MYERS AND STAUFFER LC
CERTIFIED PUBLIC ACCOUNTANTS

To the Executive Commissioner of the Texas Health and Human Services Commission Austin, Texas

Myers and Stauffer LC has completed the performance audit of Angleton Health Mart Pharmacy to determine whether pharmacy claims billed and paid under the state Medicaid program were in accordance with applicable state and federal Medicaid laws, regulations, rules, policies, and contractual requirements. The specific state and federal Medicaid laws, regulations, rules, policies, and contractual requirements to be tested were agreed to by the Texas Health and Human Services Commission Office of the Inspector General (HHSC-OIG) in the approved audit test plan.

Our audit was performed under Myers and Stauffer's master contract #529-17-0117-00004, Work Order/Contract #HHS000325700001, Purchase Order #HHSTX-9-0000195405 with HHSC. Our audit covered the period of May 1, 2016, through February 28, 2019.

We conducted this audit in accordance with the performance audit provisions of Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to sufficiently obtain appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Management responses from Angleton Health Mart Pharmacy are included in this report.

This report is intended solely for the information and use of the HHSC-OIG and Angleton Health Mart Pharmacy management and is not intended to be, and should not be, used by anyone other than these specified parties.

If we can be of any assistance to you, or if you have any questions concerning this report, please contact us.

Sincerely,

Myers and Stauffer LC

Myers and Stauffer LC

August 23, 2021

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Final Audit Report

Angleton Health Mart Pharmacy
NPI 1952673873

Report Date
August 23, 2021

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Background and Criteria

The Texas Health and Human Services Commission (HHSC) Office of the Inspector General (HHSC-OIG) contracted Myers and Stauffer LC (Myers and Stauffer) to conduct audits of Medicaid claims billed by providers and paid by the state Medicaid program. Angleton Health Mart Pharmacy (Provider) was selected by the HHSC-OIG for Myers and Stauffer to perform a claims audit. The audit focused on paid managed care organization (MCO) pharmacy claims with dates of service during the period of May 1, 2016, through February 28, 2019.

The Provider began operations in 2012 and is a Community Independent Pharmacy owned and operated by Bellfort RX LLC. During the audit review period, the Provider had a location in Angleton, Texas, then relocated to Pearland, Texas in 2017.

Pharmacies receive, process, and dispense prescription drug or medication orders. Texas pharmacies must enroll with the HHSC Vendor Drug Program (VDP) prior to dispensing outpatient prescriptions to people enrolled in either Medicaid managed care or traditional Medicaid. The HHSC contracts with MCOs, licensed by the Texas Department of Insurance, and pays them a monthly amount to coordinate health services for Medicaid clients enrolled in their health plan. The health plans contract directly with doctors and other health care providers to create provider networks their members can use. The health plans are required to provide all covered, medically-necessary services to their members.

Claims for MCO pharmacies enrolled in the HHSC VDP should comply with the Texas Administrative Code (TAC); United States Code, including the False Claims Act and Controlled Substances Act (CSA); Texas Controlled Substances Act; Texas State Board of Pharmacy Rules, and MCO rules, if applicable.

Audit Objective

The objective of the claims audit was to determine whether pharmacy claims billed to, and paid under, the state Medicaid program were in accordance with applicable state and federal Medicaid laws, regulations, rules, policies, and contractual requirements. The specific state and federal Medicaid laws, regulations, rules, policies, and contractual requirements to be tested were agreed to by the HHSC-OIG in the approved audit test plan.

Sampling Overview

The HHSC-OIG identified $2,934,100 dollars at risk during the period of July 1, 2015, through June 30, 2020 for topical pain ingredient prescription drugs and gastroesophageal reflux disease (GERD) drugs and submitted fee-for-service (FFS) and MCO claims for review. The claims data was analyzed and, due to immateriality, all FFS claims and certain MCO health plan claims were excluded when creating the final claims universes. Furthermore, only select drugs based on what the HHSC-OIG identified as at risk were included in the final claims universes (i.e., Lidocaine, Diclofenac, Omeprazole-Bicarbonate, etc.). This process resulted in the following claims universes being created: Amerigroup MCO topical pain drugs, Molina MCO topical pain drugs, UnitedHealthcare (UHC) MCO topical pain drugs, and MCO GERD drugs.

