

Contract Management – 845 Price Authorization Acknowledgement Report

For automated and accurate pricing authorization communication

Disseminate price changes efficiently with all your trading partners through the electronic 845 Price Authorization Acknowledgement/Status Report. The report is now available through **IQVIA's ValueTrak® Contract Management (ICM)** platform.

What is the Price Authorization Acknowledgement report?

The Price Authorization Acknowledgement (PAA) report, also known as the 845 EDI/CSV, is more than just a pricing update file. It's a contract price authorization document used to initiate, modify, or terminate pricing terms under a specific contract. It's the optimal vehicle for enforcing contractual pricing between a manufacturer and a distributor. Think of it as a digital 'price sheet' tied to a contract, which ensures accurate and timely pricing across the supply chain.

845 PAA report myth busters

The 845 PAA report is not the same as the 844 or 867. The 844 is a chargeback authorization request and the 867 is a sales-at-facility report.

The EDI 845 report must be sent regularly, as contract pricing and terms change frequently. This keeps systems synchronized and prevents pricing errors or processing delays.

Most major distributors do require PAA report-based updates (even in CSV form) to process new contracts or update existing pricing changes and GPO pricing.



Contract created
or updated



Generate the
845 (PAA)



Transmit the PAA
report in EDI/CSV



Trading partners
update

How the 845 PAA report helps manage contract pricing

If you're managing contract pricing across multiple customers and distributors, automated contract changes in a PAA report (845) are essential. It's not just a data file—it's your pricing compliance insurance.



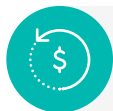
Provides a structured, auditable method for communicating price changes.



Enables timely notification and alignment between manufacturers, distributors, and providers.



Prevents rebate rejections and chargeback issues by clearly defining effective dates and eligible SKUs.



Supports temporary, promotional, or rolling price updates based on economic factors.



Allows for easy tracking and rollback if price stabilization occurs.

Achieve speed and accuracy in price activation

Many MedTech organizations believe that manual updates are good enough. But manual updates are not only time-consuming—they also lead to price mismatches, delayed customer eligibility, chargeback/rebate discrepancy, audit risk, and revenue leakage. The PAA report enables fast, automated, time-stamped, and traceable updates with full transparency across contract lifecycles between all the trading partners.

Manufacturers and distributors can reduce chargeback claim discrepancy significantly after switching to 845 reporting for automated contract activations among trading partners, provided proper timing is followed.

BUSINESS BENEFITS OF PAA REPORT ACTIVATION



Speed

Contract updates go live in hours, not days



Accuracy

Reduces pricing disputes and credit memos



Transparency

Improves audit traceability



Fewer rebate errors

Aligns eligibility and price tiers

Key data in a Price Authorization Acknowledgement report

Data element	Included in 845 (PAA report)
Contract ID	✓ Yes
Eligible customer or GPO	✓ Yes
Effective/expiration dates	✓ Yes
Product identifiers (NDC/SKU)	✓ Yes
Unit of measure and price	✓ Yes
Deletion flags (for terminations)	✓ Yes

Enjoy simple integration

If you're already using IQVIA's [ValueTrak® Contract Management \(ICM\)](#) module, this report is on-demand and an easy add-on.



IMPLEMENTATION TYPICALLY INVOLVES:

- IQVIA's Contract management system integration
- Mapping to distributor-specific standards
- EDI Translator for text-to-EDI or CSV formatting
- Confirmation via EDI 997. Can be scaled modularly or supported by middleware or managed EDI service providers



WHO IS THE PAA REPORT FOR?

The PAA report is used across industries—especially in medical-surgical distribution, pharmaceuticals, and healthcare logistics—by manufacturers, distributors, and GPOs, to ensure accurate pricing under contracted terms.

Users include:

- Pharmaceutical manufacturers
- Distributors and wholesalers (e.g., Medline, Cardinal)
- Group purchasing organizations (GPOs)
- Health systems and IDNs



Suggested timeframes for contract negotiations and updates between trading partners

Step	Recommended timeframe	Purpose
Contract creation and negotiation begins	90–120 days before desired start date	Allows time for legal review, pricing modeling, and stakeholder alignment
Final contract terms approved	45 days before effective date	Enables all trading partners to prepare and system-load terms
Distributors notified of new pricing	45 days before effective date	Gives distributors time to update systems and customer records
Providers notified of changes	30–45 days before effective date	Ensures eligibility and tier alignment to prevent chargeback denials
PRICE AUTHORIZATION REPORT price activation file sent	At least 30 days before effective date	Triggers setup across systems (contract ID, NDC/SKUs, UOM, tiers)
Eligibility effective date window	30–90 days before go-live	Accounts for provider signatures, GPO alignment, and delays
Notify distributors of extensions/contract changes	At least 30–45 days before expiration or effective date	Gives trading partners time to update systems

Source: “HIDA Pricing Accuracy White Paper” https://www.hida.org/distribution/resources/white-papers/Improving-Pricing-Accuracy_white-paper.aspx

Add the IQVIA Price Authorization module to simplify and speed up reporting.