THE NEWSLETTER OF PAAS NATIONAL®
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Monthly Edition

Newsline

EXPERT THIRD-PARTY AUDIT ASSISTANCE AND FWA/HIPAA COMPLIANCE

Additional *eNewsline* Content available at PAASNational.com:

- Excluded Individual Creates Chaos for A Pharmacy IF Not Caught Right Away!
- Copays for Pharmacy Staff and Family
- Bowel Prep Products– Day Supply Considerations
- Prescriber Denial of Prior Authorization Can Lead to Recoupment
- Cash Copay Collection
- Insulin for a Pump– Medicare B or Medicare D?
- Updated COVID-19 Vaccine Attestations Plus Resource and Billing Chart on PAAS Member Portal
- Announcing Premier Cultural Competency Training by PAAS National®

Yes, OTC COVID-19 Tests Can Be Audited!

Dispensing OTC COVID-19 tests is widespread through community pharmacies. Pharmacies must be aware that submitting claims to PBMs for these tests opens the window for auditing. Ensuring you have procedures in place to accurately purchase, bill and dispense these home tests is imperative. While the dollar amount of these claims does not seem audit worthy, PBMs will be checking for Fraud, Waste and Abuse and contract violations.

PAAS National® has created a COVID-19 Resources section for our members on the PAAS Member Portal. Here you can find the *Patient Request and Attestation for OTC COVID-19 Test Billing* and *Frequently Asked Questions*. These documents have been created for our members to help answer questions and ease the documentation burden so pharmacies can save time and be audit ready.

Recently, a PAAS member received an audit request and results for an invoice audit targeting OTC COVID-19 tests. The audit was for a very short time frame and the PBM had already contacted patients to verify what manufacturer and quantity of tests the patient had received. Only tests that have been authorized by the FDA should be billed and dispensed. You can find a list of approved tests through our eNewsline.

PAAS Tips:

- Be sure you are ordering OTC COVID-19 tests from a reputable wholesaler, see our January 2022 Newsline article, *Self-Audit Series #12 – Invoice Audits*

See additional PAAS Tips on our eNewsline

Understanding Caremark's Restrictions on Bulk Purchases

Community pharmacies have been fed up with PBM antics for a long time. Egregious audits, absurd DIR fees, arduous credentialing requirements, unconscionable contracts; we run out of adjectives before we run out of PBM issues. Amidst the backdrop of a public health emergency and drug supply chain shortages - where pharmacies and staff are being pushed to the brink - Caremark has further clarified their policy to constrain a pharmacy's ability to maintain profitability.

While this restriction is now formalized in the Provider Manual, it has been Caremark's informal policy to only consider purchases 30 days prior to the audit date range. Caremark initially provided an avenue for exceptions to this policy by allowing pharmacies to request bulk purchases via U.S. mail 7 days in advance of an intended purchase. Requiring pharmacies to mail the request was intentional, making the process difficult and drawn out for pharmacies to request and receive approval. In response to strong provider pushback, Caremark issued a rare mid-year update to their Bulk Purchasing Notification on May 6, 2022. Primarily, the update has done three things:

1. Allowance for email bulk purchase notifications (and subsequent acknowledgements)
2. Permit pharmacies to notify Caremark up to 21 days after the bulk purchase has occurred
3. Repositioned from a bulk purchase **request** to a bulk purchase **notification** (seemingly automatic approval – with Caremark's acknowledgement)

Despite some concessions, pharmacies are still left wondering how the policy impacts their business, and what they can do about it. Two items to consider:

1. Understand how your drug utilization and inventory turns impact bulk purchasing, and where consideration should be given for bulk purchase requests.
2. Support advocacy efforts at the state and federal level to fight back against PBM practices. With Rutledge and Wehbi garnering support nationally, states can regulate PBMs successfully.

Understanding Caremark's Invoice Audits

Caremark invoice audits *typically* review claims and aggregate purchases during a 12-month period. Upon a pharmacy's request during the audit, the 30 days prior to the 12-month period will be included for purchase consideration.

Of note, all PBMs have similar limits regarding this lookback (or buffer) period which varies from 30 to 90 days. PAAS National® has experience navigating invoice audits with purchases beyond 90 days prior to the window, but ideally, this should be on an exception basis.

Some PBMs (e.g., OptumRx) may ask for a full dispensing history report from the pharmacy to reconcile the purchases against, creating a much greater hurdle for pharmacies to jump successfully. Caremark invoice audits generally focus on Caremark claims, meaning you don't have to prove purchases for all claims in the 12-month period, just purchases for Caremark claims.

See our eNewsline for specific audit examples and FAQs, including:

- Does this mean that my pharmacy cannot make bulk purchases?
- Do I need to purchase inventory every 30 days to remain compliant ?
- What purchases are likely to be an issue?
- Have pharmacies really been terminated as a result of bulk purchases?
- What should we do today?

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Audit Issue: Patient or Prescriber Denials of Prescriptions

PAAS National® analysts have seen numerous PBM audit results where pharmacies had recoupments related to patient or prescriber denials of medications. Pharmacies are able to appeal by obtaining signed statements to overturn the denials.

