DIGEST

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Pugh HB No. 62

Abstract: Provides for standards and requirements concerning pharmacy record audit procedures, and for conditions under which recoupment of certain reimbursements to pharmacies may occur.

Present law establishes standards and requirements for audits of pharmacy records by an "entity", defined for purposes of present law as a managed care company or its representative, an insurance company, or a third-party payor. Present law further provides for appeals and recoupment procedures related to such audits of pharmacy records. Proposed law retains present law.

Present law requires an entity, as defined in present law, which conducts an initial onsite audit of a pharmacy to give the pharmacy notice at least two weeks before such audit for each audit cycle. Proposed law adds requirement that if a vendor or subcontractor conducts an initial onsite audit of a pharmacy on behalf of an entity, the vendor or subcontractor is subject to the same requirement for providing notice to the pharmacy as is the entity.

Proposed law adds requirement for a vendor or subcontractor of an entity, if conducting a pharmacy records audit on behalf of an entity, to identify to the pharmacy the entity on whose behalf the audit is being conducted without necessity of this information being requested by the pharmacy.

Proposed law adds requirement that a pharmacy records audit be based only on information obtained by the entity conducting the audit and not based on any audit report or other information gained from an audit conducted by a different auditing entity. Provides that nothing in proposed law shall prohibit an auditing entity from using an earlier audit report prepared by that auditing entity for the same pharmacy. Further provides that except as required by present law or federal law, an entity conducting an audit may have access to a pharmacy's previous audit report only if the previous report was prepared by that entity.

Proposed law stipulates that no pharmacy shall be subject to recoupment of any portion of the reimbursement for the dispensed product of a prescription unless one or more of the following has occurred:

(1) Fraudulent activity or other intentional and willful misrepresentation by the pharmacy as evidenced by a review of claims data or statements, physical review, or any other investigative method.

(2) The pharmacy has engaged in dispensing in excess of the benefit design, as established by the plan sponsor.

(3) The pharmacy has not filled prescriptions in accordance with the prescriber's order.

(4) Actual overpayment to the pharmacy.

Proposed law makes technical changes to present law.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 22:1856.1(A), (B)(3)(a), (C)(3), (D), and (E); Adds R.S. 22:1856.1(B)(10) and (11))