



# 7 Deadly Sins

## of Life Sciences Contract Administration

Vistex has identified 7 key areas where contract success typically goes off the rails. Prevent the headaches by watching for these red flags:



1

### Incorrect Customer Identification

For manufacturers, wholesale distributors and GPOs, 15% to 20% of chargeback errors stem from bad customer IDs.

### Tiered Pricing Contracts

Customer sales volumes are fluid and they can move from one tiered contract to another, daily. If uncollectible from the customer or manufacturer, distributors are out the money.

2



### Class of Trade Disputes

Chargeback errors often result from a disagreement on a customer's class of trade; for example, one party may view the customer as an "alternate care facility," while another may deem them a "hospital."

3



### Health Identification Numbers (HINs)

If a customer has an HIN, these HINs are assigned to brick-and-mortar-specific addresses; if the customer relocates and it's not updated, the chargeback claim will get kicked back.

4



### Expired DEA Numbers

When the DEA number retires, this can cause chargeback errors. Back-up customer IDs assigned, such as an HIN number or the Global Location Number (or GLN, which has a lower industry adoption rate) can help improve the rate of claims paid.

5



### Dirty Data

32% of US companies have dirty data, which triggers chargeback claim errors, like indicating the customer is invalid, unidentified, or ineligible for the contract.

6



### Contract Delays

If the manufacturer's contract is received by the WSD past its effective date, the delay may cause the WSD to have a late loaded price increase or eligibility changes; manufacturers with efficient processes in place to notify WSDs before the change will improve first-pass claims approvals.

7



### How Vistex Adds Value to Life Sciences

Today's Life Sciences market is impacted by scrutiny over rising costs, tighter innovation funding, proving therapy and product value, and complying with shifting regulatory mandates.

Vistex helps Life Sciences companies manage the complexities of pricing, commissions, chargebacks, rebates, royalties, contract authoring, loyalty programs, and regulatory compliance. Vistex provides value to Life Sciences through revenue management, utilizing real-world evidence and outcomes by dismantling silos, validating and exploiting data, and identifying the most profitable plans for satisfying stakeholders.

#### About Vistex®

Vistex solutions help businesses take control of their mission-critical processes. With a multitude of programs covering pricing, trade, royalties and incentives, it can be complicated to see where all the money is flowing, let alone how much difference it makes to the topline and the bottomline. With Vistex, business stakeholders can see the numbers, see what really works, and see what to do next – so they can make sure every dollar spent or earned is really driving growth, and not just additional costs. The world's leading enterprises across a spectrum of industries rely on Vistex every day to propel their businesses.

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