

# Medicaid Pharmacy Audit Update

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## Medicaid Inspector General Commits to Reducing Fraud, Waste & Abuse

Governor Asa Hutchinson appointed Elizabeth Smith as the state's next Medicaid Inspector General. Smith has practiced law for more than 20 years, including more than 15 years combined as a prosecutor and then as associate general counsel for the University of Arkansas Medical Sciences.

### Self-Reporting

Fraud, waste, and abuse reduction within the Arkansas Medicaid system is a major priority of the Office of Medicaid Inspector General (OMIG). One way to enhance this process is by partnering with providers through self-disclosure. Periodically providers will notice improper payments. In these situations, self-reporting of such errors is beneficial to both OMIG and the provider. If improper payments are discovered by a provider and reported, OMIG may extend the following benefits to providers who initiate a good-faith self-disclosure<sup>1</sup>:

- Extended repayment terms
- Waiver of penalties or sanctions
- Allowance for probe sample sizes that are less rigorous than the standards employed by the OIG
- Timely resolution of the overpayment
- Recognition of the effectiveness of the provider's compliance program and a decrease in the likelihood of imposition of an OMIG Corrective Action Plan with additional required reviews

In addition to the benefits listed, this partnership may also lead to a more thorough understanding of the OMIG's audit process, which could benefit the provider in the future. Should you discover an improper payment, please submit a written disclosure to:

Office of the Medicaid Inspector General  
123 Center Street, Ste 1200  
Little Rock, AR 72201

### Reporting Fraud of Others

In addition to self-reporting, reporting the fraud of others is an important step in minimizing fraud, waste, and abuse in the Arkansas Medicaid System. Unreported Medicaid fraud, waste, and abuse can cost the taxpayers of Arkansas millions of dollars each year. Every Medicaid dollar that is used inappropriately is one less dollar that can be used to help Medicaid recipients in need. If you suspect or have

knowledge of pharmacy fraud, waste or abuse, please contact OMIG via phone (855) 527-6644 or online: <http://omig.arkansas.gov/fraud-form/>. §



### PHARMACY BILLING IMPROVEMENTS -

## Common Billing Errors

At this time, our office has reviewed thousands of pharmacy claims. Below are some of the most commonly identified billing errors as well as helpful tips on how to prevent such billing errors from occurring in the future.

- 1. Incorrect Day Supply** – Pay special attention to how the day(s) supply is calculated and submitted for billing. Utilize calculators at prescription entry station(s). Explain to all staff the importance of correct billing. Check your work – make sure that the pharmacist who is checking the prescription prior to dispensing is checking and correcting day(s) supply errors.
- 2. Incorrect Quantity** – Make sure that all drug kits are converted correctly (especially after a software update). Ensure that all prescriptions contain a complete quantity. Instruct staff to contact the prescriber if there is more than one package size available. Check your work – make sure that the pharmacist who is checking the prescription prior to dispensing is verifying that the quantity being dispensed matches the directions on the prescription.
- 3. Incomplete Directions** – Pay special attention to prescriptions that lack specific, calculable directions and require additional clarification prior to dispensing. Contact the prescriber to clarify “take as directed” directions. Ensure that sliding scale insulin directions contain a maximum number of units to be used per day.
- 4. Incorrect Written Date** – This date must be correct when billing Arkansas Medicaid because prescriptions are only payable by Arkansas Medicaid for 6 months from the written date on the prescription. Check your work—make sure that the pharmacist who is checking the prescription prior to dispensing is checking and correcting written date errors.

<sup>1</sup> OMIG, Self-Disclosure Protocol 2013

**About the author:** Summer Moody, PharmD, JD, represents the Office of the Medicaid Inspector General (OMIG) as the Director of Pharmacy Audits on behalf of Optum Program Integrity and SCIO Health Analytics. Dr. Moody uses her experience as both an attorney (10 years) and pharmacist (13 years) to conduct Arkansas Medicaid Pharmacy Audits on behalf of the OMIG.