THIRD ANNUAL SUMMIT ON Disclosure, Transparency and Aggregate Spend

Best Practices in Capturing Correct Information And Ensuring Accuracy

Dan S. Dunham
VP, Chief Compliance Officer
Astellas US LLC
Capturing Correct and Accurate Information

Capturing Your Universe of HCPs

1. Accurately Identifying Your HCPs
   - Multiple data sources
   - External - IME
   - Internal – SAP, T&E expense reporting systems, systems for recording and tracking sales calls, e.g. Siebel or VEEVA

2. Centralized Capture of HCPs in a “Customer Master” Database
   - Cegedim Dendrite application for hosting
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Capturing Your Universe of HCPs

3. Accuracy and Completeness of the Customer Master
   - Does it contain both HCPs and HCOs?
   - Does it capture state license numbers and effective dates?
   - Does it reflect HCP affiliations, e.g. does it link HCPs to their respective medical practices, hospitals, clinics, medical societies, etc.?
     - Federal or state employee?
     - P&T Committee member?
     - Subject of disciplinary action?
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Accurately Capturing HCP Spend

1. Linking Your Customer Master to an Expense Reporting System, e.g. Concur
   - Accurately ties your HCP spend to the correct HCPs
   - HCPs entered first, by Sales and Marketing, into the Customer Master, then loaded into Concur
   - New HCPs must be entered first into the Customer Master
   - “HCP Support Staff” can be entered directly into Concur
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Accurately Capturing HCP Spend

1. Refining Data Entry into Your Expense Reporting System
   - New expense categories created
     - “Meals w/HCPs in office/hospital”
     - “Meals w/HCPs in restaurant”
   - HCPs cannot be entered in other categories
     - “Meals w/Employees”
     - “Meals w/Non-Employees”
   - HCP meals require entry of at least one HCP (vs. HCP Support Staff)
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Enhancing Expense Reporting

Creating “Audit Rules” to Guide Behavior and Simplify Reporting –

- Name of the reporter is automatically entered
- Addresses for HCP Support Staff are automatically derived from the address of the first HCP entered on the report
- Reported attendees are automatically counted
- Attendee costs are automatically calculated
- Automatic “red flag” appears if limits are exceeded, forcing the reporter to provide comments
- Automatic “yellow flag” requires comments by manager
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100% Monitoring of Expense Reports

Weekly Reviews/Monthly Reports –

- Accuracy and completeness for reporting purposes
- PhRMA Code compliance

Enforcement

- All variances address with the reporter and/or manager
- All violations disciplined – no exceptions and automatic
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100% Monitoring of Expense Reports

Targets for Review –

- Meal limits
- Venue
- Attendees
- Gifts
- Unapproved sales aids
- Fraud
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100% Monitoring of Expense Reports

Numbers –

- 10,000+ HCP meals a month analyzed electronically
- 99.6% present no issues; remainder manually reviewed
- ≥ 80% reviewed for accuracy; remainder reviewed for potential PhRMA Code violations or other issues
- Corrective action weighted heavily towards coaching and written instruction
- A handful of disciplinary actions
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Impact of Monitoring

1. Accuracy has greatly increased
   - Manually reviewed reports have decreased by a factor of 8

2. Violations are being caught
   - “If you look for it, you will find it.”

3. The process drives behavioral change
   - Acceptance
   - Enhanced compliance