

# HOW TO STOP LOSING MONEY DUE TO INEFFICIENT FORMULARY AND MEDICAL BENEFIT VERIFICATION



Contracting in pharma has grown increasingly complex, which results in significant rebate leakage for manufacturers. Recent MMIT research highlights the severity of the problem:

On average, midsize manufacturers spend **\$4 to 5 billion** in rebates annually

**2-3%** of rebate payouts are compromised due to leakage, equaling **\$150 million** every year



Pharma companies lack the visibility and data granularity to identify the root cause of suboptimal rebate payments.

- “My teams are spending countless hours manually verifying contract details.”
- “[There’s] no comprehensive and timely way to conduct formulary verification.”
- “Our inability to verify all payer contracts has been flagged as a potential anti-kickback risk by our legal and compliance teams.”

To combat the problem, manufacturers need a strong rebate leakage strategy that consists of:

- ✓ A data-driven method to ensure that payers are adhering to contracts
- ✓ Timely, ongoing reviews of formulary and medical benefit placement and product restrictions
- ✓ The ability to bridge formulary and medical benefit data and search for and interpret payer policies
- ✓ Strategic recommendations for next actions which The Dedham Group can provide

Learn more about **MMIT’s Contract Validation solution**, which helps pharma companies validate formulary and medical benefit positioning at scale to reduce rebate leakage and increase efficiency.