

Survey of Community Pharmacies Impact of Pharmacy Benefit Manager (PBM) Contracting and Auditing Practices on Patient Care

National

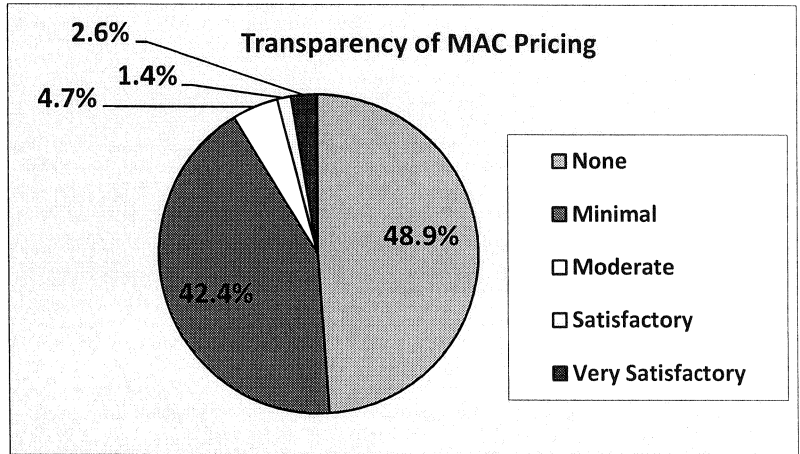
The Patient Choice and Pharmacy Competition Act of 2011 (H.R. 1971/S. 1058) would make several reforms to the unregulated Pharmacy Benefit Management (PBM) marketplace. These reforms would help community pharmacies serve patients and assure that there is a strong, accessible community pharmacy network.

Among other provisions, the bill would require a minimum level of reimbursement transparency in the contracts that PBMs have with pharmacies for Part D and commercial insurance plans. For generic drugs, pharmacies generally don't know how much they will be reimbursed or when it will change. The bill would also make PBM auditing practices more focused on fraud rather than administrative and technical issues and make these audits more consistent among PBMs.

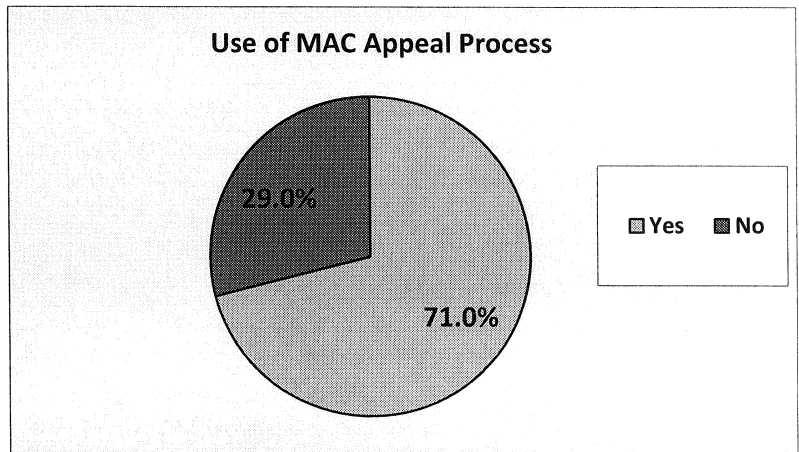
This survey provides important information to policymakers regarding the challenges that over 1,800 pharmacies report having with PBMs. This survey was conducted between June and July 2011.

Part I – Transparency of Generic Drug Reimbursement in PBM Contracts

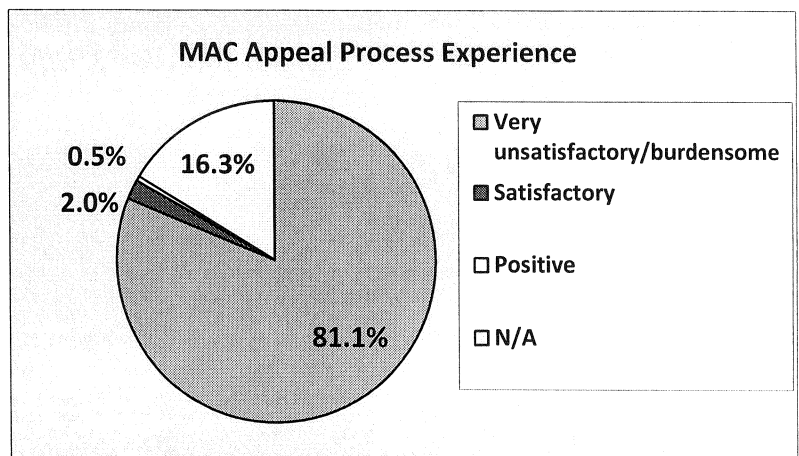
I - A provision of H.R. 1971 would require PBMs to disclose greater information to pharmacies in contracts regarding MAC reimbursement for generics. In a typical PBM/pharmacy contract, how much information or specificity is usually given regarding either how MAC pricing for generics is determined (methodology) or how often these prices will be updated?



II - Have you ever used or tried to use a PBM's MAC appeal process?

