



Life Sciences Advisory

Contract/revenue management system services



Ever increasing contracting complexity and compliance considerations are driving life science companies to evaluate their current commercial and government contracting solutions, and to consider whether to modify and/or upgrade all, or at least some portions of their contracting systems, over the next few years. Key considerations include the following:

- Growing transactional volume (due to acquisitions and/or program expansion e.g., Medicaid and 340B expansion)
- Increasing scrutiny by government regulators
- Changing regulations (e.g., Medicaid AMP final rule, Sunshine Act final rule)
- Sun setting of software packages

Historically, contracting system implementations and/or upgrade efforts tended to be notoriously over-budget and over-schedule with the resulting systems falling significantly short of their promises. Fortunately, those efforts yielded numerous lessons learned and keys to success that, if heeded, will yield far better results this time including:

— **Holistic view:**

- Entire contracting environment (e.g., strategy, analytics, processing, and pre and post payment validation): Consider the full environment and technical infrastructure due to the possible operational impact to your business processes even if your company is currently contemplating system updates to only a portion of the system (e.g., only chargebacks/commercial rebates, only government rebates, only government pricing).
- Future strategic state: Develop requirements, design, and implement a system that allows for five or ten years of competitive and compliant functionality, not limited to the present day capabilities of the system (or where you were yesterday).
- Broad stakeholders: Include all relevant departments and extending down to lower levels than you did previously to gain valuable insights regarding requirements and build buy-in and momentum into the process.
- All relevant software: Give all potentially-adequate systems a chance in the early stages for reasons such as understanding all possibilities, and minimizing back-end second-guessing.

- Modern capabilities: Consider cloud, partnering, outsourcing, and/or offshoring as possible solutions.
- **Project-integrated business perspective:** Business strategy, user needs and legal/compliance/audit requirements must go beyond front-end planning and back-end testing and be embedded in all phases of the project execution. Business leaders and users must be realistic about their time commitments and should consider engaging policy/business-oriented consultants to manage the process and be their arms/legs and voice in day-to-day matters.
- **Return on investment (ROI) analytics:** ROI analytics typically include only operating costs but a more valuable view will likely result from extending consideration to the financially-important issues around revenue leakage and potentially strategic mission-critical issues around incentive effectiveness and contracting strategy.
- **Phased approach with checkpoints:** Dividing work into a series of steps, with associated realistic deadlines, will help the project stay on course in terms of time and budget.
- **Business case:** Explains and sells the solution to management. The business case is a critical document that includes the total cost of ownership as well as the project's goal, anticipated benefits and risks associated with maintaining current state.

Our services:

