phase.** The forms are ready for the sponsor to send to project partners for consideration.
- 5. Partner Engagement, Project Proposal & Acceptance.** After an introductory discussion around mutual interest, the Medical Rebate project is proposed by the manufacturer as a Project Sponsor and is voluntarily accepted by the Payer or Risk-Taking Provider as a Project Partner. The parties share a standard Master Service Agreement and Project Agreement, using MySME Manager™. Once they accept the project, they can begin to collect data, and submit Medical Rebate invoices, as agreed.
- 6. Project Administration.**

- A report is run containing paid claims for the target product or data is collected for each Medical Rebate invoice submitted.
- **For Payers:** Batch data containing many claims is extracted from the paid claims system, saved to a desktop format and uploaded.
- **For Providers:** Manual entry of each infusion can gather the data, one infusion at a time.

- 7. Regularly Scheduled Project Meetings.** As the life of the arrangement proceeds, the parties hold touchpoint / Project Meetings on a scheduled basis (monthly or quarterly or as otherwise necessary) at the Partner's site to track progress and discuss any process challenges identified.

Sponsor	Project Name	Project ID / Ver ID	Invoice Number	Nbr of Instances	Nbr of Units	Price per Unit	Amount Invoiced	Date Invoiced	Payment Due Date	Submitted By	Submitted Date	Invoice	Contains PHI	PHI Encrypted
Ambient@Labs	RA Medical Rebates	278 / 1	AMB_MedRebate	1	24365.61	\$ 1.00	\$ 24,365.61	11/28/2017	12/28/2017	Mathew Lawton	11/28/2017	Preview	XML	XML
									10/26/2017	Mathew Lawton	9/26/2017	Preview	XML	XML
									6/24/2017	Marnie Lapham	5/25/2017	Preview	XML	XML
									6/24/2017	Mathew Lawton	5/25/2017	Preview	XML	XML
									6/22/2017	Mathew Lawton	5/23/2017	Preview	XML	XML
									6/17/2017	Mathew Lawton	5/18/2017	Preview	XML	XML
									6/17/2017	Mathew Lawton	5/18/2017	Preview	XML	XML
									6/14/2017	Mathew Lawton	5/15/2017	Preview	XLS	XLS
									5/15/2017	Mathew Lawton	4/15/2017	Preview	XML	XML
									5/15/2017	Mathew Lawton	4/15/2017	Preview	XML	XML

Project ID	Description	Nbr of Units	Nbr of Instances	Unit Amount	Amount
278	Project: RA Medical Rebates	24365.6	1	\$ 1.00	\$24365.61

1. For a Payer: the data required for this project are extracted from the Provider's (MIS) Management Information Systems, involving Paid-Final Claims and subsystems at a detail claim level. For a Provider: the data required is extracted from the practice billing systems and subsystems, including potentially the EMR system. Data is associated with a specific infusion or product-administration encounter.



## How Parties Benefit from Medical Rebate Project Enablement

### SME Health Systems Offers

- A technical framework and help desk (MySME Manager™) to enable documentation, data, and billing processes between manufacturers (Sponsors) and various healthcare providers, payers or hospitals (Partners) for mutually agreed finite projects.
- Flexible data collection containers that hold the requisite Medical Rebate Claim, RWE or project data
- An invoice process for each Medical Rebate project, in accordance with the mutually agreed terms and conditions. The invoice is generated by the Partner and submitted to the Sponsor, along with the agreed data.
- Assistance with solicitation and support of Project Partners (hospitals, payers, providers or specialty pharmacies).
- SME Health Systems receives administrative fees from the Sponsor that support its activities (not tied to the price of the product or the yield billed by the Partner.)

### Manufacturer Needs Addressed

- A means to gather data in HIPAA compliant and consistent way across any number of Partners contributing toward homogeneous Medical Rebate data.
- A means to develop meaningful local payer & provider relationships to support Safety & Medical Effectiveness or Medical Rebate, Value Based Contracting or RWE projects and dialogue.
- A means to understand the impact of the product and its cost on the "Total Cost of Care" for the provider, the payer and patient.

### Payer / Provider Needs Addressed

- A legitimate means to engage with manufacturers for assembling and managing paid claims data from MIS, EMR or other subsystems in submitting Medical Rebate invoices.
- A means to engage in Medical Rebate Contracting that requires no new technology costs, using data extracted from existing systems and saved to a desktop.
- HIPAA compliant data procedures

*For more information, please email Terri Bernacchi at [tbernacchi@smehhealthsystems.com](mailto:tbernacchi@smehhealthsystems.com) or Dr. Gil Mettler at [gil@healthadvisoryprofessionals.com](mailto:gil@healthadvisoryprofessionals.com) .*

