

THE FLORIDA SENATE  
2014 SUMMARY OF LEGISLATION PASSED  
**Committee on Health Policy**

**CS/CS/CS/SB 702 — Pharmacy Audits**

by Appropriations Committee; Judiciary Committee; Regulated Industries Committee; and Senators Bean and Sobel

The bill establishes the rights of a pharmacy when it is audited by a managed care company, insurance company, third-party payor, pharmacy benefit manager, or an entity that represents responsible parties such as companies or groups, collectively referred to as an “entity” in the bill. The rights include:

- To have at least 7 days prior notice of each initial on-site audit;
- To have an on-site audit scheduled after the first 3 days of the month;
- To limit the audit period to 24 months after the date a claim is submitted to or adjudicated by the entity;
- To have an audit that requires clinical or professional judgment conducted by or in consultation with a pharmacist;
- To use the written and verifiable records of a hospital, physician, or other authorized practitioner to validate the pharmacy records in accordance with state and federal law;
- To be reimbursed for a claim that was retroactively denied for a clerical, typographical, scrivener’s, or computer error, if the prescription was properly dispensed, unless the pharmacy has a pattern of such errors or fraudulent billing is alleged or the error results in actual financial loss to the entity;
- To receive the preliminary audit report within 120 days after the audit is concluded and to receive the final audit report within 6 months after receiving the preliminary report;
- To have 10 business days after the preliminary audit report is delivered to produce documentation to address a discrepancy or audit finding; and
- To have recoupment or penalties based on actual overpayments, not extrapolation.

The rights do not apply to audits that are based on a suspicion of fraud or wilful misrepresentation; audits of claims paid for by federally-funded programs; or concurrent reviews or desk audits that occur within 3 business days after transmission where no chargeback or recoupment is demanded.

An entity that audits a pharmacy located within a Health Care Fraud Prevention and Enforcement Action Team Task Force area designated by the United States Department of Health and Human Services and the United States Department of Justice is not required to provide 7 days prior notice of an audit if the pharmacy has been a member of a credentialed provider network for less than 12 months.

If approved by the Governor, these provisions take effect October 1, 2014.

*Vote: Senate 37-0; House 116-0*