Best Practices to Achieve Accurate Class of Trade Assignments

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Workshop Focus

1. Class of Trade History and Background
2. Explore tools to efficiently manage and maintain class of trade
3. Discuss opportunities to automate and streamline processes
4. Gain strategies to overcome common roadblocks and challenges
5. Identify objective criteria to effectively designate COT designations
What is Class of Trade (COT)?

- The definition of “Class of Trade” does not exist via Google search
- Typically an identifier used to define a “type” of customer business practice
- Inconsistency within each organization (i.e. manufacturer, GPO, wholesaler)
- Pharmaceutical industry standards that define class of trade do not exist
- Definitions may be impacted by product, utilization, and market segment
Why is COT Important?

1. Provides visibility to product markets
2. Influences commercial contract and price strategies
3. Identifies government contract and price strategies
4. Customer contract eligibility and accurate chargeback adjudication
5. Defines data for federal government price calculations and reporting
Where is the Product?

CUSTOMER

CUSTOMER

CUSTOMER

CUSTOMER

CUSTOMER
Commercial Price Access

Wholesaler

Practitioner

GPO “Z”

Medical Facility

Medical Network

CUSTOMER

MCO
Government Price Access

- Low Income
- Outpatient
- Physicians
- Senior Citizens
- Military

340B Drug Pricing Program
MEDICAID
MEDICARE Part B
MEDICARE Part D

GSA
Federal Supply Schedule

CUSTOMER

GPO Membership Eligibility and Class of Trade Maintenance - June 21, 2017
Government Pricing Calculations

- Retail Pharmacy
- Non-Government
- 340B Drug Pricing Program
- MEDICAID
- MEDICARE Part B
- MEDICARE Part D
- Distributors
- GSA Federal Supply Schedule
- TRICARE

CUSTOMER
Aligning Data Sources

[Diagram showing connections between various organizations and a central 'CUSTOMER' node. Organizations include NTiS.gov, HIBCC, NCPDP, HRSA, and Apexus. Each organization is connected to the central node with arrows indicating data flow.]
Managing Class of Trade

- Institute a clearly defined COT Policy, SOPs, and Schema that fit your business
- Ensure consistency in your research and designation processes
- Identify COT data sources - NTIS, HIBCC, NCPDP, HRSA (340B), third party
- Research customer websites - Create research guidelines, clues, and tips
- Make phone calls - Create scripted calls that align to your COT definitions
- Retain detailed records to support designation determinations
- Third party resources - Customer master clean-up / ongoing COT services
Example: COT Schema - Hospital

<table>
<thead>
<tr>
<th>COT Identification</th>
<th>COT Description</th>
<th>COT Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>e.g. 1093 or HO</td>
<td>e.g. Hospital</td>
<td>e.g. A hospital is a health care institution providing patient treatment with specialized medical and nursing staff and medical equipment. The facility possesses a large number of patient beds.</td>
</tr>
</tbody>
</table>
Example: COT Schema Categories

**Government**
- VA
- DOD
- Indian Health Services
- US Coast Guard
- Other Government Agency
- City/County/State
- State Veteran Home

**Distribution**
- Wholesaler
- Specialty Distributor
- Distributor
- Repackager
- Durable Medical Equipment
- Supplier

**Providers**
- Physician
- Medical Group
- Clinic
- Outpatient Pharmacy
- Ambulance
- Surgery Center
- Hospital

**Residential**
- Independent Living
- Assisted Living
- Correctional Facility
- Residential Living
- LTC Pharmacy
- Nursing Home

**Non-Retail Pharmacy**
- Mail Order
- Specialty Pharmacy
- Home Health
- HMO Staff Model
- Compounding

**Retail Pharmacy**
- Chain Pharmacy
- Independent Retail Pharmacy
- Retail Clinic

**Other Purchasers**
- Veterinary Medicine
- Manufacturer
- Laboratory
- Research
- Organization/Service

**Payers**
- GPO
- Managed Care
- Medicaid
Utilize Data Sources that Provide Customer COTs

- DEA Activity Codes / Sub-Codes - Practitioner, DoD, VA
- HIN Market Segment Codes - Surgery Center, Nursing Home
- NCPDP Dispense Types - Infusion, LTC, Mail Order, HMO
- VA PPV Eligibility Listing - IHS, VA, BOP, SVH
- Third Party Resources - Customer Database
- Triangulate Data - No one data source is the best
# HIBCC HIN Classification

(Subscriptio Based)

## HIN Class of Trade Codes

(Market Segments Utilized for BASE HINs)

