



Office of Inspector General

Texas Health and Human Services Commission

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Performance Audit Report on

Walgreens Pharmacy #03141

December 23, 2015

IG Report No. 13-55-463802-VD-01

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EXECUTIVE SUMMARY

The Health and Human Services Commission (HHSC), Office of Inspector General, Audit Section (IG) has completed its performance audit of Walgreens Pharmacy #03141 (Vendor), contract number 463802, as specified in the Texas Administrative Code (TAC), Title 1, Part 15, Chapter 354, Subchapter F, Division 5, Section 354.1891.

Objectives

The objectives of the audit were to determine if the Vendor billed the Texas Medicaid Vendor Drug Program (VDP) accurately and complied with contractual requirements and the TAC rules.

Background

As part of the Texas Medical Assistance Program operated in accordance with the Title XIX of the Social Security Act, the VDP provides statewide outpatient pharmaceutical services to eligible recipients. Pharmaceutical services include the preparation, packaging, compounding, and labeling of covered legend and nonlegend drugs that appear in the latest revision of the Texas Drug Code Index. Contracted pharmacies and pharmacists provide the pharmaceutical services and submit claims for reimbursement to the HHSC through an electronic adjudication system. Payments made to the Vendor during the audit period reviewed totaled \$8,553,753.70.

Summary of Scope and Methodology

The engagement covered the period of September 1, 2008 through August 31, 2011, and included obtaining an understanding of internal controls limited to the objectives described above. Additionally, IG examined pharmacy prescriptions, daily logs, and other applicable accounting records that supported the claims submitted for reimbursement. For sampling methodology, see Appendix B.

IG conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that IG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. IG believes the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

Conclusions

The Vendor did not bill the Texas Medicaid Vendor Drug Program accurately and comply with contractual requirements and the TAC rules.

DETAILED FINDINGS

Invalid Claims for Forty-Seven Prescriptions

Prescriptions Missing for Ten Claims. Prescription records were unavailable to support ten claims. The Vendor did not obtain orders for the claims or misplaced the records which resulted in an overpayment. Texas Administrative Code, Title 1, Part 15, Chapter 354, Subchapter F, Division 4, Rule §354.1863 states, "(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."

Recommendation

The Vendor should retain all original prescription records as required by Texas Administrative Code.

Management's Response

Walgreen Co. ("Walgreens") submits the following response to the draft audit report of the Texas Health and Human Services Commission ("HHSC"), Office of the Inspector General, Audit Section ("OIG") audit, as expressed in OIG's DRAFT Audit Report of Walgreens Store #03141 (the "Draft Audit Report").

In Response to "Invalid Claims: Prescriptions Missing for Twelve Claims"

Walgreens offers documentation to support for the findings cited for "Invalid Claims: Prescriptions Missing for Twelve Claims" in Attachment A.

Auditor's Follow-up Comments

Throughout this report the Vendor's Management Response references various attachments. Those attachments contain personal health information (PHI) which is protected by federal law (Health Insurance Portability and Accountability Act – HIPAA). Hence, the attachments are not included in this report.

Attachment A was reviewed. Two findings were removed and one finding was reduced to the dispensing and administrative fees. Nine findings remain unchanged.

Prescription Not Signed for One Claim. The Vendor dispensed medication for one prescription that did not have the practitioner's signature. A prescription that is not signed by the practitioner is not valid. This claim resulted in a Vendor overpayment. Texas Administrative Code, Title 22, Part 15, Chapter 291, Subchapter B, Rule §291.34 (b) states, "(2) Written prescription drug orders. (A) Practitioner's signature. (i) Except as noted in clause (ii) of this paragraph, written prescription drug orders shall be: (I) manually signed by the practitioner;"

Recommendation

The Vendor should ensure all original prescriptions contain the prescriber's handwritten signature as required by the TAC and Texas State Board of Pharmacy rules.

Management's Response

In Response to "Invalid Claim: Prescription Not Signed for One Claim"

Walgreens does not contest the findings of the Draft Audit Report regarding the claim cited for "Invalid Claim: Prescription Not Signed for One Claim" in Attachment B.

Prescriptions Not Dated for Four Claims. The Vendor dispensed medications for four prescriptions that did not have an issuance date. No documentation was provided to indicate the Vendor had contacted the prescribers to verify the validity of the prescriptions. As a result, the Vendor received an overpayment. Texas Administrative Code, Title 22, Part 15, Chapter 291, Subchapter B, Rule §291.34 states, "(6) Prescription drug order information. (A) All original prescriptions shall bear: (viii) date of issuance."

