



PROVIDER BULLETIN

BT 200515

JULY 25, 2005

To: Pharmacy Providers

Subject: Pharmacy Audit Program Updates

Overview

This bulletin contains updates and clarifications for the pharmacy audit program.

Additional Error Code Instruction

Providers have requested clarification of the types of information that is required when submitting an appeal of overpayment findings. Prudent Rx has published a document on its Web site to assist providers in submitting additional information that may be used for reconsideration of an overpayment. The document is available at www.prudentrx.com/providers/, as well as www.indianamedicaid.com

Submission of Corrected Claims

Post-payment auditing of pharmacy claims identifies instances where providers have incorrectly billed the Indiana Health Coverage Programs (IHCP), resulting in overpayments. Sometimes the incorrectly billed claim can be corrected by adjusting the claim. In other instances, Prudent Rx cannot adjust the fields containing incorrect information.

For example, a provider submitted a claim for 75 cc of albuterol solution, 5 mg/cc that is available in a 20 cc bottle. The prescription, however, was written and dispensed for a total of 75 cc, or 25 vials of the 3 cc premixed vials. Because these are entirely different products and the submitted NDC is incorrect, the claim cannot be adjusted by Prudent Rx. The claim must be reversed via the audit process and subsequently a replacement claim must be submitted by the provider to accurately reflect what was dispensed.

To resolve an audit, a provider must repay the incorrectly billed claim and then submit a new claim that will replace the incorrectly billed claim. If the audited claim is **less than one year old** at the time that the provider agrees to the overpayment, the provider may submit the replacement claim with the correct information via POS, **after** repayment has been made via the audit process.

For those claims with dates of service **more than one year old**, the following procedure has been established that will allow providers to submit a replacement claim for payment:

1. Prepare the paper claim for the rendered service with the correct billing information.

2. Sign the overpayment acceptance form, return it and indicate acceptance of the recovery of the inappropriately billed claim.
3. Send the new replacement claim and the overpayment acceptance form to Prudent Rx as instructed in the audit letter.
4. Clearly indicate on all new replacement claims the Transaction Control Number (TCN) of the audited claim that is being replaced.

Prudent Rx will send the audited claim to ACS to be reversed. After the overpayment has been collected and the audited claim reversed, Prudent Rx will send the replacement claim to ACS to be paid.

It is important the providers remember the following:

- This process must be followed in this order to prevent the replacement claims from being denied as duplicates.
- Replacement claims will not be processed unless the provider has agreed to recovery of the overpayment.
- Providers must correct the error identified on the audited claim. Submitting the replacement claim exactly as it was originally billed will result in the claim being re-audited.
- Prudent Rx **will only accept** replacement paper claims that are:
 - More than one year old
 - Subject to the audit and recovery process
- Prudent Rx will not accept claims for services that are more than one year old and were not subject to the audit process. Prudent Rx will return these claims to the provider.

Error Code RD (Missing/Invalid Date on the Prescription)

Prudent Rx will no longer be recovering funds for claims found to have an error code of RD (missing/invalid date on prescription) during the audit process. Instead, these errors will be referred to the Indiana Board of Pharmacy.