

Pharmacy Audit Components

The following information serves as a general guide to the components of a Medicaid Pharmacy Audit. Although the list provided may not be all-inclusive, it covers approximately 95% of discrepancies found through on-site and desk review audits. Questions regarding this information may be directed to Medicaid at (334) 353-5180.

- **DAW Audits** - Use of the Dispense As Written (DAW) codes will be audited on a regular basis to ensure correct billing.
- **Usual & Customary (U&C)** - For specified products, submitted charge will be compared to cash price to general public. Adjustments may be initiated.
- **Inaccurate Billing** - The NDC number of the product actually dispensed should be billed. The NDC number is package size and manufacturer specific. Days supply should be clinically appropriate according to prescription or physician's instructions.
- **Multiple Dispensing Fees** - Providers must have documentation to include call-in and hard copy prescriptions to support the multiple dispensing of the same product, same strength to the same patient within a 30 day period.
- **Drug Name, Form Strength & Quantity Differs From Prescription** – On CII prescriptions, the prescribing physician must authorize all changes from the original prescription before dispensing. Any change must be documented on the prescription.
- **Requirements for Signatures and Prescriptions** - Schedule II products require original prescription and signature. Other drugs may be called in without the subsequent signature of the physician as allowed by State law.
- **Tamper Resistant Prescriptions** - Prescriptions for outpatient drugs for Medicaid recipients which are executed in written (and non-electronic) form must be executed on tamper-resistant prescription pads. Non-compliant prescriptions will result in recoupment.
- **Changing Claim Information to Force Payment** - The system recognizes and denies exact duplicates. Providers may not alter NDC number, date of service, prescription number, or any other claim requirement to force payment through duplicate edits.
- **Timely Prescription Reversal** - If a patient or a patient's authorized representative has not picked up his/her prescription within sixty (60) days, the pharmacy is required to reverse the claim and credit Medicaid the amount originally billed.
- **Total Parenteral Nutrition (TPN)** - TPN prescriptions/orders include those used for hyperalimentation intradialytic parenteral nutrition (IDPN), and intraperitoneal nutrition (IPN). A certification statement of medical necessity must be written or stamped on the prescription/order, or accompany all TPN prescriptions/orders.

Continued violations of Medicaid claims processing policies may result in recoupment and referral to the Alabama Attorney General's Office for investigation of fraud.

