



Managed Care Pharmacy Encounters Paid to Meadowbrook Pharmacy

A Managed Care Network Provider Contracted Under Cook Children's Health Plan and Wellpoint Texas, Inc.

Results in Brief

Why OIG Conducted This Audit

The Texas Health and Human Services (HHS) Office of Inspector General (OIG) Audit and Inspections Division (OIG Audit) conducted an audit of Meadowbrook Pharmacy (Meadowbrook) for prescriptions dispensed to Cook Children's Health Plan, Wellpoint Texas, Inc., and Wellpoint Insurance Company (Wellpoint) members. Pharmacy audits are conducted to verify that Texas Medicaid and CHIP members have access to vital medications in accordance with contractual, state, and federal requirements.

During the period from October 1, 2019, through August 31, 2022, Meadowbrook was paid (a) \$549,424.52 for 4,778 Texas Medicaid and CHIP managed care encounters for prescriptions dispensed to Cook Children's Health Plan members and (b) \$4,433,131.11 for 42,069 Texas Medicaid managed care encounters for prescriptions dispensed to Wellpoint members.

Summary of Review

The audit objective was to determine whether Meadowbrook (a) properly dispensed prescriptions associated with selected encounters for Texas Medicaid and CHIP members enrolled with Cook Children's Health Plan and Wellpoint and (b) complied with applicable contractual, state, and federal requirements.

The audit scope covered the period from October 1, 2019, through August 31, 2022.

Conclusion

Meadowbrook Pharmacy (Meadowbrook) filled and dispensed prescriptions for Texas Medicaid and CHIP members; however, Meadowbrook did not consistently comply with certain requirements for dispensing refills, accurately submitting claims, providing instructions for use, and maintaining supporting documentation. As a result, Meadowbrook was overpaid and should repay \$958.08 to the state of Texas.

Key Results

Meadowbrook correctly dispensed prescriptions for 422 of 437 pharmacy encounters tested. However, Meadowbrook did not consistently comply with certain requirements. Specifically, Meadowbrook submitted:

- One claim for an unauthorized refill, resulting in an overpayment totaling \$552.74.
- Four claims with unauthorized medication substitutions, resulting in an overpayment totaling \$6.52.
- One claim that was missing confirmation of medication delivery, resulting in an overpayment of \$323.69.
- Two claims with an inaccurate days' supply to circumvent managed care organization (MCO) limits, resulting in overpayments totaling \$75.13.
- One claim with a dispensing label with incomplete instructions for use.
- Six claims for compounded medications without documentation of the methodology, equipment, or container used.

Background

Meadowbrook is a community-based pharmacy located in Fort Worth, Texas, that provides pharmacy services for Cook Children's Health Plan and Wellpoint, which are managed care organizations (MCOs). For pharmacy benefit manager (PBM) services to process outpatient pharmacy claims, Cook Children's Health Plan works with Navitus Health Solutions, LLC, and Wellpoint works with CarelonRx, Inc., and Caremark PCS Health, L.L.C. Meadowbrook also uses Elevate Provider Network, a pharmacy services administrative organization.

To participate in Texas Medicaid, pharmacy providers must enroll with the Texas Health and Human Services Commission (HHSC) before providing outpatient prescription services and participating in any managed care network. MCOs must allow any Medicaid-enrolled pharmacy provider willing to accept the terms and conditions of the MCO or PBM contract to enroll in the network.

Management Response

Meadowbrook agreed with the audit recommendations and indicated corrective actions would be implemented by August 2024.

Recommendations

Meadowbrook should:

- Improve its dispensing processes to (a) fill prescriptions as authorized by the prescriber, including dispensing only authorized refills and medications, and (b) document medication delivery.
- Update its prescription verification process to include procedures for verifying the accuracy of the information it enters in its pharmacy system and submits as claims.
- Update its claims submission process to validate the days' supply—based on the quantity dispensed and prescribed instructions for use—prior to submitting each claim.
- Implement a process to print dispensing labels with the complete instructions for use.

Additionally, Meadowbrook was overpaid and should repay \$958.08 to the state of Texas.