



## Electronic Voucher Distribution Optimization for a Pharmacy Solutions Company



### Background:

A Finstru Rx Finance team member, while working at a Pharmacy Solutions company, identified a major revenue decline caused by a shift in prescription fill cycles. The company had traditionally used an electronic voucher distribution system tied to monthly prescription refills, but a transition to quarterly fills led to a drastic reduction in transactions, cutting revenue by nearly a third. The change disrupted cash flow, affected pricing strategy, and posed challenges for patients' ability to access and afford medications.

### Challenges

1. **Revenue Decline:** The transition from monthly to quarterly prescription fills significantly reduced transaction volumes, directly impacting revenue generated from electronic voucher redemptions.
2. **Misaligned Pricing Model:** The pricing strategy was originally based on monthly fill cycles, leading to a misalignment with the new quarterly structure and resulting in financial shortfalls.
3. **Patient Access Issues:** The extended fill period particularly affected high-cost specialty medications, making it more difficult for patients to manage affordability and access to essential treatments.
4. **Revenue Projections:** The change in fill cycles complicated revenue forecasting, limiting the company's ability to predict cash flow and identify where affordability solutions would be most effective.

## **Solution: Data-Driven Strategy for Pricing and Revenue Optimization**

The team member from Finstru led the initiative to analyze transaction changes, assess product impacts, and implement a new pricing strategy, ultimately optimizing revenue projection and enhancing patient affordability.

### **1. Transaction and Product Analysis**

- **Detailed Review:** The team member conducted a comprehensive analysis of electronic voucher transactions, identifying which products were most impacted by the shift to quarterly fills. The analysis revealed that specialty medications and long-term maintenance drugs experienced the greatest revenue decline due to decreased transaction frequency.
- **Impact Assessment:** A thorough evaluation showed that the reduction in monthly transactions resulted in a nearly one-third drop in revenue. This insight enabled the company to understand the full scope of the financial impact on specific product lines.

### **2. Redesigning the Pricing Strategy**

- **New Pricing Model:** The team member developed a new pricing strategy that adapted to the quarterly fill cycle. This included a tiered pricing model for electronic vouchers, allowing flexibility based on transaction frequency and product type. The new structure was designed to capture value more accurately while aligning with the extended distribution periods.
- **Revenue Cycle Optimization:** The team restructured the revenue recognition model to suit the quarterly cycle, ensuring more accurate financial forecasting and improved cash flow management.

### **3. Enhanced Revenue Projections**

- **Advanced Forecasting:** The team member implemented a data-driven revenue projection model that factored in the updated pricing strategy and fill frequencies. This model allowed the company to better anticipate revenue streams, optimize resource allocation, and identify gaps caused by the cycle change.
- **Impact Mapping:** The new model mapped financial impacts across product lines, pinpointing where the extended fill period might adversely affect patient affordability and access. This information informed strategic decisions around deploying affordability solutions.

### **4. Strategic Partnership for Patient Affordability**

- **Collaboration with Biopharma Partners:** Recognizing the impact on patients, the team member collaborated with the company's biopharma partners to identify high-cost medications that would benefit most from affordability solutions. This included deploying electronic vouchers and co-pay assistance programs for targeted specialty drugs.

- **Deploying Affordability Solutions:** The team recommended implementing these programs in a way that aligned with the new fill periods, helping to maintain patient adherence, improve access, and strengthen relationships with partnering biopharma companies.

## **Outcomes and Benefits**

- **Revenue Recovery:** The newly designed pricing model helped recover a significant portion of the lost revenue, stabilizing the company's financial position despite the shift to quarterly fills.
- **Accurate Revenue Projections:** The enhanced revenue projection model enabled more precise forecasting, supporting strategic planning and improved cash flow.
- **Improved Patient Access:** By deploying targeted affordability solutions, the company was able to mitigate the negative impact on patient access and adherence, supporting consistent medication availability for those in need.
- **Strengthened Biopharma Partnerships:** The strategic deployment of affordability solutions showcased the company's commitment to patient care, reinforcing partnerships with biopharma companies.