



Strategies for Success – The White Paper Series from Concur

Tracking and Reporting Health Care Professional Spend



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Tracking and Reporting Health Care Professional Spend

New state and federal laws are creating unprecedented challenges to pharmaceutical and medical device manufacturers operating in the United States. In many cases, standard expense management solutions are not flexible enough to ensure compliance. Companies operating within the healthcare industry must begin to strategically look at their expense management system and adopt new tools and processes that offer complete and versatile attendee spend tracking and reporting.

Pharmaceutical and medical device manufacturers operating in the United States are currently struggling with the implications stemming from the new and wide-sweeping HR 3590: Patient Protection and Affordable Care Act of 2010. Specifically thorny rules in section 6002 of the legislation – the Physician Payment Sunshine Act – have confounded these companies with complex and time-consuming challenges as they try to stay compliant with new, tight gift and marketing disclosure provisions in the law.

Starting in 2012, these companies will have to start tracking, detailing, and reporting their financial relationships with a broad host of healthcare providers and organizations through yearly federal filings. The first report is due to the federal government on March 31, 2013. Every gift, meal, payment, grant, and in-kind contribution will have to be individually accounted for and uploaded to online databases for public scrutiny. This law includes stiff penalties for companies who fail – through intentional omission or oversight – to report each and every one of these relationships.

While the intent of this new law (shedding light on conflicts of interest) may seem straight forward; the steps and processes involved in staying compliant are hardly clear. Even with automated expense reporting tools in place, companies will need to start strategically breaking down their current reporting system to see if they are capable of effectively tracking all of these relationships in the minute detail required by the new regulations. To stay efficient and keep ahead of a changing regulatory landscape, leading organizations have already begun addressing this issue by integrating specifically designed elements into their systems so they become flexible enough to meet these new federal requirements, the unique reporting requirements of individual states, and possible federal provisions that are likely to arise.

Penalties and fines for failing to properly report these relationships range from \$1,000 to \$100,000 per transaction.

The Business Challenge

Most companies operating in the healthcare field already have some sort of system in place for tracking their marketing and travel expenditures. Unfortunately, most of these systems are simply not up to the specific challenges posed by the Physician Payment Sunshine Act. This is particularly true because, despite the name, doctors and cash transfers are only the most visible elements under purview of these new, comprehensive rules.

Pharmaceutical companies and medical device manufacturers will need to individually track their gifts and certain marketing efforts directed towards each doctor, group practice, clinic, and teaching hospital. It is expected that these regulations will eventually expand to include nurses, pharmacists, researchers, lab techs, midwives, medical assistants, and other healthcare providers as well.

Even more so than the recipients, the types of payments covered by the new rules are broad and specific. A simple guideline: items with a value over \$10 must be reported. Examples of these are: educational and promotional meetings involving meals, all gifts, entertainment, food, travel, stock and prospective ownership in a company, honoraria and speaking fees, research funding and grants, education and conference funding, consulting fees, charitable contributions, and all other forms of compensation.

For federal reporting, companies will need to generate a specific file for each transaction. The information required under the law covers the name and address of the recipient, the amount and date of the payment or transfer, a description of the form or nature of the payment or transfer, and whether the payment or transfer is related to marketing, education, or research specific to a given product. If this sounds difficult enough already, the process can easily become further bogged down due to the percentage of expenses that are often incurred out in the field where reporting isn't always a quick and easy activity.

With penalties and fines for unintentionally failing to properly report these relationships ranging from \$1,000 – \$10,000 per transaction and \$10,000 – \$100,000 for intentionally misreporting any transaction, it quickly becomes clear that this a business challenge that all companies need to take very seriously.

Meeting the Challenge

To stay compliant and create accurate disclosure filings, companies will need to be able to handle and differentiate their relationships with health care providers (attendees) and expenses within a versatile reporting system. To do this, systems must have the following functionality in place:

- Attendee Tracking – the system must be able to uniquely identify and track each attendee individually and within a given organizational entity
- Cost Limitations – a function must also be in place that allows the organization to limit the cost per attendee for a specific expense, to a set amount
- Attendee Cost Associations – the system must be able to generate reports on specific attendee information and their associated costs to a unique expense
- Cost Aggregation – finally, the system must be able to track and aggregate the portion of expenses attributed to a given attendee as defined by a specific set of expense types for a defined period of time, typically a calendar year

If this sounds complex and difficult to wade through – it is. A cursory glance through trade publications, blogs, and websites suggest that many companies are already worried about meeting the looming, March 31, 2013 deadline.

