

# Utilizing CRM for Medical Transparency Compliance



## Abstract

United States of America (USA) implemented Physician Payment Act, as a part of the health-care reform bill, in February 2013 commonly known as the Sunshine Act. As per the regulations of this bill, data on payments and gifts made to physicians, teaching hospitals by pharmaceutical and medical device companies must be made public. Healthcare companies use CRM for sales and service management and medical representatives are the key users to capture HCP (Healthcare professionals) centric data. The paper provides an honest approach to cater to Sunshine act related expense management within CRM. It details concept and approach needed to fulfill Sunshine ACT expense management compliance. The concept is based on study of US medical industry transparency guidelines i.e. Sunshine Act and can be leveraged across geographies with similar medical industry regulations and compliance.

The approach also describes first of its kind unique and distinct feature to track and monitor carbon footprint for expenses incurred by sales representatives. By relating carbon emissions to expenses, it helps set up a practice to approach customers through greener means and reduce organizational carbon footprint

## Preface:

United States of America (USA) brought Physician Payment Sunshine Act, in accordance to the healthcare reform bill in March 2010. In February 2013, U.S. Centers for Medicare & Medicaid Services (CMS) released final regulations for implementation of act commonly known as **Sunshine Act.2** As per the regulations, data on payments and gifts made to physicians, teaching hospitals by pharmaceutical and medical device companies must be made public as a searchable federal database. These companies need to submit annual reports to CMS for “payments or other transfers of value” made to physicians or teaching hospitals. The solution built in CRM platform is capable of handling and managing these transactions done to HCPs. It ensures transparency in all dealings done by the pharmaceutical and medical device companies when dealing for transfer of value with HCPs. Thus it captures minute details of transactions and its 100% compliant to Sunshine ACT.

At its core, the approach provides inputs for data capturing and reporting features that are mandatory for all medical manufacturers of medical devices, drugs and biological products that transfer value within the US with the HCPs.

# The Sunshine Act Increasing Transparency



The Sunshine Act (part of the Affordable Care Act) requires all U.S. drug and medical device manufacturers to track and report all transfers of value and payments made to physicians and teaching hospitals. This is aimed at increasing transparency into industry interactions.

## WHO HAS TO COMPLY?

U.S. manufacturers of



DRUGS



MEDICAL DEVICES



BIOLOGICAL SUPPLIES

## WHAT NEEDS TO BE TRACKED?

Any transfers of value or payments to physicians and hospitals greater than **\$10**, including payments, traded services, stocks or any other returned investments. Gifts greater than **\$100** will be made public and published online.

### • 14 TYPES OF COSTS •



CONSULTING  
FEES



ROYALTIES AND  
LICENSES



SERVICES OUTSIDE  
OF CONSULTING



INVESTMENT  
INTERESTS



EDUCATION



ENTERTAINMENT



BUSINESS  
GIFTS



TRAVEL



RESEARCH



HONORARIA  
SERVICES



GRANTS



CHARITY  
CONTRIBUTIONS



DIRECT  
COMPENSATION



FOOD

The Sunshine Act details1

Reference: <https://www.certify.com/2013-06-13-The-Sunshine-Act-increasing-transparency->

## 1. Key Features

### 1.1. Categories covered

The Sunshine related values are accessed for healthcare related expenses as mandated by the US Government. The Sunshine categories are as below,

- Consulting
- Compensation
- Honoraria
- Gift
- Entertainment
- Meals
- Travel
- Transportation-Others
- Education
- Research
- Charitable contribution
- Royalty or license
- Interest
- Speaker/Faculty
- Grant
- Space rental or facility fees

There are additional subcategories included within the main category to suffice all the types of expenses incurred in a company.

Other important features which can be included for meeting Sunshine Act guidelines;

Digital signature capture

Image compression - The image taken while downloading or attaching as a receipt compressed in size automatically to kbs from mb increasing database performance in cloud as it occupies less DB space.

Cost of Acquisition - The solution makes it easier to track expenses incurred against each lead/account/opportunity as they are directly associated. Hence cost of acquisition of customer is identified enabling organizations to evaluate their revenue per customer vis-a-vis cost of acquisition.

Easy and simple integration - The integration with legacy and existing financial systems can be easily done with prebuilt connectors.

In addition the solution provides features such as:

- Flexible reporting & error check functionalities
- A smooth user interface that provides a great look and feel
- Custom branding ability to change logo/template
- csv/excel export features
- Audit trail features for date/time
- Simple and self-informative category pick lists
- Easy integration with other backend operations systems
- Greater managerial control
- Analytics features

## 2. Solution Differentiation

The question is often asked, 'Is it feasible for companies to check if customer/partner centric efforts are green, through a CRM solution?' The solution described provides an innovative green approach within CRM solution to measure, track and evaluate expenses involved in winning and retaining customer. It has a unique and distinct **carbon footprint tracking** and **carbon offset mechanism** for travel incurred by the Sales representatives. To explain it through a case, suppose a sales representative travels for a meeting with a potential Lead/Opportunity or existing customer, such travel efforts, distance travelled and means of transport used can be used to track travel related carbon footprint. This calculation can be associated with the customer or with sales representative.

Similar logic can be applied to manage other carbon emission factors and organizational level carbon footprint can be tracked.

The purpose is to provide necessary thought leadership for greener customer efforts, incur savings in long term, improve bottom line and help companies be excellent corporate citizens.

The logic for Carbon footprint evaluation and carbon offset for travel is as below,

### 2.1. Carbon Calculation

The transport carbon matrix considers bus, car, bike and air as modes of transportation taken by Sales representatives to meet the customers. A logical matrix is provided below to estimate the travel related carbon footprint.

Transport carbon emission matrix

Sr.No	Mode	Kkg Co2/Km
1	Air	9.1
2	Bus	0.71
3	Car	0.167
4	Bike	0.055

### 2.2. Carbon offset parameters

Trees absorb Co2 and release oxygen in air. A method is provided in solution to ensure that carbon footprint built by the customer is offset appropriately. An equivalent of trees for the amount of carbon released is directly associated per customer/partner through automation in system.

## 3. Conclusion

The solution provides distinct features and can provide revenue benefits for the expense handling within organizations. It will reduce dependency on other applications. Sales representatives will work from a single CRM application and focus on core operations rather than worrying about hassles to manage their expenses. Some of the key advantages are:

- Organizations will have a clear view of the expenses incurred against each lead/account/opportunity through a single CRM application.
- Organizations can enforce policies to ensure appropriate regulatory compliance.

Managing medical transparency guidelines through CRM solution based solution is vital as Sales representatives use it for all other customer centric transactions. The solution here provides a thought process for it. Thutech can help organizations implement solution for their needs.

### Glossary

1. CRM-Customer Relationship Management
2. HCP- Healthcare Professional
3. SWOT-Strength, Weakness, Opportunities, Threats
4. Co2- Carbon Di Oxide
5. USP-Unique Selling proposition

### Reference

1. [www.forbes.com/sites/aryo/2013/02/11/the-sunshine-act-is-finally-final/](http://www.forbes.com/sites/aryo/2013/02/11/the-sunshine-act-is-finally-final/)
2. <https://www.certify.com/2013-06-13-The-Sunshine-Act-increasing-transparency->
3. <http://www.carbonify.com/carbon-calculator.htm>
4. <http://www.ecoscore.be/en/how-calculate-co2-emission-level-fuel-consumption>

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