

The Physician Payments Sunshine Act: LEVERAGING REPORTING TO BUILD ENGAGEMENT, RELATIONSHIPS, TRUST, AND TRANSPARENCY

More than a mere reporting exercise, it's an opportunity to proactively engage with key customers to build stronger relationships, trust, and transparency.

Is your organization looking through the right lens?



As we all know, the life sciences industry is under increased scrutiny for the money paid to physicians and other covered recipients for any marketing, consulting, speaking, and educational spend. The Physician Payments Sunshine Act, which is a part of the Patient Protection and Affordable Care Act, is designed to provide public transparency into such payments between life sciences companies and all covered recipients. To date, life sciences companies have been focused on building systems and processes to collect and track payments in order to comply with the Center for Medicaid & Medicare Services (CMS) regulatory requirements on an annual basis. But are life science companies missing the big picture?

The reporting requirements for the Sunshine Act are comprehensive, significant, and require detailed record keeping. Failure to comply with the Sunshine Act can result in heavy penalties up to a maximum of \$150,000 or \$1M if reporting errors are found to be intentional. Additionally, companies found to be non-compliant or inac-

curate in their reporting run the risk of public and customer backlash and alienation, which will far outweigh any financial penalties.

Forward thinking companies will proactively capitalize on the tracking and reporting systems required by these regulations as an opportunity to engage with physicians in a proactive and transparent manner. Additionally, how can manufacturer's turn this reporting requirement into a positive customer experience? Lastly, how can life science companies effectively analyze their current spend, making sure their initiatives are providing the best return on investment (ROI) while creating customer loyalty?

Three Recommendations for Leveraging the Sunshine Act

Create Opportunities to Proactively Engage, Foster Relationships, Create Transparency, and Gain Critical Insights into Program Effectiveness

The secret sauce is to expand from a singular focus of collecting and reporting payment information to creating and capitalizing on customer touch points, creating a partnership approach with customers, and effectively leverage the vast value of this information. To effectively maximize this potential, senior life science executives must look into three recommendations:

1. Create a Touch Point and Foster Transparent and Proactive Communications

Proactively provide a partnership model whereby all customers will be able to access their information via an informational por-

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tal from the life science companies' website. The site allows key customers to review, appeal, and correct information prior to it becoming public knowledge. Developing this type of proactive transparency is paramount. Set the expectation that your company will provide this information regularly (ie, monthly or quarterly) and go beyond the reporting requirements outlined and provide a detailed description of the activity. Sharing detailed information on the total value and the type of activity will provide valuable context and transparency for each interaction.

Additionally, the sales representatives and medical science liaisons should play a critical role in communicating this information at the local level, ensuring any questions are addressed promptly and customers know the life science company is being proactive and adding value. Now that you have created the customer "touch point", how can your organization leverage this op-

Strategically, Genpact views this as an opportunity for life sciences manufacturer's to differentiate themselves.

The Sunshine Act creates a critical opportunity for manufacturers to proactively engage with their most important customers (ie, physicians, nurses, teaching hospitals — all covered recipients) by creating proactive touch points and providing accurate and transparent view of information. This is the key to building future trust and collaboration rather than alienation. As engaging with key customers continues to be a challenge, are life sciences companies looking at this as an opportunity or just a necessary evil?

portunity to further educate, update, and promote your marketing agenda with your most valuable customers? As key customers log onto the website to review payment information there is an opportunity to engage with them and to customize the messages delivered. Use a science and analytics framework and take advantage of all customer segmentation data available to deliver the messages that are most meaningful to an individual customer.

2. Implement a Global Sales and Marketing Compliance System

The United States is the first country to require comprehensive reporting of payments and other transfers of value from life sciences companies to all covered recipients. Several countries in the European Union (ie, UK, France, Denmark, Portugal, and Slovakia) are also implementing similar requirements. Most life sciences companies are global operations, therefore, building a flexible solution that can be adapted to accommodate the state-by-state and country-by-country reporting requirements, as well as future adaptations, will help maximize the utility of this solution and provide the best ROI.

In addition, there is real value in tracking global compliance to your corporate marketing strategy, guidelines, and budget allocations. Recent events in China reinforce that industry leaders cannot wait for government regulations to ensure global operations are being performed to company standards.

3. Leverage Analytics to Provide Valuable Insights into Effectiveness of Physician Education Programs

The data on all the payments and transfers of value made to key customers can provide an opportunity for life sciences compa-

nies to gain valuable insights into the specific return on investment for the multiple marketing, educational, and clinical initiatives. By leveraging this payment information with results data, such as physician feedback, sales force data, and prescribing trends, life science companies can better assess the value of such focused programs. These analyses ensure life sciences companies invest in effective programs, improve future program design, and drive toward the desired end point.

What is Next? How to Leverage The Sunshine Act Requirement

The challenge for life science companies is to expand from a singular focus of “just” collecting and reporting payment information as a requirement to a holistic approach that focuses on the opportunity to proactively engage the most valuable customers, while taking advantage of the value of this information. Thinking outside the box and looking at this as an opportunity to proactively engage with your customers is going to be the game changer. This will require cross functional

Companies should connect with external partners to create customer engagement platforms, not just reporting systems.

and innovation skills to design new business processes by combining industry specific context with sophisticated use of the net-promoter-score enhancement and customer engagement approaches that many consumer-facing industries have refined over the years. Life sciences companies must also build a strong operational foundation built on data-driven process management, advanced use of metrics, and effective IT enablement to ensure error free execution at scale – key to both compliance and customer engagement.

I challenge all life science companies to focus on creating the opportunity to effectively engage, share payment information proactively and in a timely manner, and to further build trust and transparency with customers versus just complying with the requirements of this new regulation.

To fully leverage the Sunshine Act opportunity, companies should engage with external partners that have expertise in the life sciences industry and possess deep and broad capabilities across process, analytics, and information technology to create customer engagement platforms, not just reporting systems. PV

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