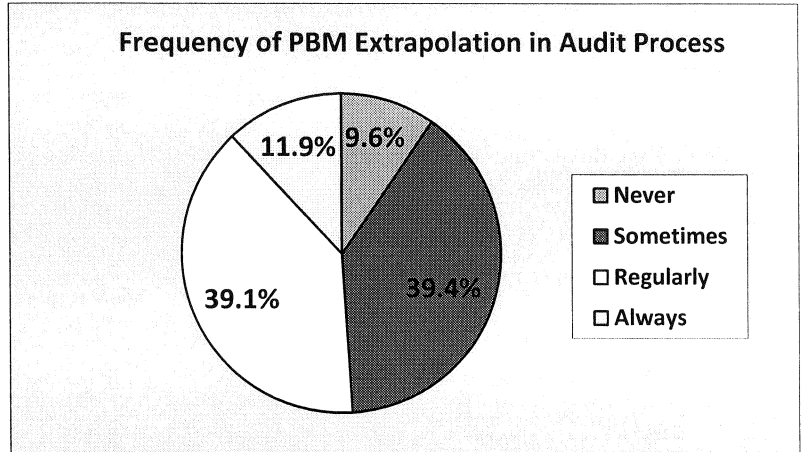


III - If you answered yes, did you find the process or overall experience to be:

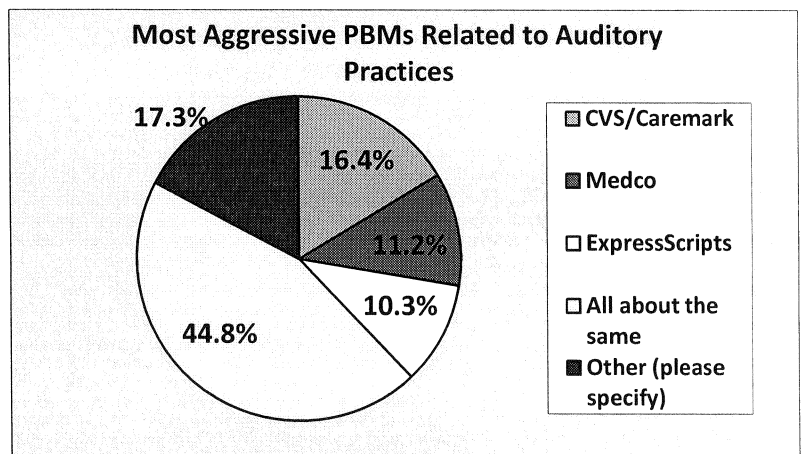


Part II – PBM Auditing Practices of Community Pharmacies

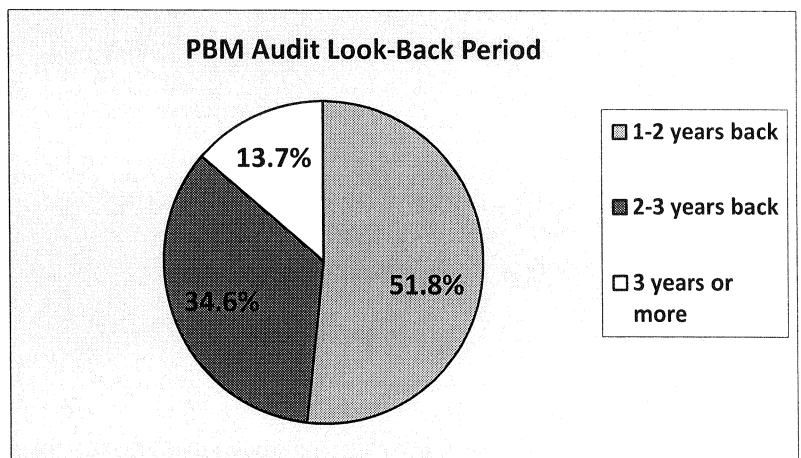
IV - Several provisions of H.R. 1971 would reform the manner in which PBMs could conduct audits. How often is extrapolation used in a PBM pharmacy audit?



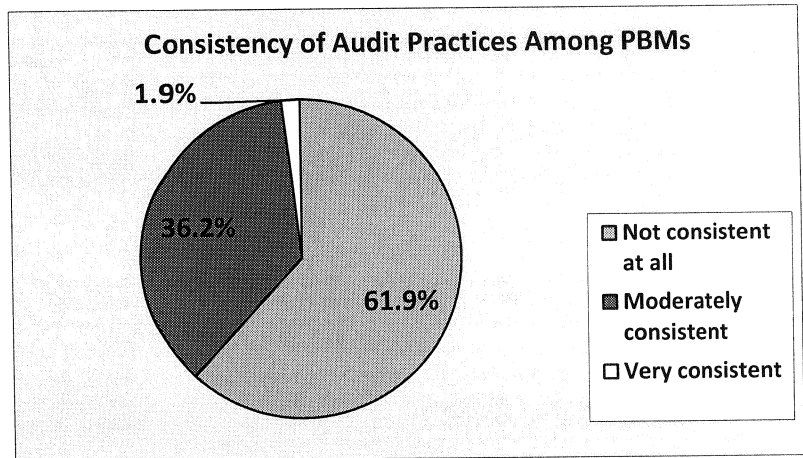
V - Which PBM typically conducts the most aggressive audits?



