

# Title: Pharmacy and Prescriber Controlled Substance Reporting – Monitoring Pharmacy Utilizations Activity (Medicaid) (CHC reports /Pharmacy/SIU)

**Issuance Date: May 15, 2023**

(Must be reviewed annually)

### Applicable Regulations, Guidelines, and AHS Policy:

#### Federal statute or rule:

CFR § 455.12 - State Plan Requirement:

- Must meet the requirements of §§ 455.13 through 455.23.

CFR § 455.13 - Methods for identification, investigation, and referral.

- (a) Methods and criteria for identifying suspected fraud cases

CFR § 455.14 - Preliminary investigation:

- When a complaint of fraud or abuse identifies any questionable practices, the state must conduct a preliminary investigation to determine if there is enough basis to warrant a full investigation.

CFR § 455.15 - Full investigation:

- If the findings of the preliminary investigation give sufficient reasons to believe an incident of fraud and abuse has occurred in the Medicaid program, the state must take the following action as appropriate:
- If a provider is suspected of fraud or abuse, the agency must refer the case to the MFRAU.

CFR § 455.16 - Resolution of full investigation:

- Initiate appropriate legal action, sending warning letter to the provider, suspending, or terminating the provider from participation in the Medicaid program, seeking recovery of payments, imposing other sanctions provided under the State plan.

CFR § 455.21 - Cooperation with State Medicaid fraud unit.

- Refer all cases of suspected provider fraud to the unit.

CFR § 455.23 - Suspension of payments in cases of fraud.

- Basis for suspension, notice of suspension, duration of suspension, referrals to the MFRAU.

## Purpose:

The purpose of this SOP is to define the role of the Special Investigations Unit (SIU) and the Pharmacy Unit in monitoring improper billing within our pharmacy program, primarily focused on controlled substance utilization patterns across the State of Vermont.

The SIU analyzes provider prescribing and pharmacy dispensing patterns across the State of Vermont for Medicaid members. The Pharmacy Unit assists this effort by working with an outside vendor to produce customized reports that will sufficiently support SIU’s efforts. They also provide consultative clinical support, when needed, to adequately determine if the utilization patterns are clinically supported.

SIU utilizes MMIS data and analytical tools to recognize patterns in pharmacy claims. Through an increased oversight of claims, suspicious patterns can be identified and scrutinized for further investigation. The units have established quarterly meetings to review the analyzed results and reports. Both units may also use these meetings to discuss other projects or trends unrelated to recurring reports produced for SIU. Each unit determines their scope of work based on the analytics reviewed. The units coordinate activities to address both provider and beneficiary controlled substance issues across the State of Vermont.

## Procedure:

SIU and the DVHA Pharmacy Unit work together to monitor statewide controlled substances prescribing activities for both providers and pharmacies. There may also be other fraud, waste, and abuse trends or topics for discussion and collaboration during the joint quarterly meetings between the two units. SIU uses various analytical tools (Business Objects, MMIS, etc.) to analyze the data and reports provided, and analyzes the data for aberrant billing practices and outlier prescriber patterns. Utilizing an outside vendor’s reports and SIU analytical tools, the Pharmacy Unit provides expertise on pharmacy operations and prescriber patterns regarding drug claims.

## Revision History:

Date	Summary of Revisions
3/17/2022	OMU review, changed PI to SIU, updated to ADA template. Added appointing authority.

Table 1 Revision History