Statistically valid random samples (SVRS) were selected from the MCO claims universes for the Amerigroup, Molina, and UHC claims provided by the HHSC-OIG. The claims universes consisted of services provided during the period of May 1, 2016, through February 28, 2019. Additional information for the respective claim universes is as follows:

- Amerigroup: Universe consisted of 472 single-ingredient drug claims for 52 unique recipients for which the Provider was reimbursed $236,062. The sample included 35 single-ingredient drug claims for 23 unique recipients for which the Provider was reimbursed $17,851.
- Molina: Universe consisted of 170 single-ingredient drug claims for nine unique recipients for which the Provider was reimbursed $46,430. The sample included 37 single-ingredient drug claims for eight unique recipients for which the Provider was reimbursed $11,892.
- UHC: Universe consisted of 630 compound-ingredient drug claims for 66 unique recipients for which the Provider was reimbursed $289,958. The sample included 78 compound-ingredient drug claims for 36 unique recipients for which the Provider was reimbursed $39,118.

In addition to the above SVRS, a probe sample was created from the universe of Omeprazole-Bicarbonate capsule 20-1100 mg GERD drug claims provided by the HHSC-OIG. The universe consisted of 261 claims for 32 unique recipients for which the Provider was reimbursed $1,143,643. The probe sample included 10 claims for 10 unique recipients for which the Provider was reimbursed $35,610.

Audit Process

Scope

The scope of this audit includes the review of Medicaid MCO pharmacy claims billed and paid for during the period of May 1, 2016, through February 28, 2019.

In gaining an understanding of internal controls, Myers and Stauffer limited the review to the Provider's overall internal control structure significant to the audit objectives. Myers and Stauffer determined significant internal controls to the audit objective included:

- **Control Environment:** The foundation for an internal control system. It provides the discipline and structure to help an entity achieve its objectives.
- **Control Activities:** The actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system, which includes the entity's information system.
- **Monitoring:** Activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other reviews.

Methodology

Myers and Stauffer conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) and applicable TAC rules, including 1 TAC §371.1719 and 1 TAC §354.1891, as appropriate. Those standards require that the audit is planned and performed to obtain

sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives. Audit testing was performed to verify compliance in the following areas:

- Verify that pharmaceuticals were dispensed by a licensed pharmacist enrolled in Medicaid by obtaining and reviewing licensing documentation for all dispensing pharmacists during the period under review.
- Verify that pharmaceuticals were prescribed by a practitioner licensed to prescribe legend drugs and enrolled as a Texas Medicaid provider by obtaining and reviewing documentation of prescribers' licensing, VDP status, and original signed prescriptions.
- Verify that claims included the prescriber's correct identification number by obtaining and reviewing the pharmacy claims data and original prescription.
- Verify that the original prescription met documentation requirements by obtaining and reviewing original signed prescriptions and documentation of telephone orders and faxed orders, if applicable.
    - Verify that the original prescription conformed to the Texas State Board of Pharmacy rules concerning the records to be maintained by a pharmacy.
    - Verify that the original prescription was signed.
    - Verify that the initials or identification code of the transcribing pharmacist was documented if the prescription order was communicated orally or telephonically.
    - Verify that faxed prescriptions included a statement that indicated that the prescription had been faxed (e.g., "Faxed To:").
    - Verify that prescriptions for covered pharmaceuticals submitted to a pharmacy in written form were executed on tamper-resistant prescription paper.
    - Verify that the original prescription bared the following information:
        - The name and address of the recipient.
        - The name of the prescriber and their work address.
        - The name and strength of the drug prescribed.
        - The quantity prescribed.
        - Directions for use.
        - Date of issuance.
    - Verify that the pharmacist documents the following on either the original hardcopy prescription or in the pharmacy's data processing system when the prescription is dispensed:
        - The unique identification number of the prescription drug order.
        - The initials or identification number of the dispensing pharmacist.
        - The quantity dispensed (if different from the quantity prescribed).
        - The date of dispensing (if different from the date of issuance).
        - The name of the drug actually dispensed (if different from the one prescribed).
- Verify that refill prescriptions met all requirements by obtaining and reviewing the original prescriptions as well as pharmacy records of refills.

- Verify that pharmacist dated the prescription and initialed the refills.
- Verify that the total amount of prescriptions authorized (up to 11 refills) were dispensed within one year of the original prescription by obtaining and reviewing records of refills dispensed and their corresponding original signed prescription.
- Verify that the refills were dispensed as authorized by the prescriber by obtaining and reviewing the original signed prescription, record of refill, and other pharmacy records as needed.

