



## P R O V I D E R   B U L L E T I N

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**To:           All Pharmacy Providers**

**Subject:     Overview and Implementation of the Pharmacy  
               Concurrent Audit Program**

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## Overview

This bulletin provides a description of the pharmacy Concurrent Audit Program, notifies providers of program implementation dates, and requests that providers supply correct fax numbers to Prudent Rx.

## Program Description

The Office of Medicaid Policy and Planning (OMPP) and its pharmacy audit contractor, Health Care Excel (HCE), in conjunction with its pharmacy audit subcontractor, Prudent Rx, Inc., are pleased to inform providers of an upcoming enhancement to the traditional, Medicaid fee-for-service (FFS) pharmacy audit program. This enhancement is referred to as *Concurrent Audit*. It operates in a manner that allows Prudent Rx to identify certain claim situations, essentially in *real time*, that may indicate data entry errors, billing discrepancies, or a conflict with program policies.

This enhancement addresses concerns pharmacy providers have expressed to OMPP regarding the time required to respond to pharmacy audits. The Concurrent Audit Program enables OMPP to employ changes designed to reduce provider administrative burdens while providing an enhanced return on expended audit resources.

- Reduce the number of claims in the audit letter process
- Reduce the documentation requests for pharmacy providers
- Reduce the number of claims in the appeals process
- Reduce the need to accept checks from providers
- Minimize the recurrence of aberrant billing practices through active surveillance of paid claims and by correcting error(s) prior to subsequent refills.

## Methodology

Pharmacy claims continue to process and pay as in the past. EDS sends claim information to Prudent Rx each night. Prudent Rx identifies the aberrant claims and notifies the pharmacy with specific information about these claims. Generally, within one business day of claim identification, Prudent Rx contacts the billing pharmacy provider by fax or telephone. This provides the pharmacy an opportunity to review and, if necessary, correct and resubmit the claim through existing claim submission processes. Ideally, claims are corrected before the financial cycle runs, thereby minimizing the need for further adjustments. If a provider does not make corrections to the claim or it still appears to be

aberrant, the claim is included in the Central Script Review audit process. This audit process is performed quarterly.

Attachment 2 of this bulletin is a sample of the fax form used to notify the pharmacy. Copies of the fax form are available on the Forms page of the Indiana Health Coverage Programs (IHCP) Web site at <http://www.indianamedicaid.com/ihcp/Publications/forms.asp>.

## **Implementation**

The start date for implementation of the Concurrent Audit Program is December 15, 2006.

## **Correct Fax Number**

It is vital for the success of this program that the OMPP has your **correct pharmacy fax number** in its files. To update Prudent Rx's files, **complete the form provided as Attachment 1 of this bulletin and fax it to Prudent Rx at (310) 642-1701, no later than November 30, 2006.**

## **Frequently Asked Questions**

**Q: Is it necessary to enroll in this program or is enrollment automatic?**

**A:** Enrollment is automatic as part of enrollment in IHCP. All pharmacies enrolled as providers with Indiana Medicaid fee-for-service are subject to this program.

**Q: What if I do not have a fax number?**

**A:** If Prudent Rx does not receive a completed form from you, and Prudent Rx does not have a fax number on file, your pharmacy will be contacted by telephone. Subsequent notifications will be made by regular mail to your pharmacy detailing the same information contained in the faxed documents.

**Q: Will I need to submit any copies of prescriptions to Prudent Rx as with the Central Script Review™?**

**A:** No. One of the goals of the program is to reduce the amount of documentation to be provided by the pharmacy.

**Q: What happens if I do not correct the claim?**

**A:** Any claims still appearing aberrant after the close of the cycle are routed to the standard Prudent Rx Central Script Review™ audit process, which requires hard copy documentation.

**Q: Will all types of billing errors be identified through the Concurrent Audit process?**

**A:** No. Only a portion of existing Prudent Rx algorithms will be used for Concurrent Audit.

If you have any other questions about this program, see the *Questions?/Comments?* section of the fax form (Attachment 1 of this bulletin). A Prudent Rx representative will respond to your question by telephone or letter.