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AC</td>
<td>ANIMAL HOSPITAL OR CLINIC</td>
<td>LB</td>
<td>FREE-STANDING LABORATORY</td>
</tr>
<tr>
<td>AR</td>
<td>ANIMAL RETAIL OUTLET</td>
<td>MF</td>
<td>MANUFACTURER</td>
</tr>
<tr>
<td>BG</td>
<td>BUYING GROUP</td>
<td>ML</td>
<td>MILITARY FACILITY</td>
</tr>
<tr>
<td>CL</td>
<td>CLINIC</td>
<td>MM</td>
<td>HEALTH MISCELLANEOUS</td>
</tr>
<tr>
<td>DC</td>
<td>DIALYSIS CENTERS</td>
<td>NC</td>
<td>NURSING HOME CHAIN</td>
</tr>
<tr>
<td>DS</td>
<td>DISTRIBUTOR OR WHOLESALER</td>
<td>NH</td>
<td>NURSING HOME</td>
</tr>
<tr>
<td>FM</td>
<td>FEED MANUFACTURER</td>
<td>NM</td>
<td>NON-HEALTH MISCELLANEOUS</td>
</tr>
<tr>
<td>GP</td>
<td>GROUP PRACTICE</td>
<td>OS</td>
<td>OUT-PATIENT SURGERY CENTER</td>
</tr>
<tr>
<td>GV</td>
<td>GOVERNMENT AGENCY</td>
<td>PD</td>
<td>PRODUCER</td>
</tr>
<tr>
<td>HA</td>
<td>HOSPITAL ADMINISTRATION</td>
<td>PH</td>
<td>PHARMACY</td>
</tr>
<tr>
<td>HH</td>
<td>HOME HEALTH CORPORATION</td>
<td>PP</td>
<td>PPO FACILITY</td>
</tr>
<tr>
<td>HM</td>
<td>HEALTH MAINTENANCE ORG</td>
<td>PS</td>
<td>PSYCHIATRIC HEALTH FACILITY</td>
</tr>
<tr>
<td>HO</td>
<td>HOSPITAL</td>
<td>SY</td>
<td>HOSPITAL SYSTEM</td>
</tr>
<tr>
<td>HW</td>
<td>HOSPITAL WAREHOUSE</td>
<td>UN</td>
<td>ACADEMIC INSTITUTION</td>
</tr>
<tr>
<td>IN</td>
<td>INSURANCE</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# NTIS DEA Classification

(Subscription Based)

## DEA Activity Codes and Sub-Codes:

<table>
<thead>
<tr>
<th>Business Activity Code (BAC)</th>
<th>Business Activity Sub-Code (BAC)</th>
<th>Description</th>
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<tbody>
<tr>
<td>A</td>
<td>0</td>
<td>RETAIL PHARMACY</td>
</tr>
<tr>
<td>A</td>
<td>3</td>
<td>CHAIN PHARMACY</td>
</tr>
<tr>
<td>B</td>
<td>0</td>
<td>HOSPITAL / CLINICAL</td>
</tr>
<tr>
<td>B</td>
<td>1</td>
<td>CHAIN HOSPITAL / CLINICAL</td>
</tr>
<tr>
<td>B</td>
<td>2</td>
<td>HOSPITAL / CLINICAL - MILITARY</td>
</tr>
<tr>
<td>B</td>
<td>3</td>
<td>HOSPITAL / CLINICAL - FEDERAL</td>
</tr>
<tr>
<td>B</td>
<td>4</td>
<td>HOSPITAL / CLINICAL - NG</td>
</tr>
<tr>
<td>C</td>
<td>0</td>
<td>PRACTITIONER</td>
</tr>
<tr>
<td>E</td>
<td>0</td>
<td>MANUFACTURER</td>
</tr>
<tr>
<td>E</td>
<td>1</td>
<td>MANUFACTURER (C I, II, BULK)</td>
</tr>
<tr>
<td>F</td>
<td>0</td>
<td>DISTRIBUTOR</td>
</tr>
<tr>
<td>G</td>
<td>0</td>
<td>RESEARCHER (II, V)</td>
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</table>
## NCPDP Classification

(Self Identification)

