



OFFICE OF INSPECTOR GENERAL
TEXAS HEALTH & HUMAN SERVICES COMMISSION

SYLVIA HERNANDEZ KAUFFMAN
INSPECTOR GENERAL

June 27, 2018

Mr. James Olivarez
Pharmacist in Charge
Richard's Pharmacy
4630 South Closner Blvd.
Edinburg, Texas 78539

Dear Mr. Olivarez:

The Texas Health and Human Services Commission (HHSC) Office of Inspector General (OIG) Audit Division conducted an audit of Richard's Pharmacy. The objective of the audit was to perform an inventory of selected attention-deficit/hyperactivity disorder (ADHD) drugs and determine whether, for the period of July 1, 2017, through December 31, 2017, Richard's Pharmacy correctly billed Medicaid, complied with Texas Administrative Code (TAC) requirements, and maintained sound controls over its information technology (IT) systems related to inventory controls.

The OIG Audit Division performed a reconciliation of drugs purchased and dispensed to the pharmacy's perpetual inventory records. It also tested documentation supporting a sample of 93 claims selected from a population of 338 ADHD drug claims submitted to the Vendor Drug Program for reimbursement during the audit period.

Test results indicated inventory records for the selected drugs were accurate, and test results did not identify any exceptions to Texas billing requirements or non-compliance with TAC requirements. In addition, the results of IT controls testing indicated that computerized data used during the audit was reliable and IT system controls related to inventory controls were sufficient.

The OIG Audit Division conducted this 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 the findings and conclusions based on our audit objectives. The OIG Audit Division

Mr. James Olivarez
June 27, 2018
Page 2

believes that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Thank you for your cooperation during this audit.

Cristine Melton for Sylvia Hernandez Kauffman

Sylvia Hernandez Kauffman