CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

Pharmacy Self-Auditing: Control Practices to Improve Medicaid Program Integrity and Quality

AUDIT

**Module 4
Billing Practices**

Objectives

At the conclusion of "Module 4: Billing Practices," the learner will be able to:

- Identify three common reasons for billing errors
- Recall two types of inappropriate refill practices

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Self-Audit Process

Use of the self-audit process allows pharmacy staff to:
- Evaluate daily practices
- Pinpoint audit triggers
- Address vulnerabilities

Materials to gather before beginning the billing practices self-audit:
- Signature logs
- "Pharmacy Auditing and Dispensing Job Aid: Billing Injectable Formulations"
- "Pharmacy Auditing and Dispensing Job Aid: Billing Kits"
- "Pharmacy Auditing and Dispensing Job Aid: Billing Oral Formulations"
- "Pharmacy Auditing and Dispensing Job Aid: Billing Other Dosage Forms"

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Billing Practices Self-Audit

- Pharmacists' role
- Audit purpose
- Job aids: injections, kits, oral products and other dosage forms

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Prescription Requirements

- Non-controlled
- Controlled

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Calculations

- Quantity to be dispensed
- Days' supply

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Odd Quantities

Correctly adjust the days' supply

High Doses

- Verify high doses with prescription product labeling at:
  - http://dailymed.nlm.nih.gov/dailymed/index.cfm
  - https://www.accessdata.fda.gov/scripts/cder/drugsatfda/
- Verify doses that exceed labeling with the prescriber
- Document all communication

Use as Directed

- Shampoos
- Creams and ointments
- Migraine medications
- Insulin
- Diabetic syringes, test strips, or lancets

Pharmacy-Driven Inappropriate Refill Practices

- Push-billing when auto-refilling
- Patient consent
- Financial incentives
- Waiving co-pays

Patient-Driven Inappropriate Refill Practices

- Stockpiling
- Diversion
- Red flags of diversion

Inappropriate Overrides

- Prior authorization
- Vacation

Prescription Origin Codes

Code	Appropriate Use
1	Written
2	Telephone
3	Electronic
4	Facsimile
5	Pharmacy

Dispense as Written Codes

DAW Code	Appropriate Use
0	Prescriber allows product selection.
1	Prescriber does not allow product selection.
2	Patient does not permit product selection.
3	Pharmacist opted to dispense the brand name drug when generic drug was in stock.
4	Pharmacist opted to dispense the brand name drug when generic drug was not in stock.

Dispense as Written Codes—Continued

DAW Code	Appropriate Use
5	Pharmacist opted to dispense the brand name drug but be reimbursed for the generic drug.
6	Appropriate when an override DAW code is required.
7	Brand name drug is required to be dispensed by State law.
8	Generic drug is approved but not available.
9	Patient's prescription drug plan requires the pharmacy to dispense the brand name product.

Inappropriate Partial Fill Procedures

Billing for partial fills is risky for the pharmacy

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Package Size Selection

- Topical preparations
- Reconstituted products
- Compounds

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Proof of Delivery Documentation

- Signature logs
- Identity theft

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Overpayments

- What to do?
- Common causes
- Whistleblower provision
- False Claims Act

Knowledge Check

For each prescription example listed on the slide, select the type of billing error that may occur.

1. _____Atorvastatin 10mg Sig: 1 tab tid #30
2. _____Amox/clav 200 Sig: 1 tsp bid x7d
3. _____Nifedipine 10mg Sig: One capsule tid #100 for 30 days
4. _____Fluticasone 0.05% cream Sig: UAD

A. Unusual prescribed quantity may cause days' supply-related billing error
B. Multiple package sizes may contribute to billing errors
C. Unlikely to cause error because days' supply and quantity match
D. Undefined package size and day

Correct Answers

1. C: Unlikely to cause error because days' supply and quantity match
2. B: Multiple package sizes may contribute to billing errors
3. A: Unusual prescribed quantity may cause days' supply-related billing error
4. D: Undefined package size and day

Knowledge Check

Which of the following refill practices listed are not appropriate? Select the best option.

- A. A patient with Tricare refills a prescription and is given a $10 store credit
- B. A patient with Medicaid is enrolled in an auto-refill program without consent or request
- C. A regular patient has been refilling her prescriptions about a week early every month. She has requested vacation overrides several times, expresses her fear regarding an electromagnetic pulse attack, and confides to you she is trying to accumulate as many medications as possible "just in case." You dispense today's refills and help her get overrides for unnecessary vacation supplies
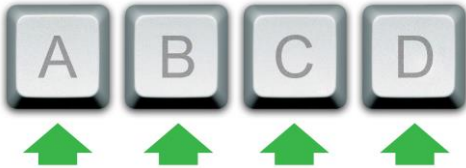- D. All of the above

Correct Answer

D: All of the above

Questions

Please direct questions or requests to: MedicaidProviderEducation@cms.hhs.gov

To see the electronic version of this presentation and the other products included in the "Pharmacy Self-Auditing: Control Practices to Improve Medicaid Program Integrity and Quality" Toolkit, visit the Medicaid Program Integrity Education page at https://www.cms.gov/Medicare-Medicaid-Coordination/Fraud-Prevention/Medicaid-Integrity-Education/edmic-landing.html on the CMS website.

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