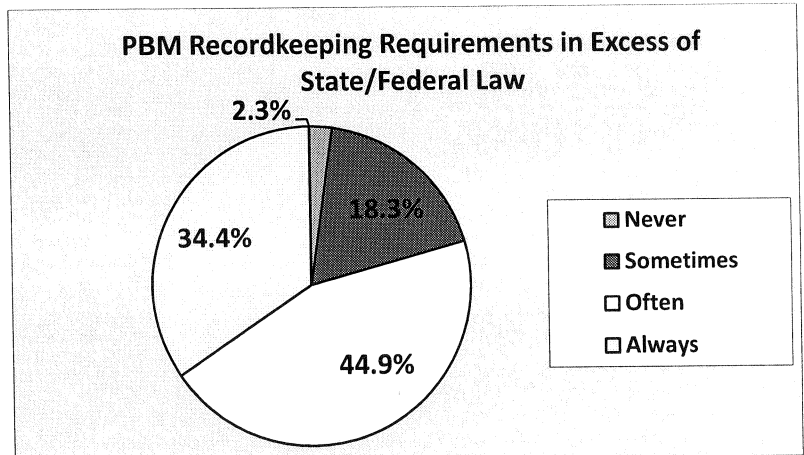
VI - In general, how many years back does a PBM go when auditing your pharmacy's claim data?



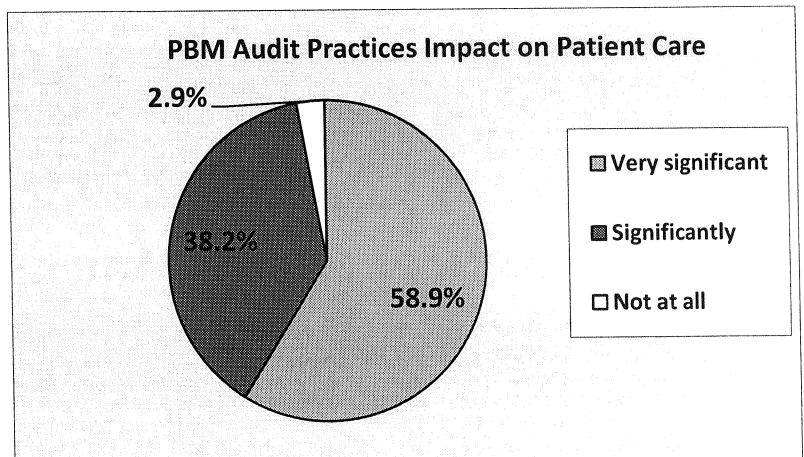
VII - How consistent are the auditing requirements across PBMs?



VIII - How often do PBM auditors require (and accordingly harshly penalize pharmacies for even minor noncompliance) recordkeeping requirements that go above and beyond what is required under state or federal law?



IX - How significantly are PBMs reimbursement and auditing practices affecting your ability to provide patient care and remain in business?



PBM Audits Steal Money From Pharmacies, Take Time Away from Patients

- The auditor disallowed a handwritten prescription for a high dollar medication and attempted to recoup the payments from every refill because "in his opinion, the prescription was written out by someone other than the practitioner who signed it." The script had been written (documented) by the physician's nurse due to his poor penmanship and signed by the physician. Despite thorough follow up documentation of the legitimacy and accuracy of the prescription, the payments were recouped in full.
- A physician once stamped his DEA number on a prescription for a \$1000 med that the patient received. The PBM took the money back even though the patient got the meds, because they wanted the doctor to preprint the DEA# on the prescription pad. However, this was a new doctor at that group practice and the office manager did not have enough time to preprint thousands of pads at the print press.
- Doctor spelled the patient name incorrectly, and they refuse to pay the prescription and all refills
- Audited 4 months ago by ACS for Humana patients. They Found only one mistake and that was [that the] clinic NPI was used on physician name. Two years ago NPI was not available online, so we called the doctor's office to get his NPI. They gave us the clinic NPI. We do not have a way to find how many NPI's do not match with our physician profile. So we were using the same NPI for one doctor for [the] last 2 years. Humana or ACS never corrected us either. Unfortunately it was all AIDS medication (very expensive). Now they want \$16,000 back for using wrong NPI. To appeal we went to [the] doctor's office and they filled out [a] form that [the] insurance required us to get from [the] doctor's office to make sure that they were legitimate prescriptions and sent it to ACS for further clarification. ACS denied our appeal twice and wants to recoup money now. I called Humana and left messages several times and never heard anything back. I can not go to court because it would cost me too much and I do not have this amount that I can pay them easily. Very discouraging.
- Doctor wrote prescription for 1 bottle of a liquid maintenance medication, we dispensed 1 month's supply. They claimed we should've only given 14 days worth and took all the money from the claim back, even though the patient received the whole prescription. They took all the money back for the life of the prescription (11 refills, or 12 months).