<table>
<thead>
<tr>
<th>Closed Door</th>
<th>Classification</th>
<th>Dispense Type 1</th>
<th>Pharmacy Type</th>
<th>Taxonomy</th>
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<tbody>
<tr>
<td>Y</td>
<td>Government</td>
<td>Indian Health</td>
<td>Government</td>
<td>Indian Health</td>
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<tr>
<td>Y</td>
<td>Independent</td>
<td>Institutional</td>
<td>Hospital</td>
<td>Institutional</td>
</tr>
<tr>
<td>N</td>
<td>Independent</td>
<td>Retail</td>
<td>Hospital</td>
<td>Pharmacy</td>
</tr>
<tr>
<td>N</td>
<td>Independent</td>
<td>Retail</td>
<td>Hospital</td>
<td>DME</td>
</tr>
<tr>
<td>Y</td>
<td>Independent</td>
<td>IV Infusion</td>
<td>Infusion</td>
<td>Pharmacy</td>
</tr>
<tr>
<td>N</td>
<td>Independent</td>
<td>IV Infusion</td>
<td>Infusion</td>
<td>Pharmacy</td>
</tr>
<tr>
<td>Y</td>
<td>Chain</td>
<td>Long Term Care</td>
<td>Nursing Home</td>
<td>Pharmacy</td>
</tr>
<tr>
<td>N</td>
<td>Independent</td>
<td>Long Term Care</td>
<td>Nursing Home</td>
<td>Pharmacy</td>
</tr>
<tr>
<td>Independent</td>
<td>Retail</td>
<td>Retail</td>
<td>Retail</td>
<td>Community/Retail</td>
</tr>
<tr>
<td>N</td>
<td>Chain</td>
<td>Retail</td>
<td>Retail</td>
<td>Community/Retail</td>
</tr>
<tr>
<td>Chain</td>
<td>Retail</td>
<td>Retail</td>
<td>Retail</td>
<td>Pharmacy</td>
</tr>
<tr>
<td>N</td>
<td>Independent</td>
<td>Retail</td>
<td>Retail</td>
<td>Pharmacy</td>
</tr>
<tr>
<td>Independent</td>
<td>Retail</td>
<td>Retail</td>
<td>Retail</td>
<td>Pharmacy</td>
</tr>
</tbody>
</table>
### VA PPV Eligibility Listing

<table>
<thead>
<tr>
<th>DEA/HIN</th>
<th>CLASS</th>
<th>FACILITY NAME</th>
<th>ADDRESS</th>
<th>CITY</th>
<th>STATE</th>
<th>ZIP CODE</th>
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</thead>
<tbody>
<tr>
<td>AP5584897</td>
<td>IHS</td>
<td>ALASKA NATIVE MEDICAL CNTR</td>
<td>4315 DIPLOMACY DRIVE</td>
<td>ANCHORAGE</td>
<td>AK</td>
<td>99508</td>
</tr>
<tr>
<td>BA5289207</td>
<td>IHS</td>
<td>ANCHORAGE NATIVE PRIMARY CARE CNTR</td>
<td>4320 DIPLOMACY DRIVE</td>
<td>ANCHORAGE</td>
<td>AK</td>
<td>99508</td>
</tr>
<tr>
<td>FA5306231</td>
<td>IHS</td>
<td>ANTHC AMBULATORY SURGERY CENTER PHARMACY</td>
<td>3801 UNIVERSITY LAKE DRIVE, SUITE 100</td>
<td>ANCHORAGE</td>
<td>AK</td>
<td>99508</td>
</tr>
<tr>
<td>AV2874091</td>
<td>VA</td>
<td>VETERANS AFFAIRS OUTPATIENT CLINIC - VA</td>
<td>1201 N. MULDOON DRIVE</td>
<td>ANCHORAGE</td>
<td>AK</td>
<td>99504</td>
</tr>
<tr>
<td>BV5478359</td>
<td>VA</td>
<td>VA MEDICAL CENTER</td>
<td>700 SOUTH 19TH STREET</td>
<td>BIRMINGHAM</td>
<td>AL</td>
<td>32533</td>
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<tr>
<td>FB5184279</td>
<td>VA</td>
<td>BIRMINGHAM VA CLINIC</td>
<td>VA MEDICAL CENTER</td>
<td>BIRMINGHAM</td>
<td>AL</td>
<td>35233</td>
</tr>
<tr>
<td>AF5426691</td>
<td>BOP</td>
<td>FPC MONTGOMERY</td>
<td>BLDG. 1226 MAXWELL AIR FORCE BASE</td>
<td>MONTGOMERY</td>
<td>AL</td>
<td>36112</td>
</tr>
<tr>
<td>AF8998392</td>
<td>BOP</td>
<td>FCI TALLEDEGA</td>
<td>565 RENFROE ROAD</td>
<td>TALLEDEGA</td>
<td>AL</td>
<td>35160</td>
</tr>
<tr>
<td>BF5018393</td>
<td>BOP</td>
<td>FCI FORREST CITY</td>
<td>779 ST. FRANCIS CNTY RD. 806</td>
<td>FORREST CITY</td>
<td>AR</td>
<td>72335</td>
</tr>
<tr>
<td>BV6688026</td>
<td>SVH</td>
<td>THE VETERANS HOME OF CALIFORNIA</td>
<td>700 EAST NAPLES</td>
<td>CHULA VISTA</td>
<td>CA</td>
<td>91911</td>
</tr>
<tr>
<td>FC2980022</td>
<td>SVH</td>
<td>CDVA VETERANS HOME OF CA W LOS ANGELES</td>
<td>11500 NIMITZ AVENUE</td>
<td>LOS ANGELES</td>
<td>CA</td>
<td>90049</td>
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<tr>
<td>AV3310517</td>
<td>SVH</td>
<td>VETERANS HOME OF CALIFORNIA</td>
<td>123 CALIFORNIA DRIVE</td>
<td>YOUNTVILLE</td>
<td>CA</td>
<td>94599</td>
</tr>
</tbody>
</table>
Explore Tools to Efficiently Manage and Maintain COT

