Pharmacy Audits-What You Need to Know & How to Prepare

Tracie Acosta, CPhT

Analyst, Pharmacy Audit and Compliance

June 7, 2018

Speaker Disclosure

I have the following Financial relationship to disclose:

- I am an employee of AmerisourceBergen- Elevate Provider Network

AND

- I will not discuss off label use and/or investigational use in this presentation

Speaker Bio

Tracie Acosta , CPhT

Analyst, Pharmacy Audit and Compliance

Tracie has over eleven years of experience in the pharmacy industry. Her experience includes: Retail Pharmacy operations and PBM Audit Management and Operations. She is a subject matter expert within the pharmacy audit area. Tracie's expertise include: Pharmacy compliance, PBM audits including: Desktop, Onsite and Invoice Reconciliation. In her current role, Tracie leads the audit support team for the Elevate Provider Network.

Learning Objectives

At the end of this presentation, pharmacists and/or technicians should be able to:

- Explain the different types of PBM audits;
- Identify and avoid audit triggers;
- Outline current audit trends;
- List the most common PBM discrepancies and know how to appeal them; and
- List the most commonly misbilled drugs and how now to correctly bill them

Types of Audits- On-Site

An audit conducted on the pharmacy's premises which includes comprehensive review of records.

Pharmacies selected for an on-site audit *may* receive advanced written notice; however, advanced notification is not required when fraud is suspected.

For standard on-site audits, most PBMs will generally review specific documents and records related to claims paid during the previous 24 months, unless otherwise required by law.

APEX 2018

Types of Audits- Desktop

An audit conducted off-site. Typically referred to as a "mail in" audit

Pharmacies selected for a desktop audit may receive written notification via facsimile or mail.

For standard desktop audits, *most* PBMs will generally review specific documents and records related to claims paid during the previous 12 months, unless otherwise required by law.

APEX 2018

Types of Audits- Invoice

Invoice audits may be included as part of an on-site or desktop audit. They may also be stand alone audits.

Pharmacies selected for a stand alone invoice audit may receive written notification via facsimile or mail.

For standard invoice audits, *most* PBMs will generally request all purchase records for a specific time period, typically within a 12 month time period.

APEX 2018

Documents and Records Subject to Audit:

Documents and records subject to audit include but are not limited to:

- Original prescriptions, front and back (including prescription label)
- Signature logs
- Tracking number from delivery log, which must link to the prescription number and date of service and what was delivered
- Daily prescription logs
- Wholesaler, manufacturer/distributor invoices and return vendor invoices
- Receipts and other documentation showing copayment (if applicable) collection including proof of financial collection
- Computer records
- Compound formulation worksheet

APEX 2018

How to Prepare for an On-Site Audit

Pre-Audit Prep:

- ❑ Review the notification immediately to determine the scope of the audit
- ❑ Familiarize yourself with the audit section(s) of the Provider Manual
- ❑ Contact the Auditor with any questions/concerns you may have and document all audit related conversations
- ❑ Locate and pull all records that may be audited by running a report using the PBM BIN number(s) for the timeframe listed on the audit notification
- ❑ Review prescriptions in detail for PBM compliance

How to Prepare for an On-Site Audit

Day of the Audit:

- ❑ Set up a small area where the auditor(s) can examine the documents without interfering with the daily course of business
- ❑ Have all hard copy prescriptions and signature logs readily available
- ❑ Have a dedicated staff member present to retrieve documents, make copies and answer questions
  - ❑ Never grant the auditor(s) unsupervised access to pharmacy records
  - ❑ Instruct staff to direct all questions to the dedicated staff member
  - ❑ Do not volunteer additional information
- ❑ Request an exit interview
  - ❑ Ask the auditor(s) how each discrepancy or issue can be resolved. It is advisable to have this information in writing
  - ❑ Be sure to fully understand the Appeal Process