Recommendation

The Vendor should ensure that prescriptions are dated and contain all the necessary information as required by Texas State Board of Pharmacy and Medicaid Rules.

Management's Response

In Response to "Invalid Claims: Prescriptions Not Dated for Four Claims"

Walgreens offers documentation to support two out of to four claims to the findings cited for "Invalid Claims: Prescriptions Not Dated for Four Claims" in Attachment C.

Auditor's Follow-up Comments

Attachment C was reviewed. The four findings remain; however, three of the findings were reduced to the dispensing and administrative fees.

Telephone Prescriptions Not Initialed for Four Claims. The Vendor dispensed medications for four telephone prescriptions that did not have the pharmacists' signature or initials. The pharmacist's signature validates a telephone prescription. As a result, the Vendor received an overpayment. According to the Texas Administrative Code, Title 1, Part 15, Chapter 354, Subchapter F, Division 4, Rule §354.1863(b), "...Telephone orders, where legal, must be documented in writing. The name of the prescriber and the signature of the dispensing pharmacist must be documented...".

Recommendation

The Vendor should ensure all telephone prescriptions conform to the TAC and Texas State Board of Pharmacy rules concerning the format of a prescription.

Management's Response

In Response to "Invalid Claims: Telephone Prescriptions Not Initialed for Four Claims"

Walgreens offers documentation to support two out of to four claims to the findings cited for "Invalid Claims: Telephone Prescriptions Not Initialed for Four Claims" in Attachment D.

Auditor's Follow-up Comments

Attachment D was reviewed. The four findings remain; however, two of the four findings were reduced to the dispensing and administrative fees.

Expired Prescription for One Claim. The Vendor dispensed medication for one prescription that was over six months (185 days) old. As a result, the Vendor received payment for a prescription that was no longer valid. Texas Administrative Code, Title 1, Part 15, Chapter 354, Subchapter F, Division 4, Section 354.1867 states, "As many as five refills may be authorized by the prescriber, but the total amount authorized must be dispensed within six months of the original prescriptions."

Recommendation

The Vendor should only dispense medications for prescriptions that are no older than six months (185 days) from the date of issuance as required by the Texas State Board of Pharmacy and Medicaid Rules.

Management's Response

In Response to "Invalid Claim: Expired Prescription for One Claim"

Walgreens offers documentation to support for the findings cited for "Invalid Claim: Expired Prescription for One Claim" in Attachment F.

Auditor's Follow-up Comments

Attachment F was reviewed. The Vendor provided previously submitted documentation that did not support any change to the original finding. The finding remains.

Non Tamper-Resistant Prescriptions for Twenty-Seven Claims. The Vendor dispensed medications for twenty-seven prescriptions written on non tamper-resistant paper. The claims were submitted without the Vendor confirming the authenticity of the prescriptions resulting in overpayment. Texas Administrative Code, Title 1, Part 15, Chapter 354, Subchapter F, Division 4, Rule §354.1863(c) states, "...prescriptions for covered pharmaceuticals submitted to a pharmacy in written form will be 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))."

Recommendation

The Vendor should ensure that all hard copy prescriptions are written on tamper-resistant paper. When questionable, the Vendor should contact prescribers, and document the contacts, to ensure the authenticity of each prescription.

Management's Response

In Response to "Invalid Claims: Non Tamper-Resistant Prescriptions for Forty-One Claims"

The submitted documentation at Attachment G shows that more than 80% of the prescriptions listed under this exception clearly satisfy the tamper-resistant prescription pad ("TRPP") requirement. Nevertheless, Walgreens thinks the sheer magnitude of this particular error—namely, 41 claims for medically necessary, actually dispensed medication prescribed by dozens of different prescribers with an extrapolated point estimate exceeding \$1 million—demonstrates a clear error in the audit process and a fundamental misunderstanding of Walgreens' "stickerless" prescription record system (the "Electronic Record" system). This system is designed to allow Walgreens to more efficiently store and retrieve detailed prescription information ("Audit/Board of Pharmacy Reports) than a paper system allows. Walgreens agrees that OIG's testing for TRPPs is appropriate. However, Walgreens simply requests the opportunity to collaborate with OIG to develop a better sampling methodology and review process.

By way of background, almost nine years ago, Walgreens implemented the Electronic Record system, having received prior approval from the Texas Board of Pharmacy and Texas Medicaid, which both recognized the Electronic Record as the official pharmacy record. Since then, in response to numerous OIG pharmacy performance audits, Walgreens has since submitted hundreds of Audit/Board of Pharmacy Inspection Reports. Walgreens has also met with OIG and other state agencies several times to explain the system and develop process improvements aimed at increasing audit efficiency. Such meetings have included, for example, an overview presentation of the features and operations of the stickerless Electronic Record system at the November 14, 2012 Informal Hearing for Walgreens Store #06861. Walgreens thinks another such conversation is warranted here.