With so much at stake, it is now more important than ever to embrace an automated and flexible system that streamlines the expense reporting process, which in turn, drives down costs and saves time.

Internal Controls

To properly manage and oversee such a large and complex challenge while meeting all regulatory requirements, organizations need to have smart, functional, and flexible internal controls in place. Those needed are:

- A mechanism to load data through automated or manual processes
- A match/merge technology to correctly identify and aggregate HCPs
- A business rules engine that allows different inclusion/exclusion data configurations for each state
- Canned report templates for each state that requires reporting
- Configurable proactive “alerts” for spending thresholds
- Custom report capabilities
- Ad-hoc inquiry across multiple data elements
- HCP/HCO profile and spend review
- The capability to manually resolve unmatched records

Without these controls in place, organizations are much more likely to accidentally omit attendees who may fall through the cracks or fail to properly categorize all of their dollars spent – either of which could result in steep fines and penalties. The companies that are able to avoid these fines through accurate bookkeeping, though, are not necessarily overcoming the challenge. These companies will likely be spending far too much time and effort resolving and aggregating their disparate records instead of focusing on thriving in this new regulatory environment.

Concur Solutions: Travel and Expense

With so much at stake, it is now more important than ever to embrace an automated and flexible system that streamlines the expense reporting process, which in turn, drives down costs and saves time. In order to stay compliant with new state and federal law, you must provide your employees in the field the means to adequately and efficiently submit attendee expenses that can be properly tracked, monitored, and reported on.

Concur® Premier, a leading on-demand solution for employee spend management, is a versatile tool capable and ready to manage your expense tracking needs so you can stay compliant with the Physician Payment Sunshine Act. Concur can capture and track individual expenses as they occur while reconciling data from multiple sources for better reporting and quicker auditing. Concur does this by providing:

- **Data for Effective Management**, which ensures compliance and identifies non-compliance
- **Ease-of-Use** through a flexible, friendly, and intuitive UI
- **Real-Time Reports**, providing actionable information at your fingertips
- **Flexible Reporting**, which allows for customized data to satisfy internal, state, and federal requirements
- **On the Go Access** to search for, apply and view attendees through Concur's mobile app

Attendee Spend Tracking

To meet the challenges posed by the new healthcare law, Concur provides versatile and flexible attendee spend tracking. With this functionality, employees can easily record individual attendees that are included or benefiting from any expense entry. This gives companies easy ways to quickly report on attendee spend.

The sooner you are able to identify and address your attendee spend management abilities, the better able you will be to ultimately stay compliant.

Data can be automatically manipulated to provide reports on cost per attendee, total accumulated cost for an individual attendee over a designated period of time, and the total accumulated cost of a larger entity like a company that employs several attendees over a designated period of time – for example, a calendar year. With customizable fields available within the system, it is easy to link one or more attendees to a new expense entry for accurate tracking.

Known attendees are easily found and added from a “search” or “favorites” feature and configurable options allow for representatives to edit each attendee’s specific spend amount – a very useful tool when an attendee is invited but does not show up to an event. The fields are further configurable to make an employee present along with the other attendees for situations like entertainment expenses, further reducing the time devoted to data entry and correction. Attendees can be further refined within the system to differentiate them by 20 custom fields like the company they work, associations they belong to, and their specific function in the medical field.

All of this allows pharmaceutical and device manufacturers the ability to efficiently track year-to-date attendee totals and perform comprehensive audits of attendee totals over time and frequency through default and regulatory-specific rules.

Because Concur works on a Software-as-a-Service (SaaS) model, both field representatives and managers can easily view and edit (within the rules and permissions you allow) the specifics within an expense entity. This means that attendee lists can be shared or privatized, entities are always up-to-date, and cost edits are quick and easy to make.