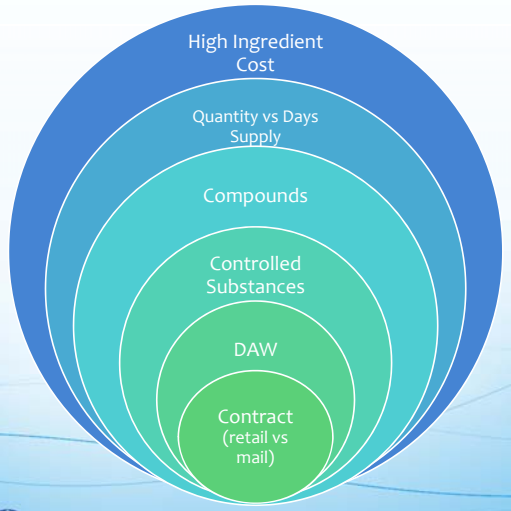
How to Prepare for a Desktop Audit

- ❑ Review the notification immediately to determine the scope of the audit
- ❑ Familiarize yourself with the audit section(s) of the Provider Manual
- ❑ Contact the Auditor with any questions/concerns you may have and document all audit related conversations
- ❑ Allow ample time to gather, copy, organize and review documents prior to sending
- ❑ Review for legibility, completeness and PBM compliance
- ❑ Track delivery confirmation (fax, FedEx, etc.)

How to Prepare for an Invoice Audit

- ❑ Review the notification immediately to determine the timeframe and required response format
- ❑ Familiarize yourself with the audit section(s) of the Provider Manual
- ❑ Contact the Auditor with any questions/concerns you may have and document all audit related conversations
- ❑ Allow ample time to contact all drug wholesalers
- ❑ Request to be copied on all correspondence
  - ❑ Auditor(s) typically request wholesaler, manufacturer/distributor invoices and return vendor invoices to be provided directly from the source

Common Audit Triggers



Common Audit Triggers-Continued

Can include but is not limited to:

Triggered by Data:

- PBMs have access to view a pharmacy's prescription claims data
- Thresholds are used to identify claims that exceed standards set by industry or PBM
- Comparisons are conducted (peer to peer, prescriber, drug, etc.)

Triggered by Centers for Medicare and Medicaid (CMS):

Part A vs Part D

- End Stage Renal Disease (ESRD)
- Hospice
- Long Term Care (LTC)

Triggered by Client/Plan Sponsor

- Diagnosis
- Plan Limits

Pharmacy Best Practices

Tips to Avoid being an Audit Target

1. Know and follow applicable state laws, rules and pharmacy regulations
2. Review contract and related PBM manuals
3. Perform self audits
4. Submit correct information: DAW. Drug, NDC, quantity, days supply, DEA, prescription origin code, beneficiary resident code, and NPI number
5. Review all online messages during the adjudication process to ensure compliance
6. Do not circumvent plan edits
    1. Reducing days supply, cost of drug, etc.

Current Industry Audit Trends

Targeted Drugs	Controlled Substances	Compliance
Eye drops	Suboxone	DAW
Inhalers		Shipping out of State
Insulin		Copayment Collection
Nasal Sprays		Inventory
Diabetic Testing Supplies		
Topicals		
Compounds		

Most Common PBM Discrepancies and Appeal Tips:

- **Insufficient Directions for Use:** *Prescription does not include sufficient information to justify the quantity and days supply billed*
  - **Appeal:** Obtain specific dosing instructions from the prescriber. If dosing is PRN, specify maximum weekly or monthly usage. Documentation outlining the dose must be obtained from the prescriber on the prescriber's letterhead or on a written prescription from the prescriber. The prescriber may fax the documentation to the pharmacy; however, no verbal conversations with prescriber or office staff will be accepted.
- **Missing Prescriptions:** *Original hard copy prescription or computer based prescription image was not found during audit*
  - **Appeal:** Send a copy of the prescriber's original written prescription if found or a signed statement from the prescriber on the prescriber's letterhead or on a written prescription from the prescriber including: medication, quantity, SIG, original fill date and authorized refill dates. No verbal conversations with the prescriber or office staff will be accepted.