As OIG is aware, the Electronic Record captures all information the Texas rules require that vendor pharmacies retain from the original prescription, including scanned images of the paper prescriptions. To ensure the prescription content and prescriber signature are captured legibly on such scans, Walgreens captures high-resolution, high-contrast black and white images from the original records. Regarding the audit exception at issue here, the trade-off for increased legibility is that the images can make it difficult to discern those tamper-resistant features required by rule to prevent: unauthorized copying; erasure and modification; and counterfeiting. 1 Tex. Admin Code § 354.1863(c).

Nevertheless, for a number of years, Walgreens pharmacy staff have operated under policies and procedures meant to ensure that Medicaid prescriptions are written on TRPPs using prospective (e.g., staff training, 100% TRPP verification prior to fill) and retrospective (e.g., supervisor spot-audit requirements) processes. For this reason, OIG rarely cites Walgreens stores for TRPP audit exceptions. Indeed, a different OIG auditor's review of Store #05269 (Conroe, Texas, response to Draft Performance Audit due July 28, 2014), found only one tamper-resistant exception from the same time period as Store #03141's 41 TRPP exceptions.

Apart from the questionable validity of extrapolating this exception type to all claims in the sampled universe (which Walgreens believes is inappropriate), there is absolutely nothing about Store #03141 or the San Antonio market it serves to suggest that prescribers in that area rarely use TRPPs and prescribers in Conroe rarely fail to use TRPPs. Extrapolation is only as valid as the underlying uniformity of the sampled claims universe. Walgreens maintains that extrapolating the TRPP exception found in any audit relies on several significant unfounded assumptions, but extrapolation is especially suspect when, as here, a store is a significant outlier.

As stated, Walgreens does not suggest that OIG's testing for TRPPs is inappropriate. Rather, Walgreens believes a collaboratively designed sampling methodology and review process will increase transparency, promote fairness, and reduce audit-related expenses for both the OIG auditors and Walgreens staff.

Auditor's Follow-up Comments

Attachment G was reviewed. Fourteen findings were removed. Nine of the remaining twenty-seven findings were reduced to the dispensing and administrative fees. Eighteen findings remain unchanged. In response to concerns regarding extrapolation IG is now utilizing RAT-STAT's Stratified Variable Appraisal functionality. See Appendix B for more detail.

Billing Error for One Claim

Medication Not in the Daily Log for One Claim. The Vendor submitted a claim for one medication that could not be traced back to the daily log. When medication is not picked up by the customer, the vendor is required to reverse the claim. Because this claim was not reversed, the Vendor received payment for a medication that remained in their inventory. Texas Administrative Code, Title 1, Part 15, Chapter 354, Subchapter F, Division 6, Rule 354.1905 states, "The pharmacy provider must completely reverse the original submission and resubmit the claims to receive an adjustment for an overpayment or underpayment of a pharmacy claim. The Commission must receive an adjustment within 90 days of the date of adjudication."

Recommendation

The Vendor should ensure that claims are completely reversed for medications that are not picked up by the patient.

Management's Response

In Response to "Billing Errors: Medications Not in the Daily Log for Two Claims."

Walgreens offers documentation to support for the findings cited for "Billing Errors: Medications Not in the Daily Log for Two Claims" in Attachment H.

Auditor's Follow-up Comments

Attachment H was reviewed. One finding was removed and one finding remained unchanged.

Unauthorized Quantity Increase for One Claim. The Vendor dispensed a greater quantity of medication than prescribed for one prescription. Changes to medication quantities by anyone other than the prescriber or designee, are unauthorized and ineligible for payment. The Vendor receive an overpayment for the unauthorized additional quantity. Texas Administrative Code, Title 1, Part 15, Chapter 354, Subchapter F, Division 6, Rule §354.1901(b) states, "Providers must dispense the quantity prescribed or ordered by the prescriber except as limited by the policies and procedures described in the HHSC's Pharmacy Provider Handbook."

Recommendation

The Vendor must obtain the prescriber's authorization when altering the original prescription quantity.

Management's Response

In Response to "Quantity Errors: Unauthorized Quantity Increases for Three Claims."

Walgreens offers documentation to support two out of to Three claims to the findings cited for "Quantity Errors: Unauthorized Quantity Increases for Three Claims" in Attachment I.