- Verify that the pharmacist dispensed and billed drugs safely and accurately, as prescribed, by obtaining and reviewing the original signed prescription and prescriber authorizations as needed.
  - Verify that only authorized drugs were dispensed and billed.
    - Verify that substitutions were authorized by the prescribing physician and the substituted drug was dispensed accurately as prescribed.
    - Verify that prescriptions properly documented when a brand was necessary.
  - Verify that the prescribed and dispensed drug was picked up by the patient/patient's guardian by reviewing signed prescription pickup logs.
- Verify that the quantity dispensed was the same as the quantity prescribed and billed, except as limited by HHSC's policies and procedures, by obtaining and reviewing the original signed prescription and pharmacy claims data.

Inquiries, observations, inspection of documents and records, review of other audit reports, and/or direct tests were performed to assess the design, implementation, and operating effectiveness of controls determined significant to the audit objectives stated in the scope.

Audit Results

Myers and Stauffer believes the evidence obtained during the course of the claims audit provides a reasonable basis for the findings and conclusions based on the audit objective. The audit was not intended to discover all possible errors and any errors not identified within this report should not lead to a conclusion the practice is acceptable. Due to the limited nature of the review, no inferences should be drawn from this report with respect to the Provider's overall level of performance.

Findings

Myers and Stauffer identified findings on 47 of 160 pharmacy claims. One claim may have multiple Finding Types. The list of findings and supporting policy follows in the table below.

List of Findings and Supporting Policy				
Finding No.	**Finding Type**	**Finding Definition**	**Number of Claims with Finding**	**Supporting Policy**
1	Missing Transcribing Pharmacist Identification	The original prescription was communicated telephonically but the identification or initials of the transcribing pharmacist were not documented.	11	22 TAC §291.34(b)(7)
2	Original Prescription Failed to Meet Documentation Requirements – Prescription Type Unknown	The type of prescription (paper, fax, telephone) cannot be determined based on the submitted documentation, but regardless, there is a missing required element. As a paper prescription, it is not documented on tamper-resistant paper; as a faxed prescription, it does not include the required indication that it was faxed; and as a telephone prescription, it is missing the transcribing pharmacist's identification.	27	22 TAC §291.34(b)(7) 1 TAC §354.1863(b), (c),(d)
3	Unauthorized Refill	This claim is for a refill that exceeded the authorized number of refills approved by the prescriber without documentation of physician approval.	12	22 TAC §291.34(b)(8)(A),(B)
4	Quantity Dispensed Less Than Prescribed	Quantity dispensed is less than the quantity prescribed without documentation of physician approval.	42	22 TAC §291.31(1) 22 TAC §291.32(c)(1)(F)
5	Quantity Dispensed More Than Prescribed	Quantity dispensed is more than the quantity prescribed without documentation of physician approval.	1	22 TAC §291.31(1) 22 TAC §291.32(c)(1)(F)

List of Findings and Supporting Policy				
Finding No.	Finding Type	Finding Definition	Number of Claims with Finding	Supporting Policy
6	Incorrect Directions for Use	Directions for use printed on prescription back tag are different from the directions for use given by the prescriber without documentation of physician approval.	5	22 TAC §291.31(1) 22 TAC §291.32(c)(1)(F)

A lack of internal controls is considered a contributing cause of all findings included in the table above. It does not appear that the Provider had controls in place to adequately review, document, and retain records to support that the billed services were provided in accordance with required regulations. A lack of policies and/or oversight of established policies creates an environment in which management or personnel are unable to achieve the applicable control objectives and address related risks.

For all findings, the Provider has not placed sufficient emphasis on designing, implementing, and/or effectively operating internal controls. Appropriate internal controls aid in assuring the documentation of the original prescription, prescription back tag (a dispensing tag or label that is affixed to back of a prescription drug order), and subsequent refills includes all required elements for the dispensing of prescriptions. During the Provider's entrance conference, the Provider's point of contact indicated that in addition to the Provider performing self-audits every three months, their process for documenting changes to original prescription orders is to document calls with the prescriber on the prescription record indicating approval for any changes to the prescription (quantity, drug, strength, etc.). However, based on the findings, this process does not appear to be effective or followed consistently. In addition, a lack of separation of duties could also be a contributing factor for these findings, as it was communicated that only a single individual has access to input information into their electronic system.

Recommendations

The testing of the original prescriptions included in the audit identified that not every original prescription documented the prescriber address, prescriber phone number, and/or patient address. Although these items did not result in findings with corresponding overpayment determinations, Myers and Stauffer recommends the Provider conduct a review of their internal control processes to ensure prescriptions adhere to 22 TAC §291.34(b)(7).

