How to prepare for third-party audits: 
Best practice for audit survival

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Presenter disclosure

- Presenter’s Name: Bessie Wang
- I have no relationships with commercial interests:
  - Past employer of TELUS Health
- Speaking Fees for current program:
  - I have received no speaker’s fee for this learning activity
Commercial support disclosure

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Agenda

1. Learning objectives
2. Evolving private payers landscape
3. Provider contract
4. Audit
Learning objectives

1. Understand the evolving private payors landscape and how it relates to the pharmacy business.

2. Identify the provider contract clauses pharmacies need to comply with and those that benefit the pharmacies’ bottom line.

3. Learn about the top audit triggers, top submission errors and audit prevention tips.
The evolving private payors landscape
Who is the boss of me?

- Contract between Adjudicator and Pharmacy
- Contract between Adjudicator and Insurer
- Contract between Insurer and Plan sponsor
- Contract between Plan sponsor and Plan member
- Relationship between Plan member and Pharmacy
The landscape is changing

Drug Formularies

PPN

Audits
Protecting your revenue base

- Professional services
- Billing cash difference
- Accurate online submission

- Drug reform effect
- PCPA markup erosion
Components of provider contracts

- Price file(s)
- Master agreement
- Pharmacy bulletins
- Pharmacy manual
Level playing field
PDD or cash?
Balance billing

• MAC or reference based pricing claims
• Private payor dispensing fee strategies
  a) Dispensing fee cap and posted fee in certain provinces
  b) WCB dispensing fee
  c) Dispensing fee frequency limits
  d) Compliance packaging
Why audit?

1. Consistent & accurate submission
2. Fraud detection
3. Cardholder misuse or abuse
4. Online vs. paper submission
Audit – a positive experience . . .

WHHHHAT?!!

I got a lot more audit requests from one adjudicator lately. I must be targeted by them on audits.

Why is the same claim being audited multiple times?

. . . But the public plan accepts this . . .
Compound claims – a compounding headache

“I called the help desk to get approval for every compound claim, like what I was told. Why did the auditor still claw back my claims?”

“Some compound claims take more time than I am being compensated for my basic dispensing fee. I don’t want to be cut back by submitting online. I’ll just charge my patient cash.”
Monthly maximums

Examples:

- Anti-migraine therapy
  - Drug X: 12 tablets every 30 days
- Diabetic testing strips
  - ## strips every 100 days (testing up to x times per day)

How to avoid claw backs on monthly maximums?
Dr. Jane Doe
Address

Patient Name_____________________
Address _________________________
Date ____________________________

Rx

No Substitution

Signature ________________
Verbal order

- Reduce to writing
- Verbal order with no sub
- Audit trigger
Top 10 submission errors

1. Compound claims
2. Verbal refill authorizations and verbal prescriptions
3. Failure to produce documentation
4. No evidence of physician authorization
5. Early refills
Top 10 submission errors

6. Quantity supplied > quantity authorized
7. Incorrect pack size submitted
8. Prescription not dated
9. Not an eligible benefit
10. Ingredient price overcharge
Audit types

- Next-day audit
- Onsite audit
- Desk audit
Auditors

• Auditors are people too
• Relationship matters
• Confirmation
• Follow-up
Tips and actions - audits

**Before an audit**
- Best practice
- Training

**During an audit**
- Opportunity
- Follow up

**Post audit**
- Appeal
- Discussion
Seven best practice tips for your pharmacy

- Know the top audit triggers (from top errors)
- Learn from your last audit
- Dispensary workflow design
- Create learning efficiency with resident expert
- Train all dispensary staff
- Adjudicators’ bulletins
- Know your rights
THANK YOU