Auditor's Follow-up Comments

Attachment I was reviewed. One finding was removed. One finding remained unchanged. One finding was reclassified to Warehouse Billing Errors.

Warehouse Billing Errors

Supporting Invoices Missing for Fifty-Three Claims. The Vendor dispensed medications for fifty-three prescriptions without providing supporting documentation of the drug purchase source. The missing invoices prevented verification that dispensed medications met the packaging and pricing requirements set forth by the Vendor Drug Program, resulting in overpayments to the Vendor. Texas Administrative Code, Title 1, Part 15, Chapter 355, Subchapter J, Division 28, Rule 355.8541 (2)(B) states, "EAC is verifiable by invoice audit conducted by the HHSC to include necessary supporting documentation that will verify the final cost to the provider."

The Vendor has a policy to redact pricing information from invoices furnished to the HHSC. As a result, the HHSC cannot verify the final cost to the Vendor.

Management's Response

In Response to "Warehouse Billing Errors: Supporting Invoices Missing for Fifty-Two Claims"

Walgreens disagrees with the Performance Audit Report findings regarding 52 claims cited for "Warehouse Billing Errors: Missing Supporting Invoices for Fifty-one Claims." See Performance Audit Report, p.4.

Walgreens disagrees with the initial Audit Report finding recommending recovery of alleged overpayments for "Warehouse Billing Errors" due to "not allowed access to drug acquisition records" information to support thirty-two claims." Walgreens has a long-standing corporate practice of protecting its confidential and proprietary pricing information and so redacted the pricing information from invoices provided to OIG. It is Walgreens' understanding that manufacturers' prices (such as direct-to-pharmacy and central-purchase prices) are readily available to HHSC through manufacturer-provided pricing questionnaires. HHSC treats the manufacturer-provided pricing questionnaires as confidential; thus, Walgreens publicly disclosing such pricing information through OIG audit places Walgreens at a competitive disadvantage and harms its business standing with manufacturers and wholesalers. Furthermore, it is Walgreens understanding that HHSC bases Medicaid pharmacy claims reimbursement on confidential manufacturer-reported data, and pricing reflected on Walgreens' invoices is not relevant to support pharmacy-claim reimbursement.

Walgreens welcomes the opportunity to discuss with OIG assistance Walgreens may offer in verifying confidential manufacturer pricing information, but disagrees with recoupment of monies paid based on Walgreens' longstanding corporate practice of protecting the confidential and proprietary nature of its own pricing information.

Walgreens further disagrees with the Draft Audit Report finding related to calculation of "audited cost" for those claims that OIG cites for "invoices not provided." It is unclear to Walgreens which cost basis OIG used to determine "audited cost." Walgreens requests further information from OIG on this point.

In addition, regarding the Draft Audit Report as a whole, Walgreens disagrees with OIG's sampling methodology, reserves the right to object to the extrapolated overpayment amount using Walgreens' own statistical analysis, and reserves the right to retain its own statistical expert to perform such analysis.

Auditor's Follow-up Comments

No attachment was provided by the Vendor to address these findings. One prescription cited as a quantity error initially, had a warehouse billing error also which was communicated to the pharmacist during the exit conference. The quantity finding was removed and reclassified to the warehouse billing error. This resulted in a decrease in the number of quantity error findings but an increase in the number of warehouse billing errors.

In response to concerns regarding extrapolation IG is now utilizing RAT-STATs Stratified Variable Appraisal functionality. See Appendix B for more detail.

APPENDICES

OBJECTIVES, SCOPE, AND METHODOLOGY**Objectives**

The objectives of the audit were to determine if the Vendor billed the Texas Medicaid VDP accurately and complied with contractual requirements and the TAC rules.

Scope

The engagement covered the period of September 1, 2008 through August 31, 2011. During the engagement, IG did not review all internal controls. IG limited the internal control review to the objectives described above.

Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, 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.

An engagement letter was issued to the Vendor outlining the understanding of the IG with respect to the audit of paid claims submitted by the Vendor for reimbursement. To obtain an understanding of the Vendor's internal controls, an internal control questionnaire was completed and observations were made throughout the audit. Additionally, IG examined prescriptions, daily logs, and other applicable accounting records that supported the claims submitted for reimbursement. Professional judgment was exercised in planning, executing, and reporting the results of our audit.