Management's Response

A draft copy of this report was sent to the Provider on July 21, 2021. An exit conference was held on July 29, 2021, to discuss the preliminary findings. During the exit conference, the Provider expressed being

surprised at the findings as the Provider had been audited by Pharmacy Benefit Managers in the past resulting in no audit findings. In addition, the Provider responded as follows to the individual findings:

- **Finding Type 1 Missing Transcribing Pharmacist Identification:** The Provider indicated disagreement stating that the pharmacist's initials were on the label. In addition, the Provider stated that there is only one pharmacist so it could only be the one individual.
- **Finding Type 2 Original Prescription Failed to Meet Documentation Requirements – Prescription Type Unknown**: The Provider indicated that the original or refill prescriptions were called into the pharmacy, but the pharmacist would walk the prescription over to the clinic for the prescriber's signature.
- **Finding Type 3 Unauthorized Refill**: The Provider indicated disagreement, stating the prescription fill quantities were limited by the contracts held with the MCOs. In instances where the full quantities could not be dispensed, lesser quantities were dispensed and their pharmacy system would appropriately track how many refills the prescription had left to fully dispense the prescribed amount.
- **Finding Types 4 Quantity Dispensed Less Than Prescribed and 5 Quantity Dispensed More Than Prescribed:** The Provider stated that approvals of prescription changes are documented on the backs of prescriptions. The Provider then clarified that this additional documented information is neither scanned into nor printed from their system. The Provider stated this additional documentation would be submitted.
- **Finding Type 6 Incorrect Directions for Use**: The Provider stated that a review was performed on one of the claims with this finding and the Provider found that a mistake had been made on the original prescription and so the original prescription, as well as all refill labels, had been corrected. However, when the Provider printed the original prescription label from the system for the purposes of the audit, it still had the incorrect information. The Provider stated the corrected original prescription label would be submitted.

The Provider then responded with additional documentation for review on August 10, 13, 16, and 18 of 2021. In their response, the Provider objected to the questioned claims and submitted additional documentation for 87 of 137 claims with findings identified in the Preliminary Draft Audit Report.

Revised Findings Based on Management's Response

After reviewing the Provider's response and the additional documentation submitted, the findings were revised resulting in the number of questioned pharmacy claims decreasing from the 137 identified in the Preliminary Draft Audit Report to 47 questioned pharmacy claims. Findings were revised as follows:

- The Provider submitted several examples of screen captures from their system illustrating how compound-ingredient claims included in the audit were billed. Upon review of the submitted documentation, all 78 instances of a preliminary finding for the compound ingredient claims being billed inappropriately as single ingredient claims were rescinded.

- The Provider submitted copies of the notes on the back of the original prescriptions to support the claims with findings. Upon review of this additional documentation, the following findings were rescinded:
    - 42 findings for not documenting the transcribing pharmacist.
    - 28 findings for not being able to determine the original prescription type.
    - 14 findings for unauthorized refills.
    - 30 findings for dispensing less than prescribed.
    - 11 findings for dispensing more than prescribed.
- After reviewing the Provider's response and the additional documentation submitted for the finding of incorrect directions for use, the findings identified were not revised from the Preliminary Draft Audit Report. The Provider specifically addressed and submitted documentation for one of the pharmacy claims with this finding. For this claim, the original prescription indicated instructions for two separately prescribed medications to be mixed together. The Provider stated that the prescription in question did not require instruction to be mixed with the other medication since the other medication indicated it should be mixed. This finding was upheld as each individual prescription should accurately reflect the directions for use.

Final Determination of Overpayment

The Medicaid paid claims with identified findings are listed in detail in Appendix A of this report. The corresponding overpayment amount in Appendix A is only applicable to the sampled claims Myers and Stauffer reviewed during the audit. The overpayment calculated from our sample is $11,511.

The total amount due to the HHSC-OIG is $11,511 for the claims reviewed. Based on the findings cited in this Final Audit Report, the Provider is directed to:

- Remit the overpayment in the amount of $11,511, pursuant to 1 TAC §354.1891, Vendor Drug Providers Subject to Audit, and §354.1892, Exception Notification. Payment is to be made to the HHSC-OIG.
- Comply with all state and federal Medicaid laws, regulations, rules, policies, and contractual requirements.