In certain instances, such as investigations, PBMs are reaching out to both patients and prescribers to validate pharmacy claims. Presumably, PBM auditors/investigators are independently collecting evidence to ensure that "the stories match" to determine if pharmacies are acting in good faith. Unfortunately, they typically presume guilt until proven innocent.

Patients may be sent official letters from PBMs asking various questions detailing the interaction with your pharmacy. Here are some common questions that letters may include:

1. Did you receive the following prescriptions?
2. Did you authorize the pharmacy to refill the following prescriptions?
3. Did you pay the copay?
4. Did the pharmacy offer you a discount on your copay?
5. How did you receive the following prescriptions (in-person, delivery, mail)?

Some patients may not remember the details of a prescription from years ago, or be scared to answer incorrectly, and decide to not respond. If a patient fails to respond to such a request, this non-response may be deemed a denial, and thus the pharmacy is presumed guilty.

Additionally, PBMs are reaching out to prescribers to determine if prescriptions were authorized to confirm legitimacy. Like patient denials, a non-response from a prescriber's office paints the pharmacy as guilty (even if you have a date/time stamped electronic prescription – absurd!). Other issues that may come up include prescriber moving practices, retiring or if the pharmacy accidentally billed the claim under the wrong prescriber's NPI.

If you receive audit results that include recoupments for patient or prescriber denials, consider the tips listed below to help you in your response.

PAAS Tips:

- Send audit results to PAAS for assistance in developing an appeal strategy
  - ◊ The foundation of an appeal will include signed statements from patients or prescribers to overturn the findings
  - ◊ Each PBM has unique requirements for such statements, make sure you understand the fine print
- It is important to consider documentation already in your possession that can help support your case such as prescriptions or signature logs
- It is helpful to understand if denials are passive (respondent did not respond) or active (respondent actively denied)

Beware and Be Ready! In-Person Onsite Audits Are Resuming

OptumRx and Express Scripts recently sent notices to pharmacies informing them in-person onsite audits will be starting back up in April. PAAS National® has also reviewed audit notices from Caremark and MedImpact with intentions of visiting the pharmacy in person to conduct the audit. We would expect other PBMs to follow this trend as well.

COVID-19 restrictions lead PBMs to conduct their audits virtually since early 2020. Pharmacies would respond to the audit request by submitting documents in for review and having a compliance phone interview with the auditor. With COVID-19 numbers decreasing, PBMs feel now is the time to resume audits onsite.

PAAS analysts have years of experience assisting pharmacies through onsite audits. Pharmacies can receive a pre-audit consultation with an analyst, in addition to specific PBM trends, state laws that are being targeted, and many other tips that can be provided to support you through your audit. We also offer our *Onsite Credentialing Guidelines* located on the PAAS Member Portal, to help our members prepare for potential questions that may be asked during the auditor's visit.

PAAS Tips:

- Engage PAAS with <u>any</u> audit notification (including onsite)
- PAAS FWA/HIPAA Compliance members should review their compliance tasks to ensure the pharmacy is up to date
  - ◊ MedImpact is specifically looking for written policies and procedures for FWA when onsite

Return to Stock– Make It a Priority!

Pharmacies must stay up to date and on task with PBM Return to Stock Polices. Don't get caught dispensing a prescription outside a PBM timeframe, as this violation could lead to full recoupment of the claim. PAAS National® recommends reviewing your internal policy and adjusting as needed.

Many PBMs require pharmacies to reverse claims anywhere from 10 calendar days to 15 business days. PAAS has created a Return to Stock chart as a reference guide for our members and have included the Return to Stock timeframes for many common PBMs. This chart is located on the PAAS Member Portal in our Tools & Aids section.

Recoupments are preventable if pharmacies follow through on this very important task. PAAS Fraud, Waste & Abuse and HIPAA Compliance Program members have a customized policy in their manual.

- PAAS FWAC members can refer to their Policy and Procedure Manual, *Section 4.1.1 Unclaimed Prescriptions*
- Members can also access the *Unclaimed Prescription Reversal Log* in Appendix B of their manual
- Having documentation to support completion of this task shows you are following your FWA program

PAAS Tips:

- Review your current internal policy and make any necessary updates to be compliant with PBM policies
- Notify all staff on any changes or updates made to your policy
- Check with point-of-sale software vendor about the ability to deny the sale of any claim exceeding your Unclaimed Prescription policy at the register
- Software vendors may also provide a report for unsold claims exceeding your policy
- Assign the Return to Stock task to one staff member and provide time to complete
- Special order bins, oversized bags and refrigerators should be checked frequently
- Partial/completion, and LTC prescriptions are not exempt from these timeframes
- Remember, REMS products may have additional dispensing restrictions, see our June 2021 Newsline *Would your REMS Prescription Pass an Audit?*

Interested in a customized FWA/HIPAA Compliance Policy and Procedure program? PAAS members are eligible for discounts of $126 when you combine services. Contact PAAS National® to get started today! info@paasnational.com or (608) 873-1342.