Criteria Used to Determine Compliance with Contractual Requirements and the TAC

- Texas Administrative Code, Title 1, Part 15, Chapter 354, Subchapter F, Divisions 1 through 7, Sections 354.1801 through 354.1928; Chapter 355, Subchapter J, Division 28
- Texas Vendor Drug Contract for Walgreens Pharmacy #03141
- Vendor Drug Program Pharmacy Provider Handbook, March 1, 2006
- Texas Drug Code Index
- Texas State Board of Pharmacy rules and regulations
- Health and Safety Code, Title 6, Subtitle C, Chapter 481, Subchapter A
- Revisions and updates to the aforementioned materials and information
- Notices or bulletins issued by the VDP concerning Medicaid pharmaceutical drug benefits

Team Members

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SAMPLING METHODOLOGY**Summary of Sample Methodology**

IG used statistically valid random sampling to determine the extent to which the Vendor billed the VDP for Medicaid prescription claims correctly. IG conducted its sampling methodology in accordance with guidance from CMS Medicare Program Integrity Manual Chapter 8 - Administrative Actions and Statistical Sampling for Overpayment Estimates and guidance issued by the American Institute of Certified Public Accountants and Statements on Auditing Standards (SAS), Number 39. To determine the final extrapolated recoupment amount owed by the Vendor, IG utilized RAT-STATs Stratified Variable Appraisal functionality to evaluate the results of the samples. In order to ensure proper evaluation of the entire population, IG broke the population into three groups, a population for high dollar transactions, a population for medium dollar transactions, and a population for low dollar transactions. Each population was split into 13 strata. Sample sizes were calculated for each stratum in each population group. In any stratum containing only a single sample item, extrapolation was excluded for that stratum and any errors were calculated on a dollar-for-dollar basis. The results for the low, medium, and high dollar populations can be found in tables A, B, and C respectively.

Sample Results

To determine the dollar value of billing errors, IG tested 318 claims, of which 102 constituted exceptions. To achieve valid sampling results, the population was separated into low, medium, and high dollar claims. Of the 318 claims, 153 claims were selected from the low dollar population, 137 were selected from the medium dollar population for testing based on statistically valid random sampling, and 28 high dollar claims were selected for testing based on statistically valid random sampling. Of the 102 exceptions, 29 were from the low dollar claims, 50 were from the medium dollar claims, and 23 were from the high dollar claims. The exceptions for low dollar, medium dollar, and high dollar claims were categorized in two parts, a dollar-for-dollar population and an extrapolated population. The low dollar tested claims consisted of 4 dollar-for-dollar tested claims from the dollar-for-dollar population and 149 randomly sampled claims from the extrapolated population. The medium dollar tested claims consisted of 3 dollar-for-dollar tested claims from the dollar-for-dollar population and 134 randomly sampled claims from the extrapolated population. The high dollar tested claims consisted of 28 dollar-for-dollar tested claims from the dollar-for-dollar population. The total recoupment amount for the low dollar sample was calculated to be \$465,224.11, the medium dollar sample totaled \$76,250.23, and the high dollar sample totaled \$22,924.68, for a total combined recoupment amount of \$564,399.02 (Tables A, B, and C).

APPENDIX B (cont.)

During the engagement, OIG identified the following instances of noncompliance for the claims:

Exception Type	Low Dollar Exceptions	Medium Dollar Exceptions	High Dollar Exceptions	Total Exceptions
Invalid Claims:				
Missing Prescriptions	0	6	4	10
Prescription Not Signed	1	0	0	1
Prescriptions Not Dated	2	2	0	4
Telephone Prescriptions Not Initialed by R.Ph.	2	2	0	4
Expired Prescription	1	0	0	1
Non Tamper-Resistant Prescriptions	13	14	0	27
Billing Errors:				
Medication Not in the Daily Log	0	1	0	1
Quantity Errors:				
Unauthorized Quantity Increase	1	0	0	1
Warehouse Billing Errors:				
Missing Invoices	9	25	19	53
Total	29	50	23	102

See the Detailed Findings section of this report for details.

Sampling Frame

The sampling frame (population) was the Vendor's claims paid by the HHSC that had a "Date of Service" in the audit period of September 1, 2008 through August 31, 2011. The low dollar sample frame consisted of all paid claims less than or equal to \$573.67. The medium dollar sample frame consisted of all paid claims greater than \$573.67 and less than or equal to 2,917.78. The high dollar sample frame consisted of all paid claims greater in amount than \$2917.78

Sample Unit

The sample unit was a paid claim. A paid claim is a prescription dispensed to a Medicaid recipient by a contracted Vendor or Pharmacist for which the HHSC paid the Vendor and the "Date of Service" was in the audit period of September 1, 2008 through August 31, 2011.