• Research your companies capabilities as well as product tools in the market
• Ensure the tool can capture, blend, and filter data from multiple databases
• Match customer COTs by DEA, HIN, or name and address (fuzzy logic)
• Create a standardized COT template output file for tracking and adding new customers.
Automate assignment, flag by data source COT, group like customers

Establish a designation hierarchy when source data COT differs

Reduce administrative effort such as website look-ups and phone calls

Reduce new customer COT assignment turn-time

Proper systems and tool capabilities are key to automation

Partnerships available to avoid “recreating the wheel”
Example: DEA Match Process Flow

Match Client and DEA Source File on DEA

- Customer Master File
- DEA Source File
- Select Only DEAs
- Select Key Fields
- Filter
- Match DEAs
- Output File Showing Matches
Example: Combining Data Source Files

- Customer File
- DEA Matches
- HIN Matches
- NCPDP Matches

1. Combine All Files
2. Deliverable to Client

Legend:
- Green folder: File
- Orange arrow: Process
- Blue circle: Checkmark
Example: COT Output File Template

**Customer Master File:**

<table>
<thead>
<tr>
<th>Customer ID</th>
<th>DEA</th>
<th>HIN</th>
<th>Name</th>
<th>Address</th>
<th>City</th>
<th>State</th>
<th>Zip</th>
</tr>
</thead>
</table>

**Data Source File**

<table>
<thead>
<tr>
<th>DEA Business Activity Code</th>
<th>HIN COT Segment</th>
<th>NCPDP Dispense Type</th>
<th>CMS Medicare Hospital File</th>
</tr>
</thead>
</table>

**Support & Documentation**

<table>
<thead>
<tr>
<th>Internal COT Notes</th>
<th>URL Reference</th>
<th>Contact Name</th>
<th>Contact Phone Number</th>
</tr>
</thead>
</table>

**COT Designation**

<table>
<thead>
<tr>
<th>COT Code</th>
<th>COT Name</th>
<th>Primary Source</th>
</tr>
</thead>
</table>
COT Designation Challenges

- Group Purchasing Organization Classifications
- Large organizations
- Data inconsistencies—address limitations
- Conflicting corporate needs and uses of COT
- 340B entities

GPO Membership Eligibility and Class of Trade Maintenance - June 21, 2017
## Who is the Customer?