Appendix A-1 – Detailed Findings

Angleton Health Mart Pharmacy
Project Number 008
NPI 1952673873

Sample Item	MCO	Member ID	Member Name	Claim ID	Prescription Number	Drug Name	Date of Service	Date Prescribed	Date Paid	Dispensing Fee Amount	Total Reimbursed Amount	Recoupment Type	Overpayment Amount	Finding Type	Supporting Policy Reference
19	UHC	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 3%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 178.17	2	$20.23	QUANTITY DISPENSED LESS THAN PRESCRIBED	C, D
20	UHC	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 3%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 196.21	1	$196.21	UNAUTHORIZED REFILL, QUANTITY DISPENSED LESS THAN PRESCRIBED	B, C, D
21	UHC	[redacted]	[redacted]	[redacted]	[redacted]	LIDOCAINE OIN 5%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 186.17	1	$186.17	MISSING TRANSCRIBING PHARMACIST IDENTIFICATION, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, C, D
22	UHC	[redacted]	[redacted]	[redacted]	[redacted]	LIDOCAINE OIN 5%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 196.76	1	$196.76	MISSING TRANSCRIBING PHARMACIST IDENTIFICATION, UNAUTHORIZED REFILL, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, B, C, D
30	UHC	[redacted]	[redacted]	[redacted]	[redacted]	LIDOCAINE OIN 5%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 196.76	1	$196.76	MISSING TRANSCRIBING PHARMACIST IDENTIFICATION, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, C, D
31	UHC	[redacted]	[redacted]	[redacted]	[redacted]	LIDOCAINE OIN 5%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 196.76	1	$196.76	MISSING TRANSCRIBING PHARMACIST IDENTIFICATION, UNAUTHORIZED REFILL, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, B, C, D
34	Amerigroup	[redacted]	[redacted]	[redacted]	[redacted]	LIDOCAINE OIN 5%	[redacted]	[redacted]	[redacted]	$ 0.40	$ 607.92	1	$607.92	INCORRECT DIRECTIONS FOR USE	C, D
42	Amerigroup	[redacted]	[redacted]	[redacted]	[redacted]	LIDOCAINE OIN 5%	[redacted]	[redacted]	[redacted]	$ 0.40	$ 415.08	1	$415.08	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, QUANTITY DISPENSED MORE THAN PRESCRIBED	A, C, D, E
44	UHC	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 3%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 196.21	1	$196.21	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, C, D, E
51	UHC	[redacted]	[redacted]	[redacted]	[redacted]	LIDOCAINE OIN 5%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 179.11	1	$179.11	MISSING TRANSCRIBING PHARMACIST IDENTIFICATION, UNAUTHORIZED REFILL, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, B, C, D
54	Amerigroup	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 1%	[redacted]	[redacted]	[redacted]	$ 0.40	$ 84.48	1	$84.48	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, C, D, E
55	Amerigroup	[redacted]	[redacted]	[redacted]	[redacted]	LIDOCAINE OIN 5%	[redacted]	[redacted]	[redacted]	$ 0.40	$ 674.25	2	$0.40	QUANTITY DISPENSED LESS THAN PRESCRIBED	C, D
66	UHC	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 3%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 196.21	1	$196.21	UNAUTHORIZED REFILL, QUANTITY DISPENSED LESS THAN PRESCRIBED	B, C, D
90	Amerigroup	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 1%	[redacted]	[redacted]	[redacted]	$ 0.35	$ 42.18	1	$42.18	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, UNAUTHORIZED REFILL, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, B, C, D, E
91	UHC	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 3%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 1,954.86	1	$1,954.86	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, COMPOUND CLAIM BILLED INAPPROPRIATELY	A, E
93	UHC	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 3%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 191.70	1	$191.70	MISSING TRANSCRIBING PHARMACIST IDENTIFICATION, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, C, D
94	UHC	[redacted]	[redacted]	[redacted]	[redacted]	LIDOCAINE OIN 5%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 196.76	1	$196.76	MISSING TRANSCRIBING PHARMACIST IDENTIFICATION, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, C, D
95	UHC	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 3%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 194.97	1	$194.97	MISSING TRANSCRIBING PHARMACIST IDENTIFICATION, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, C, D
100	UHC	[redacted]	[redacted]	[redacted]	[redacted]	LIDOCAINE OIN 5%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 361.74	1	$361.74	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, COMPOUND CLAIM BILLED INAPPROPRIATELY	A, E

