

“Ecosystems Don't Run On Spreadsheets”

– Jay McBain, Forrester

And neither should complex **Gross-to-Net** management

For the **TOP 10** pharmaceutical companies globally, GTN equates to more than

\$50 billion



are “value-negative” in terms of net profitability.

How to make sure you're not giving away the product

Ask, what should I be charging the customer?

With complex pricing, you need a single automated source to give you the answer. Here's one take on how this complex scene may unfold:

Prescription Drug WAC (wholesale acquisition cost) or list price is \$100. You want to charge the customer \$70.

Customer buys a specified amount and gets a rebate



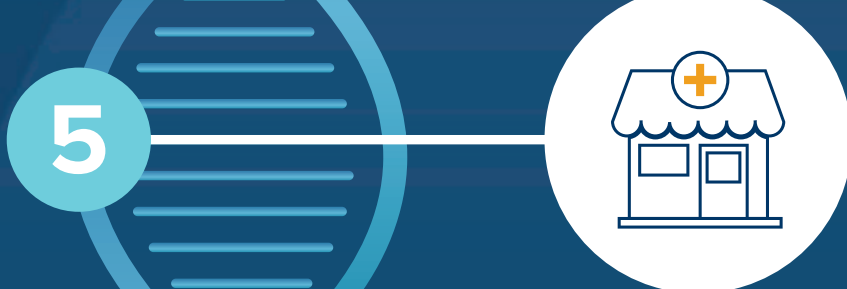
Customer grows purchasing each quarter and gets another kicker

Customer plans on buying through a wholesaler



Wholesaler charges you a servicing fee plus expects a rebate and payment discount

Pharmacy is going to pay that discounted price



Pharmacy also gets a rebate as part of a buying group

Buying group gets a fee for managing this membership



PBM (pharmacy benefit manager) gets a rebate on another contract based on the pharmacy filling scripts and buying the product

After all of this, here's what you might find out:

In our example, you're at \$70 and you potentially gave \$10 in rebates. Add the \$6 wholesaler rebate. Let's say the product cost is \$40.

Your negotiation just went south.

Plus, this is a wealth of information to track.

With GTN automation, you can make sure you're not doing something you'll regret on the contract.

Managing GTN is not a simple execution.

[Read the eBook](#)

Source: KPMG

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