<table>
<thead>
<tr>
<th>Records 1 to 12 out of 12</th>
<th>Save</th>
<th>Download</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market Segment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>UNIV OF SOUTHERN CA KENNETH NORRIS</strong></td>
<td>DIAGNOSTIC SERVICES</td>
<td></td>
</tr>
<tr>
<td><strong>UNIV OF SOUTHERN CA MEDCL PLZ PHARM</strong></td>
<td>CONTRACTED PHARMACY SERVICES</td>
<td></td>
</tr>
<tr>
<td><strong>UNIV OF SOUTHERN CALIFORNIA KENNETH</strong></td>
<td>IN-PATIENT PHARMACY</td>
<td></td>
</tr>
<tr>
<td><strong>UNIV OF SOUTHERN CALIFORNIA KENNETH</strong></td>
<td>HOSPITAL IN-PATIENT PHARMACY</td>
<td></td>
</tr>
<tr>
<td><strong>UNIV OF SOUTHERN CALIFORNIA KENNETH</strong></td>
<td>HOSPITAL OUT-PATIENT PHARMACY</td>
<td></td>
</tr>
<tr>
<td><strong>UNIV OF SOUTHERN CALIFORNIA KENNETH</strong></td>
<td>HOSPITAL NUCLEAR MEDICINE</td>
<td></td>
</tr>
<tr>
<td><strong>UNIV OF STHRN CA KENNETH NORRIS JR</strong></td>
<td>SHIPPING ADDRESS</td>
<td></td>
</tr>
<tr>
<td><strong>UNIV OF STHRN CA KENNETH NORRIS JR</strong></td>
<td>SHIPPING ADDRESS</td>
<td></td>
</tr>
<tr>
<td><strong>UNIV OF STHRN CA KENNETH NORRIS JR</strong></td>
<td>WAC SHIPPING ADDRESS</td>
<td></td>
</tr>
<tr>
<td><strong>UNIV OF STHRN CA NORRIS CANCER CTR</strong></td>
<td>HOSPITAL</td>
<td></td>
</tr>
<tr>
<td><strong>UNIV OF STHRN CA NORRIS CANCER CTR</strong></td>
<td>FREE STANDING CANCER HOSPITAL</td>
<td></td>
</tr>
<tr>
<td><strong>USC KENNETH NORRIS JR CANCER HOSPIT</strong></td>
<td>WAC FREE STANDING CANCER HOSPITAL</td>
<td></td>
</tr>
</tbody>
</table>
Identify Objective Criteria in a Complex World

Healthcare System Illustration

- Research Institute: 6
- Imaging Center: 2
- Insurance: 1
- Acute Care Hospital: 13
- Psych Hospital: 1
- Rehabilitation Hospital: 4
- Physical Med & Rehab: 11
- Medical Groups: 138
- GPO Novation (VHA Inc.): 2
- Clinic: 4
- Supply: 4
- Nursing Homes: 4
- Labs: 2
- Home Health: 5
- Professional Associations: 2
- Independent Physician Practice: 3

GPO Membership Eligibility and Class of Trade Maintenance - June 21, 2017
QI OneKey – Defining Business Granularity
(Hospital)

Top Level: Classification
- Academic
- Buying Organization
- Corporate Parent
- Correctional Facility
- Elder Care
- Emergency
- Health Alliance
- Hospital

Second Level: Facility Type
- Acute Care Hospital
  - Psychiatric Hospital
  - Rehabilitation Hospital

Third Level: Specialty
- Cardiology
- Children’s
- Critical Access
- Eye and Ear
- General Acute
- Long-term Acute Care
- Oncology
- Ophthalmology
- Orthopedics
- Surgical
QI OneKey – Defining Business Granularity
(Medical Group)

Top Level: Classification
- Academic
- Buying Organization
- Corporate Parent
- Correctional Facility
- Elder Care
- Emergency
- Health Alliance

Outpatient Center
- Insurance
- Laboratory
- Miscellaneous
- Hospital
- ...

Second Level: Facility Type
- Alternative Medicine
- Clinic
- Health Department
- Imaging Center
- Independent Physician Practice

Medical Group
- Outpatient Surgi Center
- Physical Medicine and Rehabilitation
- Alternative Medicine

Third Level: Specialty
- Addiction Medicine
- Allergy/Immunology
- Anesthesiology
- Anticoagulation
- Audiology
- Behavioral Health
- Behavioral Health-CMHC
- Cardiology
- Chiropractic Medicine
- Dentistry
- Dermatology
- Addiction Medicine
- ...

GPO Membership Eligibility and Class of Trade Maintenance - June 21, 2017
340B/PHS Entities

340B/PHS is NOT a Class of Trade
## Criteria for Successful COT Designation

<table>
<thead>
<tr>
<th></th>
<th>Establish clear and comprehensive COT schema definitions</th>
<th>Make sure the schema is not overly complex or confusing (group like COTs)</th>
<th>Establish well defined and detailed Policy and SOPs</th>
<th>Institute a training program to ensure consistent assignment for every customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Keep all supporting documentation (URLs, phone numbers, pharmacist names, etc.)</td>
<td>Regularly review your class of trade schema</td>
<td>Objective, third-party resources available to validate customer information</td>
<td>Partners to aid in automation, consistency, accuracy and timeliness</td>
</tr>
</tbody>
</table>
Key Questions to Answer

- Who is the customer for my organization?
- What type of pricing will the customer access?
- What type of services does the customer provide?
- How does this customer fit within government pricing calculation requirements?
- Where does this customer align for internal and external reporting?
- What information is available to objectively validate the classification?
Business Contacts

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Questions