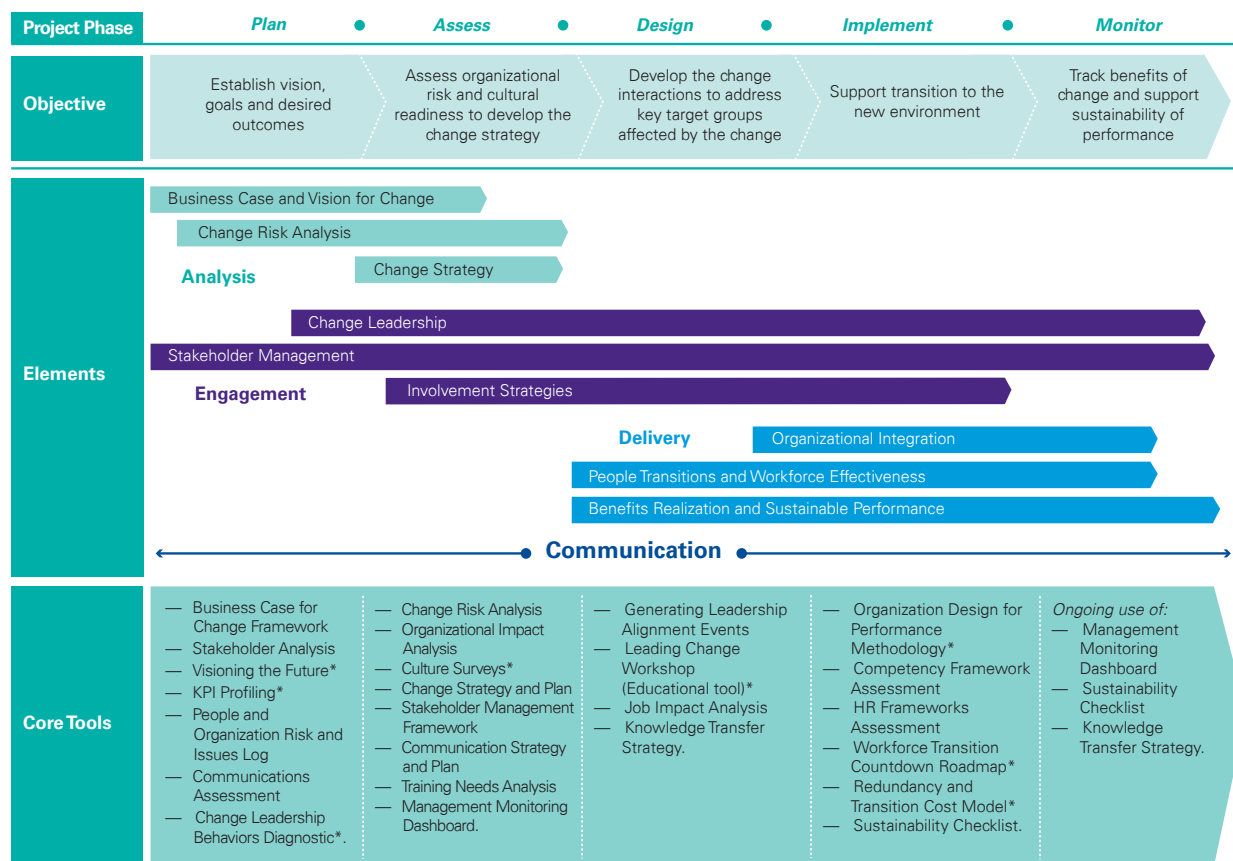
As a standalone service provider, or in partnership with your selected specialty systems integrator (SI), we assist you with matters including the following:

- Business and technical requirements gathering
- Vendor RFP development
- Vendor software demonstrations
- Vendor evaluation
- Business case development
- Implementation project management
- User acceptance testing
- Out of system parallel calculations



The KPMG difference:

- **Business knowledge:** We bring a broader business perspective to the engagement, which is critical in a variety of areas including making sure the right requirements are documented and prioritized from the very beginning. From the initial vision through system rollout and completion, we can leverage this knowledge base to quickly and effectively respond and adapt to any need.
- **Compliance perspective:** Our unique compliance perspective and experience helps us see the big picture and maintain an overriding emphasis on preserving a robust control structure sufficient to maintain compliance with regulations.
- **Leading industry experience and technology knowledge:** We are a recognized industry leader and have significant experience with the entire contracting cycle including government pricing, commercial contract administration, managed care contracting and incentive analytics. By seamlessly integrating our industry expertise and compliance perspective, we are able to provide a unique level of support and delivery through the entire implementation life cycle.
- **Operational knowledge:** Our distinctive background gives us insight into the specific business needs and where potential systems weaknesses can arise. This unique perspective allows us to provide the risk mitigation and cost/benefit analysis to develop the project plan to support the entire implementation project.
- **Project management abilities:** We have the experience to manage projects of all sizes and levels of complexity.
- **Ability to work across functional areas:** We work effectively across the organization including legal, business, and IT. Understanding the needs of each area allows us to effectively translate and integrate ideas, and to move the project forward while keeping stakeholders on the same page.
- **Firm qualifications:** As a leading Big Four professional services firm, we offer the capacity, service breadth, longevity, and financial strength to meet most any service requirement. KPMG is one of the largest professional services providers to life science companies worldwide.



Contact us

For more information about how KPMG can help, please contact KPMG LLP

Rick Zimmerer
Partner

T: 231-630-8068

E: rzimmerer@kpmg.com

Lynn Buhl
Director

T: 213-955-8601

E: lbuhl@kpmg.com

kpmg.com/socialmedia



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