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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/02/2014	.	
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The Committee on Judiciary (Thrasher) recommended the following:

Senate Amendment (with title amendment)

Delete lines 28 - 72
and insert:

(b) To have the on-site audit scheduled after the first 3
calendar days of a month unless the pharmacist consents
otherwise.

(c) To have the audit period limited to 24 months after the
date a claim is submitted to or adjudicated by the entity.

(d) To have an audit that requires clinical or professional
judgment conducted by or in consultation with a pharmacist.



610012

12 (e) To use the written and verifiable records of a
13 hospital, physician, or other authorized practitioner, which are
14 transmitted by any means of communication, to validate the
15 pharmacy records in accordance with state and federal law.

16 (f) To be reimbursed for a claim that was retroactively
17 denied for a clerical error, typographical error, scrivener's
18 error, or computer error if the prescription was properly and
19 correctly dispensed, unless a pattern of such errors exists,
20 fraudulent billing is alleged, or the error results in actual
21 financial loss to the entity.

22 (g) To receive the preliminary audit report within 120 days
23 after the conclusion of the audit.

24 (h) To produce documentation to address a discrepancy or
25 audit finding within 10 business days after the preliminary
26 audit report is delivered to the pharmacy.

27 (i) To receive the final audit report within 6 months after
28 receiving the preliminary audit report.

29 (j) To have recoupment or penalties based on actual
30 overpayments and not according to the accounting practice of
31 extrapolation.

32 (2) The rights contained in this section do not apply to:

33 (a) Audits in which suspected fraudulent activity or other
34 intentional or wilful misrepresentation is evidenced by a
35 physical review, review of claims data or statements, or other
36 investigative methods.

37 (b) Audits of claims paid for by federally funded programs;

38 (c) Concurrent reviews or desk audits that occur within 3
39 business days of transmission of a claim and where no chargeback
40 or recoupment is demanded; or



610012

41 (d) Audits related to fee-for-service claims under the
42 Medicaid program.

43 (3) An entity that audits a pharmacy located within a
44 Health Care Fraud Prevention and Enforcement Action Team (HEAT)
45 Task Force area designated by the United States Department of
46 Health and Human Services and the United States Department of
47 Justice may dispense with the notice requirements of paragraph
48 (1) (a) if such pharmacy has been a member of a provider network
49 for less than 12 months.

50 Section 2. This act shall take effect October 1, 2014.

51
52 ===== T I T L E A M E N D M E N T =====

53 And the title is amended as follows:

54 Delete lines 5 - 11

55 and insert:

56 are conducted by certain entities; providing a list of
57 audits not subject to such rights; providing an
58 exemption from the right to notice of an on-site audit
59 under certain circumstances; providing an effective