Appendix A-1 – Detailed Findings

Angleton Health Mart Pharmacy
Project Number 008
NPI 1952673873

Sample Item	MCO	Member ID	Member Name	Claim ID	Prescription Number	Drug Name	Date of Service	Date Prescribed	Date Paid	Dispensing Fee Amount	Total Reimbursed Amount	Recoupment Type	Overpayment Amount	Finding Type	Supporting Policy Reference
103	UHC	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 3%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 196.21	1	$196.21	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, C, D, E
108	UHC	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 3%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 194.97	1	$194.97	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, UNAUTHORIZED REFILL, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, B, C, D, E
115	UHC	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 3%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 194.97	1	$194.97	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, QUANTITY DISPENSED LESS THAN PRESCRIBED, INCORRECT DIRECTIONS FOR USE	A, C, D, E
116	UHC	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 3%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 194.97	1	$194.97	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, C, D, E
117	UHC	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 3%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 194.97	1	$194.97	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, C, D, E
121	Molina	[redacted]	[redacted]	[redacted]	[redacted]	LIDOCAINE OIN 5%	[redacted]	[redacted]	[redacted]	$ 1.35	$ 147.26	1	$147.26	MISSING TRANSCRIBING PHARMACIST IDENTIFICATION, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, C, D
124	Molina	[redacted]	[redacted]	[redacted]	[redacted]	LIDOCAINE OIN 5%	[redacted]	[redacted]	[redacted]	$ 1.35	$ 287.05	1	$287.05	MISSING TRANSCRIBING PHARMACIST IDENTIFICATION, UNAUTHORIZED REFILL, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, B, C, D
130	UHC	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 3%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 194.97	1	$194.97	UNAUTHORIZED REFILL, QUANTITY DISPENSED LESS THAN PRESCRIBED	B, C, D
131	UHC	[redacted]	[redacted]	[redacted]	[redacted]	LIDOCAINE OIN 5%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 196.76	1	$196.76	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, C, D, E
132	UHC	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 3%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 196.21	1	$196.21	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, C, D, E
135	UHC	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 3%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 196.21	1	$196.21	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, C, D, E
136	UHC	[redacted]	[redacted]	[redacted]	[redacted]	LIDOCAINE OIN 5%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 196.76	2	$20.23	QUANTITY DISPENSED LESS THAN PRESCRIBED	C, D
139	Amerigroup	[redacted]	[redacted]	[redacted]	[redacted]	LIDOCAINE OIN 5%	[redacted]	[redacted]	[redacted]	$ 0.40	$ 155.90	2	$0.40	QUANTITY DISPENSED LESS THAN PRESCRIBED	C, D
143	Molina	[redacted]	[redacted]	[redacted]	[redacted]	LIDOCAINE OIN 5%	[redacted]	[redacted]	[redacted]	$ 1.35	$ 164.63	1	$164.63	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, QUANTITY DISPENSED LESS THAN PRESCRIBED, INCORRECT DIRECTIONS FOR USE	A, C, D, E
144	Molina	[redacted]	[redacted]	[redacted]	[redacted]8	LIDOCAINE OIN 5%	[redacted]	[redacted]	[redacted]	$ 1.35	$ 154.83	1	$154.83	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, QUANTITY DISPENSED LESS THAN PRESCRIBED, INCORRECT DIRECTIONS FOR USE	A, C, D, E

