

# Innovative Rebate Management in Oncology Drug Budgets:

Streamlining Operations and Enhancing Financial Efficiency Through Technology in Newfoundland and Labrador's Cancer Care Program.

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1

INTRODUCTION

Over the past decade, sales of oncology medicines in Canada have nearly tripled due to the launches of higher-cost drugs. The pan-Canadian Pharmaceutical Alliance (pCPA) drug price negotiation process allows provincial, territorial and federal governments to enable access to clinically effective drugs and manage the budget associated to their respective drug programs. The mutually agreed terms of the negotiations including the confidential price are the basis for each jurisdiction to establish a product listing agreement with the manufacturers. In Newfoundland and Labrador (NL), hospital-administered oncology drugs are listed through an annual budget process managed through the provincial cancer care program. Rigorous management of the oncology drug budget is essential to offer innovative therapies to patients. Historically, the rebate calculations for these drugs were conducted manually, which was both time-consuming and more liable to errors.

2

OBJECTIVE

NL Health Services (NLHS) Cancer Care aimed to innovate the Product Listing Agreement (PLA) management process which was conducted through Excel workbooks for data management and manual calculation of the rebates.

3

METHOD

This project aimed to improve rebate processing, enhance resource efficiency, and mitigate revenue loss by implementing the Lyfegen Analytics platform. The collaboration between NLHS Cancer Care and Lyfegen was initiated during the NLHS Health Innovation Summit. The process involved two key phases:

Phase 1:

A retroactive analysis of historical Product Listing Agreements (PLAs) and provincial data to recalculate invoiced amounts over a 7-year period.

Phase 2:

Full implementation of the platform, integrating active PLAs to automate rebate calculations and generate invoices, optimizing overall management efficiency.

4

RESULTS

The implementation of the digital platform in December 2023 resulted in significant improvements across all active Product Listing Agreements (PLAs) within the system, facilitating the automation of rebate processes and ensuring accurate rebate calculations.

Phase 1: Retroactive Analysis of PLAs

Through a comprehensive retroactive analysis of historical PLAs, the platform identified an estimated **\$600,000 CAD in missed rebates**. This phase highlighted gaps in previous manual processes, uncovering substantial opportunities for revenue recovery.

Phase 2: Implementation of Automated PLA Adjudication

In December 2023, the PLA portfolio was fully integrated into the platform, establishing an automated rebate management process. This automation has streamlined rebate workflows, enhancing accuracy and efficiency in drug expenditure tracking and budget management.

EFFICIENCY AND COST SAVINGS

The implementation of the Lyfegen Analytics Platform significantly improved resource utilization, resulting in:

-  Time and manpower efficiency in rebate management.
-  Accurate rebate calculations and real-time monitoring of drug expenditures.
-  Substantial cost savings, including non-replacement of a retiring full-time employee due to improved efficiency.

This automated rebate process has improved budget management to support the listing of additional high priority therapies, accelerating access to innovative treatments.

REINVESTMENT INTO ONCOLOGY BUDGETS

The platform's ability to recover missed rebates and reduce lost revenue enabled the Newfoundland and Labrador Health Services (NLHS) to reinvest approximately **\$600,000 CAD** into its provincial oncology drug budget.

5

CONCLUSIONS

The strategic partnership between NLHS Cancer Care and Lyfegen HealthTech AG has streamlined operations and established a foundation for continued innovation and financial optimization in the management of oncology drug rebates. Stakeholders, including healthcare providers and patients, benefit from the increased efficiency and cost savings, ensuring the efficient reimbursement of innovative therapies and a financially sustainable healthcare system.

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