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**PHARMACY INFORMATION**

*Pharmacy Name* \_\_\_\_\_

*Pharmacy Address* \_\_\_\_\_

*Phone Number* \_\_\_\_\_ *Fax Number* \_\_\_\_\_

*NCPDP Number* \_\_\_\_\_ *Medicaid* \_\_\_\_\_  
*Provider Number* \_\_\_\_\_

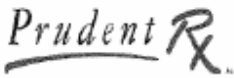
*Signature* \_\_\_\_\_ *Date* \_\_\_\_\_

*Questions?*  
*Comments?* \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**100 Corporate Pointe, Suite 395, Culver City, CA 90230**

**P:310•642•1700 /F:310•642•1701**



100 Corporate Pointe  
 Suite 395  
 Culver City, CA 90230  
 (310) 642-1700  
 Fax (310) 642-1701

October 20, 2006

NABP PHARMACY NAME  
 ATTN: Pharmacy Owner/Manager  
 ADDRESS  
 CITY, STATE ZIPCODE  
 Phone: (317) 000-0000 Fax: (317) 000-0000

RE: Concurrent Audit Program Findings

Indiana Medicaid Provider Number: 0000000000

Dear Pharmacy Owner/Manager:

Prudent Rx, on behalf of Indiana Medicaid, conducts the Concurrent Audit Program for the traditional Medicaid program. As you are aware, during the Concurrent Audit process, claims are examined for data entry and billing errors, as well as adherence to program policies and procedures. The following claims were identified by the Concurrent Audit Program for evaluation.

**Please review these claims and resubmit them as appropriate based upon the reason codes identified.**

Prescription Information Billed										
Reason (See key below)	Rx Date	Rx Number	Transaction Date	NDC	Package Size	DrugName/Strength	Member ID	Qty Billed	Days Supply	Amount Paid
XDR	01/13/06	0708623	01/13/06	00677-1781-10	1000	ACETAMINOPHEN 325 MG TABLET	000000000000	156	26	\$4.21
XDR	01/13/06	0708626	01/13/06	00677-1781-10	1000	ACETAMINOPHEN 325 MG TABLET	000000000000	90	8	\$2.43
XDR	02/02/06	0713226	02/02/06	00228-3067-11	100	CLORAZEPATE 3.75 MG TABLET	000000000000	16	16	\$6.76
XDR	02/02/06	0713227	02/02/06	00228-3067-11	100	CLORAZEPATE 3.75 MG TABLET	000000000000	30	30	\$8.38
XDR	02/25/06	0717864	02/25/06	00121-0659-16	473	SORBITOL 70% SOLUTION	000000000000	948	32	\$15.97
XDR	02/25/06	0718114	02/25/06	00121-0659-16	473	SORBITOL 70% SOLUTION	000000000000	30	1	\$0.51
XDR	03/02/06	0719978	03/02/06	66794-0001-25	3	ALBUTEROL 0.83 MG/ML SOLUTION	000000000000	300	25	\$17.88
XDR	03/02/06	0719981	03/02/06	66794-0001-25	3	ALBUTEROL 0.83 MG/ML SOLUTION	000000000000	150	6	\$11.39
XDU	12/27/05	0687338	12/27/05	00703-6801-01	1	MEDROXYPROGESTERONE 150 MG/ML	000000000000	2	6	\$84.88
XIQ	12/30/05	0609653	12/30/05	00072-5712-08	225	LAC-HYDRIN 12% LOTION	000000000000	255	13	\$27.93
XIQ	03/02/06	0681723	03/02/06	00713-0280-31	30	BACITRACIN OINTMENT	000000000000	56	4	\$3.80
XIQ	12/30/05	0705289	12/30/05	00024-1535-06	473	PHISOHEX 3% CLEANSER	000000000000	480	10	\$37.51
XIQ	04/01/06	0726411	04/01/06	00472-0179-56	28.4	TRIPLE ANTIBIOTIC OINTMENT	000000000000	30	4	\$4.35
XXQ	12/27/05	0680720	12/27/05	00002-3004-75	4	PROZAC WEEKLY 90 MG CAPSULE	000000000000	4	4	\$93.42
<b>TOTAL:</b>										<b>\$319.42</b>

Key: XDR - Duplicate Rx; XDU - Possible issue with patient gender/age/drug; XIQ - Invalid quantity billed for single package item, days supply may be incorrect; XXQ - Excessive quantity billed for days supply submitted

**Claims that still appear aberrant or where no corrective action has been taken by the pharmacist will be forwarded to the Audit Department for review on a quarterly basis as usual.**

Sincerely,

Pharmacy Audit Department  
 Prudent Rx, Inc.

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