Appendix A-1 – Detailed Findings

Angleton Health Mart Pharmacy
Project Number 008
NPI 1952673873

Sample Item	MCO	Member ID	Member Name	Claim ID	Prescription Number	Drug Name	Date of Service	Date Prescribed	Date Paid	Dispensing Fee Amount	Total Reimbursed Amount	Recoupment Type	Overpayment Amount	Finding Type	Supporting Policy Reference
145	Molina	[redacted]	[redacted]	[redacted]	[redacted]	LIDOCAINE OIN 5%	[redacted]	[redacted]	[redacted]	$ 1.35	$ 139.97	1	$139.97	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, UNAUTHORIZED REFILL, QUANTITY DISPENSED LESS THAN PRESCRIBED, INCORRECT DIRECTIONS FOR USE	A, B, C, D, E
146	Molina	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 3%	[redacted]	[redacted]	[redacted]	$ 1.35	$ 316.85	1	$316.85	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, UNAUTHORIZED REFILL, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, B, C, D, E
147	Molina	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 3%	[redacted]	[redacted]	[redacted]	$ 1.35	$ 316.85	1	$316.85	UNAUTHORIZED REFILL, QUANTITY DISPENSED LESS THAN PRESCRIBED	B, C, D
151	UHC	[redacted]	[redacted]	[redacted]	[redacted]	LIDOCAINE OIN 5%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 161.80	1	$161.80	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, C, D, E
152	UHC	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 3%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 196.21	1	$196.21	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, C, D, E
153	UHC	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 3%	[redacted]	[redacted]	[redacted]	$ 20.23	$ 196.21	1	$196.21	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, C, D, E
154	Molina	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 3%	[redacted]	[redacted]	[redacted]	$ 1.35	$ 354.32	1	$354.32	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, C, D, E
155	Molina	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 3%	[redacted]	[redacted]	[redacted]	$ 1.35	$ 343.73	1	$343.73	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, C, D, E
156	Molina	[redacted]	[redacted]	[redacted]	[redacted]	LIDOCAINE OIN 5%	[redacted]	[redacted]	[redacted]	$ 1.35	$ 147.26	1	$147.26	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, C, D, E
157	Molina	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 3%	[redacted]	[redacted]	[redacted]	$ 1.35	$ 343.73	1	$343.73	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, C, D, E
158	Molina	[redacted]	[redacted]	[redacted]	[redacted]	LIDOCAINE OIN 5%	[redacted]	[redacted]	[redacted]	$ 1.35	$ 147.26	1	$147.26	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, C, D, E
159	Molina	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 3%	[redacted]	[redacted]	[redacted]	$ 1.35	$ 354.32	1	$354.32	ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN, QUANTITY DISPENSED LESS THAN PRESCRIBED	A, C, D, E
160	Molina	[redacted]	[redacted]	[redacted]	[redacted]	DICLOFENAC GEL 3%	[redacted]	[redacted]	[redacted]	$ 1.35	$ 343.73	1	$343.73	MISSING TRANSCRIBING PHARMACIST IDENTIFICATION	A
Amerigroup Subtotal										**$ 2.35**	**$ 1,979.81**		**$ 1,150.46**		
Molina Subtotal										**$ 18.90**	**$ 3,561.79**		**$ 3,561.79**		
UHC Subtotal										**$ 546.21**	**$ 7,133.61**		**$ 6,799.14**		
Totals										**$ 567.46**	**$ 12,675.21**		**$ 11,511.39**		

Appendix A-2 – Detailed Findings Legends

Finding Type	Policy Reference(s)	Definition
MISSING TRANSCRIBING PHARMACIST IDENTIFICATION	A	The original prescription was communicated telephonically but the identification or initials of the transcribing pharmacist were not documented.
ORIGINAL PRESCRIPTION FAILED TO MEET DOCUMENTATION REQUIREMENTS - PRESCRIPTION TYPE UNKNOWN	A, E	The type of prescription (paper, fax, telephone) cannot be determined based on the submitted documentation but regardless there is a missing required element. As a paper prescription it is not documented on tamper-resistant paper, as a faxed prescription it does not include the required indication that it was faxed, and as a telephone prescription it is missing the transcribing pharmacist's identification.
UNAUTHORIZED REFILL	B	This claim is for a refill that exceeded the authorized number of refills approved by the prescriber without documentation of physician approval.
QUANTITY DISPENSED LESS THAN PRESCRIBED	C, D	Quantity dispensed is less than the quantity prescribed without documentation of physician approval.
QUANTITY DISPENSED MORE THAN PRESCRIBED	C, D	Quantity dispensed is more than the quantity prescribed without documentation of physician approval.
INCORRECT DIRECTIONS FOR USE	C, D	Directions for use printed on prescription back tag are different from the directions for use given by the prescriber without documentation of physician approval.

