

UNDERSTANDING CLASS OF TRADE

Did You Know?

Manufacturers rely on DEA, HIN, NPI or GLN information to determine Class of Trade (COT) for an account

Managing GPO Access

CuraScript SD Works With Group Purchasing Organizations (GPO) in Order to Provide the Best Possible Benefits to Customers

01 | Class of Trade Defined

The class of trade system the GPO's and pharmaceutical manufacturers use is how product access is determined for contracting. A customer's class of trade is how they are categorized among organizations, this classification designates access to a specific products at certain price points. If a customer is not classified in a product's determined COT then the customer cannot purchase that product without certain authorization.

02 | Benefits

There are several benefits available through class of trade terms with manufacturers and GPO's. A customer may gain access to medications at a much lower price or at greater volume. Certain services may be available to specific COT's that wouldn't be available to others. Contracting may be simplified by a customer's class of trade making it quicker and easier to be integrated into manufacturer or GPO programs.

03 | Challenges

As healthcare systems expand into the non-acute market, the class of trade classifications and definitions have become outdated and inaccurate. Hospitals are growing by allowing and setting up physician practices under the same group as the hospital. The inclusion challenges with COT has caused concern for manufacturers and contracting groups handling these expanded healthcare systems because the same access a hospital is given should not be available to individual practices.

There are no clearly defined pharmaceutical industry standards that define class of trade. This leads to inconsistency among different manufacturers and GPO's classifying by COT. Many data sources can be used to determine a customer COT, with each company or organization varying on method of COT classification. Some Data Sources are:

- DEA Activity Codes
- HIN Market Segment Codes
- NCPDP Disease Types
- VA PPV Eligibility Listing

Learn More

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References

<http://pharmaceuticalcommerce.com/information-technology/understanding-class-of-trade-concepts/>

http://www.cbinet.com/sites/default/files/files/Bustos_Marjo_pres.pdf