



Pharmacy Audits

Procedure

Audits will be conducted pursuant to state laws. Only desktop audits are conducted. If an on-site audit is conducted, it will be completed pursuant to the Indiana code and regulations, as stated at the bottom of this Audit Procedure.

Overview

1. On a monthly basis a series of randomly selected claims will be chosen for desktop claims audits.
2. Audits will not use extrapolation or similar methodology.
3. Audits will not allow for recovery of monies for a submitted claim due to clerical or other error where the patient has received the drug.
4. Audits will allow for recovery by a contracted pharmacy for underpayments.
5. Audits will only allow for recovery of overpayments on claims that are actually audited and discovered to have a recoverable error.
6. If the audit requires use of clinical or professional judgment, the audit will be conducted by or in consultation with an individual licensed as a pharmacist under IC 25-26.
7. All audits will be performed according to the same standards and parameters that are used to audit all other similarly situated pharmacies.
8. The time period covered by the audit will not exceed twenty-four (24) months, after the date on which a claim that is the subject of the audit was submitted or adjudicated, unless a longer period is required under federal or state law.
9. The pharmacy is permitted to resubmit electronically any claims disputed by the audit and the pharmacy may resubmit the claim for a period of thirty (30) calendar days.
10. Auditor fees are set and paid in advance of any audit series. Payments to the auditor are not based on a percentage of the amount recovered as a result of the audit.

Audit Request to Pharmacy

1. Pharmacy will be provided advance notice of the intent to perform the desktop audit.
2. An audit will not be conducted during the first seven (7) calendar days of a month without voluntary consent from the pharmacy. The consent will not be mandated by a contract or other terms.
3. Pharmacy will be required to provide information and documentation to validate the claims in question including but not limited to:
 1. Signature logs.
 2. Copies of all associated prescriptions in paper or electronic form.
 3. Screen shots of Pharmacy's software.

4. Pharmacy has thirty (30) days, or the time required by state law, to respond to the Audit request and provide documentation.

Initial Audit Review

1. All submitted materials provided by the Pharmacy for consideration are reviewed within thirty (30) days of receiving the materials.
2. The pharmacy is permitted the use of written or otherwise transmitted hospital, physician, or other health practitioner records to validate a pharmacy record.
3. The pharmacy or pharmacist may provide documentation to address a discrepancy found during the audit.
4. If Pharmacy complies with the request and provides enough information to determine that the claim processed was valid, the audit shall be considered PASSED.
 - (1) Pharmacy shall be notified of the validation of these claims.
 - (2) No further action shall be required for these claims.
5. If Pharmacy does not comply with the request or does not provide sufficient information to determine that the claim processed was valid, the audit shall preliminarily be considered FAILED.
 - (1) Pharmacy shall be notified of the failure to validate these claims and the reasons why they were considered a failure.
 - (2) Pharmacy shall have a 30-day appeal period, or the time required as permitted by applicable state law, to provide additional materials in order to validate the claims in question.

Appeals Audit Review

1. All appeal documentation provided by the Pharmacy for appeal consideration will be reviewed within thirty (30) days of receiving the materials.
2. The pharmacy or pharmacist may provide documentation to address a discrepancy found during the audit.
3. If the appeal documentation provides enough information to determine that the claim processed was valid, the audit shall be considered PASSED.
 - (1) Pharmacy shall be notified of the validation of these claims.
 - (2) No further action shall be required for these claims.
4. If the Pharmacy does not comply with the request or does not provide enough information to determine that the claim processed was valid, the audit shall be considered FAILED.

Final Audit Results Notification

1. To Pharmacy
 - (1) Pharmacy shall receive the final Audit result summary and detail including all PASSED and FAILED claims after completion of the Appeals Audit review not later than 120 days after the preliminary report is received by the pharmacy or if an appeal is filed, a final appeal determination is made, whichever is later.
 - (2) Pharmacy shall be notified of any amounts paid related to a FAILED claim that shall be recovered from any amounts due to the Pharmacy.
 - (3) Final Audit Result Notification is the last notification Pharmacy receives.
2. Second Appeal – Clinical Review
 1. If Pharmacy seeks to further dispute the Final Audit Results Notification, all submitted documentation from the Pharmacy will be reviewed to determine if the Final Audit Results shall be overturned or upheld.

Onsite Pharmacy Audit Procedure

Onsite pharmacy audits are not conducted. In the event onsite audits are conducted in the future, the below requirements will be followed in addition to the previously stated Indiana audit procedure requirements:

- For an onsite audit conducted at a pharmacy's location, the auditor that conducts the audit will provide written notice to the pharmacy or pharmacist at least fourteen (14) calendar days before conducting the initial onsite audit for each audit cycle.
- The auditor will not interfere with the delivery of pharmacist services to a patient, and must use every effort to minimize inconvenience and disruption to pharmacy operations during the audit. This does not prohibit audits during normal business hours of the pharmacy.
- Within twenty-four (24) hours of receiving the notice of an audit, a pharmacy may reschedule the audit to a date not more than fourteen (14) calendar days after the date proposed by the auditor. However, if the auditor is unable to reschedule within the fourteen (14) calendar day period, the auditor must select and reschedule the audit for a date after the fourteen (14) calendar day period.