Table A**Total Population Paid and Recoupment Statistics
(Low Dollar)**

Total Paid Dollar Amount in Extrapolation Population	\$6,273,783.97
Total Paid Dollar Amount in Dollar-For-Dollar Population	\$1,193,868.59
Total Population Paid Dollar Amount	<u>\$7,467,652.56</u>
Total Recoupment Amount from Extrapolation Population Using RAT-STATs 2007 Stratified Variable Appraisal (Calculated at lower limit of 90% confidence interval)	\$465,193.00
Total Recoupment Amount from Dollar-For-Dollar Population	\$31.11
Total Population Recoupment Amount	<u>\$465,224.11</u>

Table B**Total Population Paid and Recoupment Statistics
(Medium Dollar)**

Total Paid Dollar Amount in Extrapolation Population	\$905,985.51
Total Paid Dollar Amount in Dollar-For-Dollar Population	\$49,373.80
Total Population Paid Dollar Amount	<u>\$955,359.31</u>
Total Recoupment Amount from Extrapolation Population Using RAT-STATs 2007 Stratified Variable Appraisal (Calculated at lower limit of 90% confidence interval)	\$76,125.00
Total Recoupment Amount from Dollar-For-Dollar Population	\$125.23
Total Population Recoupment Amount	<u>\$76,250.23</u>

Table C

Total Population Paid and Recoupment Statistics
(High Dollar)

Total Paid Dollar Amount in Extrapolation Population	\$0.00
Total Paid Dollar Amount in Dollar-For-Dollar Population	\$130,741.83
Total Population Paid Dollar Amount	<u>\$130,741.83</u>
Total Recoupment Amount from Extrapolation Population Using RAT-STATs 2007 Stratified Variable Appraisal (Calculated at lower limit of 90% confidence interval)	\$0.00
Total Recoupment Amount from Dollar-For-Dollar Population	\$22,924.68
Total Population Recoupment Amount	<u>\$22,924.68</u>

Please note: Additional details regarding the samples and extrapolations will be provided upon request.

APPENDIX C

**Walgreens Pharmacy #03141
Vendor Number 463802
Over/(Under) Payments For Low Dollar Claims**

Client Number	Prescription Number	Fill Date	Amount Paid	Audited Cost	Over/(Under) Payments	Comments
			\$201.00	\$0.00	\$201.00	Prescription Not Signed
		Sub Total	\$201.00	\$0.00	\$201.00	
			\$11.91	\$7.94	\$3.97	Prescription Not Dated*
			9.54	1.92	7.62	Prescription Not Dated*
			\$21.45	\$9.86	\$11.59	
			\$8.52	\$1.12	\$7.40	Prescription Not Initialed by R.Ph.*
			9.86	0.00	9.86	Prescription Not Initialed by R.Ph.
			\$18.38	\$1.12	\$17.26	
			\$277.93	\$0.00	\$277.93	Expired Prescription
		Sub Total	\$277.93	\$0.00	\$277.93	
			\$164.01	\$0.00	\$164.01	Non Tamper-Resistant Prescription
			10.22	0.00	10.22	Non Tamper-Resistant Prescription
			36.44	0.00	36.44	Non Tamper-Resistant Prescription
			8.48	0.00	8.48	Non Tamper-Resistant Prescription
			91.51	0.00	91.51	Non Tamper-Resistant Prescription
			9.61	2.09	7.52	Non Tamper-Resistant Prescription*
			19.10	11.22	7.88	Non Tamper-Resistant Prescription*
			34.98	0.00	34.98	Non Tamper-Resistant Prescription
			31.09	22.97	8.12	Non Tamper-Resistant Prescription*
			10.07	2.46	7.61	Non Tamper-Resistant Prescription*
			89.07	0.00	89.07	Non Tamper-Resistant Prescription
			119.24	109.36	9.88	Non Tamper-Resistant Prescription*
			220.58	0.00	220.58	Non Tamper-Resistant Prescription
		Sub Total	\$844.40	\$148.10	\$696.30	

APPENDIX C (cont.)

**Walgreens Pharmacy #03141
Vendor Number 463802
Over/(Under) Payments For Low Dollar Claims**

Client Number	Prescription Number	Fill Date	Amount Paid	Audited Cost	Over/(Under) Payments	Comments
			\$11.27	\$10.55	\$0.72	Unauthorized quantity increase
		Sub Total	\$11.27	\$10.55	\$0.72	
			\$29.48	\$28.20	\$1.28	Billed Non-Code 9 - Missing Invoice
			100.04	94.60	5.44	Billed Non-Code 9 - Missing Invoice
			22.22	16.27	5.95	Billed Non-Code 9 - Missing Invoice
			268.79	240.61	28.18	Billed Non-Code 9 - Missing Invoice
			317.04	285.93	31.11	Billed Non-Code 9 - Missing Invoice
			32.27	30.82	1.45	Billed Non-Code 9 - Missing Invoice
			64.77	44.04	20.73	Billed Non-Code 9 - Missing Invoice
			112.32	110.27	2.05	Billed Non-Code 9 - Missing Invoice
			171.70	168.51	3.19	Billed Non-Code 9 - Missing Invoice
		Sub Total	\$1,118.63	\$1,019.25	\$99.38	
		Total	\$2,493.06	\$1,188.88	\$1,304.18	

*Denotes findings that were reduced by administrative and dispensing fees.

