

Case Study – The Substantial Rebate Overpayments of Drug Manufacturers

Setup

- RxParadigm has developed Tungsten+ PLUS, a rebate platform that can be used both as an end-to-end rebate solution or as a targeted 340B duplicate discount claim identification. This platform employs open architecture via APIs to allow any authorized system to access the 340B identification logic.
- Our unique algorithm allows Tungsten+PLUS to perform accurate identification in seconds by synthesizing multiple data sources. Using our historical database of Manufacturer paid rebate claims, we analyzed 12 months of rebate invoiced claims from a small sample of commercial plans.

Outcome

- Overall, our platform shows that close to 26% of the claims for these plans are 340B duplicate discount claims, leading to a rebate overpayment of \$53 million. This far exceeds the typical 2% rejection rate of Manufacturers.
- With the continued growth in 340B sales in 2022 and the limited impact of Manufacturer initiated audits, this problem will continue to get worse. An automated solution like Tungsten+ PLUS can provide immediate impact while avoiding the costs and intense effort of current manual audit practices.