Recoupment Type	Recoupment Type
1	Full
2	Dispensing Fee Only

Supporting Policy	Policy	Reference
22 TAC §291.34(b)(7)	(7) Prescription drug order information. (A) All original prescriptions shall bear: (i) the name of the patient, or if such drug is for an animal, the species of such animal and the name of the owner; (ii) the address of the patient; provided, however, that a prescription for a dangerous drug is not required to bear the address of the patient if such address is readily retrievable on another appropriate, uniformly maintained pharmacy record, such as medication records; (iii) the name, address and telephone number of the practitioner at the practitioner's usual place of business, legibly printed or stamped, and if for a controlled substance, the DEA registration number of the practitioner; (iv) the name and strength of the drug prescribed; (v) the quantity prescribed numerically, and if for a controlled substance: (I) numerically, followed by the number written as a word, if the prescription is written; (II) numerically, if the prescription is electronic; or (III) if the prescription is communicated orally or telephonically, as transcribed by the receiving pharmacist; (vi) directions for use; (vii) the intended use for the drug unless the practitioner determines the furnishing of this information is not in the best interest of the patient; (viii) the date of issuance; (ix) if a faxed prescription: (I) a statement that indicates that the prescription has been faxed (e.g., Faxed to); and (II) if transmitted by a designated agent, the name of the designated agent; (x) if electronically transmitted: (I) the date the prescription drug order was electronically transmitted to the pharmacy, if different from the date of issuance of the prescription; and (II) if transmitted by a designated agent, the name of the designated agent; and (xi) if issued by an advanced practice nurse or physician assistant in accordance with Subtitle B, Chapter 157, Occupations Code: (I) the name, address, telephone number, and if the prescription is for a controlled substance, the DEA number of the supervising practitioner; and (II) the address and telephone number of the clinic where the prescription drug order was carried out or signed; and (xii) if communicated orally or telephonically: (I) the initials or identification code of the transcribing pharmacist; and (II) the name of the prescriber or prescriber's agent communicating the prescription information.	A
22 TAC §291.34(b)(8)(A), (B)	(A) General information. (i) Refills may be dispensed only in accordance with the prescriber's authorization as indicated on the original prescription drug order except as authorized in paragraph (10) of this subsection relating to accelerated refills. (ii) If there are no refill instructions on the original prescription drug order (which shall be interpreted as no refills authorized) or if all refills authorized on the original prescription drug order have been dispensed, authorization from the prescribing practitioner shall be obtained prior to dispensing any refills and documented as specified in subsection (l) of this section. (B) Refills of prescription drug orders for dangerous drugs or nonprescription drugs. (i) Prescription drug orders for dangerous drugs or nonprescription drugs may not be refilled after one year from the date of issuance of the original prescription drug order. (ii) If one year has expired from the date of issuance of an original prescription drug order for a dangerous drug or nonprescription drug, authorization shall be obtained from the prescribing practitioner prior to dispensing any additional quantities of the drug.	B
22 TAC §291.31(1)	(1) Accurately as prescribed--Dispensing, delivering, and/or distributing a prescription drug order: (A) to the correct patient (or agent of the patient)for whom the drug or device was prescribed; (B) with the correct drug in the correct strength, quantity, and dosage form ordered by the practitioner; and (C) with correct labeling (including directions for use) as ordered by the practitioner. Provided, however, that nothing herein shall prohibit pharmacist substitution if substitution is conducted in strict accordance with applicable laws and rules, including Chapter562 of the Texas Pharmacy Act.	C
22 TAC §291.32 (c)(1)(F)	(F) A dispensing pharmacist shall be responsible for and ensure that the drug is dispensed and delivered safely and accurately as prescribed, unless the pharmacy's data processing system can record the identity of each pharmacist involved in a specific portion of the dispensing processing. If the system can track the identity of each pharmacist involved in the dispensing process, each pharmacist involved in the dispensing process shall be responsible for and ensure that the portion of the process the pharmacist is performing results in the safe and accurate dispensing and delivery of the drug as prescribed. The dispensing process shall include, but not be limited to, drug regimen review and verification of accurate prescription data entry, including prescriptions placed on hold, packaging, preparation, compounding, transferring, labeling, and performance of the final check of the dispensed prescription. An intern has the same responsibilities described in this subparagraph as a pharmacist but must perform his or her duties under the supervision of a pharmacist.	D

Appendix A-2 – Detailed Findings Legends

Finding Type	Policy Reference(s)	Definition
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QUANTITY DISPENSED MORE THAN PRESCRIBED	C, D	Quantity dispensed is more than the quantity prescribed without documentation of physician approval.
INCORRECT DIRECTIONS FOR USE	C, D	Directions for use printed on prescription back tag are different from the directions for use given by the prescriber without documentation of physician approval.

Recoupment Type	Recoupment Type
1	Full
2	Dispensing Fee Only

Supporting Policy	Policy	Reference
1 TAC §354.1863(b), (c), (d)	(b) The pharmacist must ensure that the original prescription conforms to the Texas State Board of Pharmacy rules concerning the records to be maintained by a pharmacy. A signed prescription must be maintained in the dispenser's file and available for audit at any reasonable time. Telephone orders, where legal, must be documented in writing. The name of the prescriber and the signature of the dispensing pharmacist must be documented. If a pharmacy maintains prescription records in a data processing system, a hard copy of the prescription must be retained on file unless the daily log includes all the information required in §354.1901 of this title (relating to Pharmacy Claims).The provider must conform to all regulations issued by the Drug Enforcement Administration and Texas State Board of Pharmacy concerning the recording of prescriptions in a data processing system. (c) Pharmaceuticals dispensed in disasters under §354.1868of this subchapter (relating to Exceptions in Disasters) are not subject to the requirements in subsection (b) of this section. (d) Prescriptions for covered pharmaceuticals submitted to a pharmacy in written form are eligible for payment only if the prescription is executed on tamper-resistant prescription paper, as required by §1903(i)(23) of the Social Security Act (42 U.S.C.§1936b(i)(23)).	E