APPENDIX C (cont.)

**Walgreens Pharmacy #03141
Vendor Number 463802
Over/(Under) Payments For Medium Dollar Claims**

Client Number	Prescription Number	Fill Date	Amount Paid	Audited Cost	Over/ (Under) Payments	Comments
			\$738.26	\$0.00	\$738.26	Missing Prescription
			938.07	841.46	96.61	Missing Prescription*
			1,785.93	1,700.48	85.45	Missing Prescription*
			735.73	0.00	735.73	Missing Prescription
			738.26	0.00	738.26	Missing Prescription
			961.11	934.94	26.17	Missing Prescription
		Sub Total	\$5,897.36	\$3,476.88	\$2,420.48	
			\$709.97	\$0.00	\$709.97	Prescription Not Dated
			1,205.25	1,104.60	100.65	Prescription Not Dated*
		Sub Total	\$1,915.22	\$1,104.60	\$810.62	
			\$842.76	\$818.90	\$23.86	Prescription Not Initialed by R.Ph.*
			631.47	611.34	20.13	Prescription Not Initialed by R.Ph.*
		Sub Total	\$1,474.23	\$1,430.24	\$43.99	
			\$619.59	\$0.00	\$619.59	Non Tamper-Resistant Prescription
			687.76	0.00	687.76	Non Tamper-Resistant Prescription
			639.59	619.30	20.29	Non Tamper-Resistant Prescription*
			634.37	614.02	20.35	Non Tamper-Resistant Prescription*
			709.54	0.00	709.54	Non Tamper-Resistant Prescription
			590.80	0.00	590.80	Non Tamper-Resistant Prescription
			862.28	747.16	115.12	Non Tamper-Resistant Prescription*
			958.71	0.00	958.71	Non Tamper-Resistant Prescription
			1,102.62	0.00	1,102.62	Non Tamper-Resistant Prescription
			606.66	0.00	606.66	Non Tamper-Resistant Prescription
			606.66	0.00	606.66	Non Tamper-Resistant Prescription
			931.38	852.00	79.38	Non Tamper-Resistant Prescription*

APPENDIX C (cont.)

**Walgreens Pharmacy #03141
Vendor Number 463802
Over/(Under) Payments For Medium Dollar Claims**

Client Number	Prescription Number	Fill Date	Amount Paid	Audited Cost	Over/(Under) Payments	Comments
██████	██████	██████	999.78	0.00	999.78	Non Tamper-Resistant Prescription
██████	██████	██████	1,102.62	0.00	1,102.62	Non Tamper-Resistant Prescription
		Sub Total	<u>\$11,052.36</u>	<u>\$2,832.48</u>	<u>\$8,219.88</u>	
██████	██████	██████	\$1,360.56	\$0.00	\$1,360.56	Medication Not in Daily Log
		Sub Total	<u>\$1,360.56</u>	<u>\$0.00</u>	<u>\$1,360.56</u>	
██████	██████	██████	\$616.12	\$604.19	\$11.93	Billed Non-Code 9 - Missing Invoice
██████	██████	██████	794.94	748.62	46.32	Billed Non-Code 9 - Missing Invoice
██████	██████	██████	781.24	735.73	45.51	Billed Non-Code 9 - Missing Invoice
██████	██████	██████	1,009.91	990.27	19.64	Billed Non-Code 9 - Missing Invoice
██████	██████	██████	1,205.25	1,134.80	70.45	Billed Non-Code 9 - Missing Invoice
██████	██████	██████	1,691.44	1,576.55	114.89	Billed Non-Code 9 - Missing Invoice
██████	██████	██████	634.31	592.79	41.52	Billed Non-Code 9 - Missing Invoice
██████	██████	██████	1,872.80	1,763.05	109.75	Billed Non-Code 9 - Missing Invoice
██████	██████	██████	618.32	606.36	11.96	Billed Non-Code 9 - Missing Invoice
██████	██████	██████	581.02	569.78	11.24	Billed Non-Code 9 - Missing Invoice
██████	██████	██████	930.90	831.98	98.92	Billed Non-Code 9 - Missing Invoice
██████	██████	██████	1,157.84	1,069.96	87.88	Billed Non-Code 9 - Missing Invoice
██████	██████	██████	1,509.20	1,420.88	88.32	Billed Non-Code 9 - Missing Invoice
██████	██████	██████	2,136.68	2,011.45	125.23	Billed Non-Code 9 - Missing Invoice
██████	██████	██████	613.00	601.13	11.87	Billed Non-Code 9 - Missing Invoice
██████	██████	██████	750.21	706.54	43.67	Billed Non-Code 9 - Missing Invoice
██████	██████	██████	930.90	831.98	98.92	Billed Non-Code 9 - Missing Invoice
██████	██████	██████	1,192.27	1,169.04	23.23	Billed Non-Code 9 - Missing Invoice