APEX 2018

Most Common PBM Discrepancies and Appeal Tips:

- **Missing Signature Logs:** *The signature documenting receipt of the prescription cannot be found in the signature logs or electronic database.*
  - **Appeal:** Send a copy of the signature log with signature highlighted, if found or a signed statement from the patient verifying receipt of the medication or a signed pharmacy patient profile from the patient including patient's address, phone number RX number and date of fill
- **Compounding (multiple):** *Missing/incomplete compound worksheet, overbilled quantities, billing for NDCs not used in the compound, etc.*
  - **Appeal:** Send legible recipe that includes the names of all active and inactive ingredients, NDC numbers, quantities, and costs. Also send a copy of the prescription hard copy with directions for use

APEX 2018

Most Common PBM Discrepancies and Appeal Tips:

- **Refill Too Soon:** *Prescription was refilled sooner than appropriate, typically due to an incorrect days supply on a previous fill*
  - **Appeal:** If not due to a days supply or quantity error, document all refill to soon overrides on the face of the prescription. For example: vacation overrides, lost/stolen prescriptions, and change in directions.
- **Insufficient or Missing Proof of Copayment Collection:** *Missing patient invoice showing copay amount along with evidence copay was paid*
  - **Appeal:** Provide a copy of the patient invoice showing the copay amount along with evidence copay was paid such as: a signed patient statement listing the Rx number, date of fill, and copay amount paid, credit card receipt including authorization number, copy of front and back of member's check, other financial documents supporting copay payment.
- **Inventory Shortages:** *Drug Wholesaler invoices were not sufficient to support quantities billed*
  - **Appeal:** A summary report of drug purchases directly from wholesalers

APEX 2018

Most Common PBM Discrepancies- No Appeal Granted

- **Different Drug Billed:** *Pharmacy billed a different medication than the one ordered by the prescriber or dispensed to the patient*
- **Unauthorized refills:** *The number of refills billed exceeds the number authorized by the prescriber*
- **Dispense as Written:** *DAW code submitted was different than the DAW instructions on the prescription*
- **Inaccurate Prescriber Number:** *NPI/DEA number on the prescription did not match the NPI/DEA/prescriber identification number on the claim.*

APEX 2018

Top 10 Most Commonly Misbilled Drugs:

Drug Name	Strength(s)	Correct Transmit Qty	Common Error(s)
Advair Diskus	100/50mg 250/50mg 500/50mg	Bill Per Inhalation	Incorrect NDC and/or day supply
Denavir Topical Cream	1%	Bill Per Gram	Affected area(s) not specified for quantity dispensed
Diastat Rectal Gel	2.5mg 5-10mg 12.5-20mg	Bill Per Box	Billed per syringe
Enbrel Single Use Prefilled Syringe	25mg/0.5ml 50mg/ml	Bill Per mL	Billed per syringe
Humira Pen Injection	40mg/0.8ml	Bill Per Dose Tray	Incorrect NDC and/or day supply

Top 10 Most Commonly Misbilled Drugs:

Drug Name	Strength(s)	Correct Transmit Qty	Common Error(s)
Restasis	0.05%	Bill Per Vial	120vials/30 days supply. Single use vial can be used in both eyes
Spiriva Respimat	1.25mcg/actuation 2.50mcg/actuation	Bill Per Gram	Billed as number actuation
Trulicity	0.75mg/0.5ml 1.50mg/0.5ml	Bill Per mL	Billed per syringe
Victoza	18mg/3ml	Bill Per mL	Directions as 1.2mls or 1.8mls per day instead of mgs
Zovirax Topical Cream	5%	Bill Per Gram	Affected area(s) not specified for quantity dispensed

Please Turn in Your Evaluation Form

After completing the evaluation for this CE session, please turn in the completed form. Please make sure you have legibly entered your name, email address and NABP E-profile ID number.

You cannot receive CE credit if you do not submit a completed evaluation form.