

**DEPARTMENT OF SOCIAL SERVICES  
AUDIT PROTOCOL - PHARMACY  
UPDATED FEBRUARY 1, 2015**

Listed are the most common audit findings for Medicaid pharmacy providers, and clarification of the criteria the Connecticut Department of Social Services (the “Department”) uses when it makes those findings. Disallowances for pharmacy services under the Medicaid program are governed by policies included in Connecticut Medical Assistance Program Provider Manual (PM), the Medicaid Provider Enrollment Agreement (PA), Provider Bulletins (PB), the Regulations of Connecticut State Agencies (Conn. Agencies Regs.), the Connecticut General Statutes (Conn. Gen. Stat.), the Code of Federal Regulations (C.F.R.), and the United States Code (U.S.C.).

<b>Audit Finding</b>	<b>Department Criteria</b>	<b>Regulatory Reference</b>
Billing - Institutional NPI submitted on claim instead of actual prescriber NPI	The Department will disallow payment if the Institutional NPI is submitted on the claim instead of the Prescriber NPI.	42 C.F.R § 455.40 PB 2008-50, 2007-81, 2007-68
Billing - Prescriber NPI on prescription does not match claim - different prescribing group	The Department will disallow payment if the Prescriber NPI on the prescription does not match the claim - different prescribing group.	42 C.F.R. § 455.40 PBs 2008-50, 2007-81, 2007-68
Billing - Primary TPL EOB not documented or submitted incorrectly on claim	The Department will disallow the difference between what was paid and what is allowed if Primary Third Party Liability is not documented or submitted incorrectly on the claim.	Conn. Gen. Stat. § 17b-265f Conn. Agencies Regs. § 17b-262-526(3)
Billing - Quantity dispensed does not match quantity on claim - partial fill	The Department will disallow the difference between the quantity paid and the quantity actually dispensed if the quantity dispensed does not match the quantity billed on the claim.	42 U.S.C. § 1396r-8(d)(6) Conn. Agencies Regs. §§ 17-134d-81(b)(19)(D); 17-134d-81(e)(2)

Documentation - Counseling offer not documented or invalid for date of service	The Department will disallow the dispensing fee or co-pay if the counseling offer is not documented or is invalid for the date of service.	42 U.S.C. § 1396r-8(g)(2)(A)(ii) Conn. Gen. Stat. § 20-620(c) & (e)
Documentation - DAW1	The Department will disallow the difference between the cost of the brand name and generic name if the required "Brand Medically Necessary" is missing on the prescription for the claim submitted as DAW1. [As of 7/1/14 Proper coding on a certified electronic prescription will also be accepted]	Conn. Gen. Stat. § 20-619(c); 17b-274 Conn. Agencies Regs. § 17-134d-81(i)(1)(C)
Documentation - Delivery not documented	The Department will disallow payment if the provider does not document that the prescription was delivered to the recipient's place of residence.	PA Sections 7, 15, 21 & 22
Documentation - Diagnosis Code	The Department will disallow payment if the diagnosis code submitted on a claim is not on the prescription.	Conn. Agencies Regs. §§ 17-134d-81(e)(3)(J); 17-134d-81(f)(A)
Documentation - Directions do not match prescription SIG	The Department will disallow payment if directions on the prescription record concerning dosage and frequency do not match the directions on the original prescription.	Conn. Gen. Stat. §§ 20-614(a), (b) & (c), Conn. Agencies Regs. § 17-134d-81(b)(19)(E)
Documentation - Prescriber signature missing or invalid	The Department will disallow payment if the prescriber signature is missing or invalid on the prescription. Examples of invalid signatures include electronic signatures on prescriptions for controlled substances converted to a facsimile or electronic signatures on written prescriptions used to prescribe controlled substances. Stamped and preprinted signatures are also invalid.	21 C.F.R. §§ 1306.05(d); 1306.08(a) & (b); 1311.170(b) & (f); 1311.200(g); 1306.05(a) & (d) Conn. Gen. Stat. §§ 20-614(a), (b) & (c)

Documentation - Refills	The Department will disallow payment if a refill is rolled over to a new prescription number without prescriber authorization.	42 U.S.C. § 1396r-8(d)(6) Conn. Gen. Stat. § 20-616(a) Conn. Agencies Regs. § 17-134d-81(e)(2)(B)(i)
Documentation - RX missing	The Department will disallow payment if the prescription is missing from the pharmacy files or does not cover the date of service of the claim.	Conn. Gen. Stat. §§ 20-614; 20-615(a); 21a-244a(b); 21a-249(d); 21a-65; 21a-249(a)(6) & (c) Conn. Agencies Regs. §§ 17-134d-81(g)(2); 17-134d-81(b)(19)
Documentation - Tamper Resistant	The Department will disallow payment if the prescription does not meet tamper resistance requirements.	42 U.S.C. § 1396b(i) (CMS) publication SMDL #07-012 PB 2008-44
Services - Dispensing quantity greater than on prescription	If the quantity dispensed is greater than what was ordered on the prescription, the Department will disallow the difference between the amount paid for what was dispensed and the amount that would have been paid if the amount dispensed were consistent with the order.	42 U.S.C. § 1396r-8(d)(6) Conn. Agencies Regs. §§ 17-134d-81(b)(19)(D); 17-134d-81(e)(2)
Services - Dispensing quantity less than on prescription	The Department will disallow the dispensing fee if the quantity dispensed was less than what was ordered on the prescription.	42 U.S.C. § 1396r-8(d)(6) Conn. Agencies Regs. §§ 17-134d-81(b)(19)(D); 17-134d-81(e)(2)
Services - Generic written filled brand not on PDL	The Department will disallow the difference between the amount paid for the brand name over the generic allowed amount if the prescription was for a generic and was filled with a brand medicine that is not on the preferred drug list. The Department will disallow the entire amount if the generic is not covered by Medicaid.	Conn. Gen. Stat. §§ 19a-521d, 20-619(c) Conn. Agencies Regs. §§ 17b-262-688(c); 17b-262-691(d); 17-134d-81(i)(1)(C)
Services - Prescription filled greater than six months from the date written	The Department will disallow payment if documentation demonstrates that a prescription was billed beyond six months from the date the prescription was written.	42 U.S.C. § 1396r-8(d)(6) Conn. Agencies Regs. § 17-134d-81(e)(2)(B)(i)