APPENDIX C (cont.)

**Walgreens Pharmacy #03141
Vendor Number 463802
Over/(Under) Payments For Medium Dollar Claims**

Client Number	Prescription Number	Fill Date	Amount Paid	Audited Cost	Over/(Under) Payments	Comments
			1,703.27	1,576.55	126.72	Billed Non-Code 9 - Missing Invoice
			627.67	615.51	12.16	Billed Non-Code 9 - Missing Invoice
			594.99	531.60	63.39	Billed Non-Code 9 - Missing Invoice
			905.52	809.32	96.20	Billed Non-Code 9 - Missing Invoice
			1,374.61	1,291.53	83.08	Billed Non-Code 9 - Missing Invoice
			1,582.74	1,490.09	92.65	Billed Non-Code 9 - Missing Invoice
			1,703.27	1,576.55	126.72	Billed Non-Code 9 - Missing Invoice
		Sub Total	\$27,518.42	\$25,856.25	\$1,662.17	
		Total	\$49,218.15	\$34,700.45	\$14,517.70	

* Denotes findings that were reduced by administrative and dispensing fees.

APPENDIX C (cont.)

**Walgreens Pharmacy #03141
Vendor Number 463802
Over/(Under) Payments For High Dollar Claims**

Client Number	Prescription Number	Fill Date	Amount Paid	Audited Cost	Over/(Under) Payments	Comments
			\$6,729.53	\$0.00	\$6,729.53	Missing Prescription
			4,225.77	0.00	4,225.77	Missing Prescription
			4,224.82	0.00	4,224.82	Missing Prescription
			3,724.55	0.00	3,724.55	Missing Prescription
		Sub Total	\$18,904.67	\$0.00	\$18,904.67	
			\$6,599.15	\$6,019.04	\$580.11	Billed Non-Code 9 - Missing Invoice
			6,599.15	6,469.90	129.25	Billed Non-Code 9 - Missing Invoice
			6,203.88	6,082.11	121.77	Billed Non-Code 9 - Missing Invoice
			5,911.75	5,520.35	391.40	Billed Non-Code 9 - Missing Invoice
			5,630.59	5,520.35	110.24	Billed Non-Code 9 - Missing Invoice
			5,630.59	5,257.84	372.75	Billed Non-Code 9 - Missing Invoice
			5,630.59	5,257.84	372.75	Billed Non-Code 9 - Missing Invoice
			4,964.44	4,672.87	291.57	Billed Non-Code 9 - Missing Invoice
			4,532.50	4,444.04	88.46	Billed Non-Code 9 - Missing Invoice
			4,512.31	4,247.33	264.98	Billed Non-Code 9 - Missing Invoice
			4,512.31	4,247.33	264.98	Billed Non-Code 9 - Missing Invoice
			4,224.82	4,142.13	82.69	Billed Non-Code 9 - Missing Invoice
			4,024.90	3,832.29	192.61	Billed Non-Code 9 - Missing Invoice
			3,970.60	3,737.17	233.43	Billed Non-Code 9 - Missing Invoice
			3,929.09	3,698.41	230.68	Billed Non-Code 9 - Missing Invoice
			3,725.39	3,652.30	73.09	Billed Non-Code 9 - Missing Invoice
			3,725.39	3,652.30	73.09	Billed Non-Code 9 - Missing Invoice
			3,724.55	3,651.47	73.08	Billed Non-Code 9 - Missing Invoice
			3,724.55	3,651.47	73.08	Billed Non-Code 9 - Missing Invoice
		Sub Total	\$91,776.55	\$87,756.54	\$4,020.01	
		Total	\$110,681.22	\$87,756.54	\$22,924.68	

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