Reporting and Auditing

The amount of customization possible within Concur allows for the rich and diverse reporting that can ultimately be utilized. Reports can be generated and viewed by employee, report type, date, expense type, vendor, attendee type, attendee name, location, company, and more.

Check Requests

As a flexible solution, Concur’s travel and expense management service can be paired with their invoice management module to effectively and seamlessly automate the invoice management process—whether invoices come from vendors or healthcare providers. This can significantly shorten the time dedicated to check processing while ensuring that all check request transactions are located in one easy to access repository for reporting needs.

This all allows for specific and actionable intelligence for companies to fully comply with the Physician Payment Sunshine Act.

Concur Extended Services

With the new federal disclosure regulations looming, many companies are currently focused on ensuring that their systems are fully in place to collect all of the necessary data for compliance. As you know, though, data collection is only one part of ensuring compliance, whether for the specifics within the healthcare field or general expense management. That is why many companies rely on Concur’s extended set of client services for their reporting and auditing needs.

Every gift, meal, payment, grant, and in-kind contribution will have to be individually accounted for and uploaded to online databases for public scrutiny.

Managed Reporting

If your organization does not have the current bandwidth to build or run reports, Concur can do it for you. The Managed Reporting service provides direct access to reporting experts who can create:

- A selected number of custom reports per year
- Custom dashboard metrics
- Automated report scheduling and distribution
- Tailored content for report recipients

Managed Reporting also provides analysis support for increased visibility and compliance safeguarding.

Audit Services

The possibility of oversight that could lead to costly fines is mitigated when expense auditing services are performed by trusted third parties. Audit flags can be set within Concur to audit all HCP spend. Concur can offer Expense Report Auditing service to provide best practice audits against internal controls, including receipt substantiation and expense type validation.

Concur's Expense Report Auditing service can include audits against custom policy requirements. This could be reviews of specific attendees, expense types, dollar amounts as well as ensuring all required fields are present and without bogus entries.

Web Services

If you use databases to maintain lists of HCPs or CRM systems to track interactions with HCPs, we offer a variety of customizable ways can help integrate these systems with Concur.

- Fetch Attendee – Concur's service can perform a real time search in your company's master attendee database or HCP database, accessing the most current attendee data available for use on an expense.
- Launch External URL & Expense Report – enables Concur's service to call out to an external system to pull relevant details into to an expense entry, and even use that data to create new expense entries.

Consulting Services

Concur can further remove the stress by providing best practice consulting services. Consulting services can take the following forms:

- Configuration Services – consulting engagements for ad-hoc configuration of Concur system options on a time and material basis
- Implementation Consulting – hands-on implementation support to ensure a successful, timely deployment of your Concur solution
- Integration Consulting – consulting engagement for ad-hoc design configuration or interfaces on a time and material basis
- Configuration Audit and Analysis – review of current environment and preparation of plans for upcoming changes and best practices recommendations

These extended services offered by Concur are specifically designed to maximize your investment and supplement your attendee spend tracking and reporting needs.

The first report is due to the federal government on March 31, 2013.

Summary

To ensure compliance with new federal healthcare marketing regulations and specific state disclosure requirements, it is necessary to have a versatile and streamlined attendee spend management system. To be effective, the system should have functionality that tracks each attendee (individually and within a larger entity), caps cost per attendee for a specific time and place, associates attendees with each relevant expense, and aggregates the specific expense portions to an attendee for each expense type over a given period of time. From this data, reports and audits should be easily created with minimal processing time.

With the versatility found in Concur, staying compliant with current state and future federal regulations is a matter of customizing specific fields within the system and generating the proper reports. To help manage this, Concur offers extended services (Managed Reporting, Audit, Web and Consulting services) to further simplify and facilitate the compliance process. While tracking and reporting requirements may still be months away, the sooner you are able to identify and address your attendee spend management abilities, the better able you will be to ultimately stay compliant.

If you would like to learn more about how Concur can help you stay compliant with the Physician Payment Sunshine Act and other state disclosure requirements or have questions, please email Pharma.LifeScience@Concur.com.

About Concur

Concur is a leading provider of integrated travel and expense management solutions. Concur's adaptable Web-based and mobile solutions help companies and their employees control costs and save time.

Learn more at www.concur.com



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