Gross-to-Net forecasting and accruals are one of the most significant challenges facing life sciences companies today. Due to multi-channel transactions and variances within pricing and contracting strategies, companies often struggle to properly manage the data and determine reasonable and supportable forecasting models. As more products move through managed care channels and government programs, the more challenging it becomes to properly manage large datasets and complex forecasting processes.

Furthermore, Gross-to-Net sales adjustments often appear as significant deductions on financial statements as a result of prime vendor chargebacks, managed care and government rebates, contract discounts, and other adjustments that involve time-consuming administration and management of data from external sources and systems.

More Than Just Pricing Analytics

CIS’ Gross-to-Net analysis includes a financial model that forecasts a product’s return on investment, enabling executives to make informed decisions on business strategies. We present the information in a customizable format that is ideal for presentations with company stakeholders. Our holistic approach helps clients understand commercial and government contracting to avoid revenue leakage and gain competitive advantage.

CIS’ Gross-to-Net Analysis Tracks Your Organization’s Flow of the Dollar Across Payer Segments and Provides These Benefits:

- Optimize strategic pricing and contracting decisions across all payer segments
- Forecast accurately to provide proper accruals for current and new product launches
- Integrate government regulation and product strategy changes into forecasts and accruals
- Analyze rebates, chargebacks and contract discounts to determine impact on revenue and minimize variances
- Anticipate healthcare reform’s impact on Medicaid and Medicare programs
- Overcome disputes and deductions within wholesaler programs
- Review accounting close and true-up
- Identify all reporting requirements
- Provide a system and process assessment
- Reduce potential revenue leakage and gain competitive advantage
- Provide Gross-to-Net accruals for Medicaid rebates, Medicare Part D, managed care, sales discounts, chargebacks, and 340B

Industry studies have found that rebates cut nearly $40 billion out of manufacturer’s annual sales, and pricing errors within commercial and federal contracts can total as much as 4% of total revenues. By looking at Gross-to-Net sales and more accurately forecasting discount liabilities, manufacturers can gain a better understanding of the impact on their commercial and federal contract decisions.

We apply a cross-functional Gross-to-Net approach that considers all distribution, commercial and government pricing discounts to forecast a product’s market potential and return on investment.
Gross-to-Net: Optimized Pricing and Contracting

CIS has Experience in the Areas that Make Gross-to-Net Challenging

CIS provides a project team led by industry experts, CPAs, auditors and business analysts who focus on specific government and commercial channels for a variety of clients every day. As a result, we have significant experience in the areas that make Gross-to-Net challenging:

- Analyzing healthcare regulation and what it means to your business
- Commercial and distribution contracting and strategy
- Government pricing and programs
- Estimating product returns
- Finance, accounting, forecasting and analytics

Key Benefits and Features of CIS’ Gross-to-Net Suite of Services

- CIS industry and financial experts prepare and maintain summary charts that provide quarterly forecasts to reduce potential revenue leakage and gain insight into financial exposure across all contracted lines of business.
- An easy-to-understand graphical dashboard provides a bird’s eye view of your payer mix and pharma payer share to reduce the occurrence of over and under accruals by accurately forecasting payer mix across contracted lines of business.
- Reports compare total rebate accruals by budgeted and actual amounts, in a year-over-year format, to forecast managed care and Part D utilization to provide proper accruals for current and new product launches.

About CIS

Compliance Implementation Services (CIS) is a regulatory advisor and implementation firm that provides specialized consulting and operational services to life sciences companies.

We offer a broad portfolio of services and solutions that expand deep into the clinical, manufacturing and commercial disciplines and that align with our clients’ strategic priorities and business operations.