



State of Georgia
In conjunction with
NASPO ValuePoint

Electronic Request for Proposals ("eRFP")
eRFP (Event) Number: 41900-DCH0000136
Event Name: Pharmacy Benefit Services

Attachment H -
Pharmacy Fraud, Waste, and Abuse (FWA)
Audit Services Scope of Work

TABLE OF CONTENTS

1	INTRODUCTION.....	3
2	AUDITS	3
2.1	GENERAL AUDIT SUPPORT	3
2.2	DESK AUDITS	4
2.3	FIELD AUDITS	5
2.4	GRIEVANCES.....	6
3	CONCURRENT REVIEWS.....	6
3.1	CONCURRENT REVIEW SELECTION.....	6
3.2	CONCURRENT REVIEW PROCEDURES.....	6
4	REPORTING AND DATA-RELATED REQUIREMENTS.....	7
4.1	REPORTING.....	7
4.2	DATA MANAGEMENT	8
4.3	DATA GOVERNANCE	9
4.4	DATA MODEL AND DATA DICTIONARY	9
4.5	EXTRACT, TRANSFORM, AND LOAD (ETL).....	9
4.6	DATA MINING	10
5	PHARMACY LOCK-IN (PLI) PROGRAM.....	10
5.1	OVERVIEW	10
5.2	PLI PROGRAM REQUIREMENTS	10
6	FRAUD, WASTE AND ABUSE (FWA) AUDIT SERVICES COMMON REQUIREMENTS.....	13
6.1	OVERVIEW	13
6.2	COMMUNICATION MANAGEMENT	13

1 INTRODUCTION

The Contractor shall provide Pharmacy Fraud, Waste and Abuse (FWA) Audit Services for the State's Fee-for-Service (FFS) Medicaid pharmacy program. Services to include, but are not limited to, 1) Support for audits from the State that will also be educational in nature and serve to enhance Provider knowledge of the State policy as per contractual obligations, 2) Support to the State to identify and respond to fraud, waste and abuse within the system, including that of Members and Providers, and to assist Providers with education and corrective action, and 3) Support to the State to ensure the compliance of systems and services with federal and state law and the State's pharmacy program policies, procedures, and processes.

The purpose of this document is to provide a high-level, comprehensive description of the scope and requirements to support the provisions of the Pharmacy Fraud, Waste and Abuse (FWA) Audit Services.

2 AUDITS

2.1 GENERAL AUDIT SUPPORT

2.1.1 The Contractor shall fully cooperate with and assist the State's Office of Inspector General, or equivalent office or agency, and any other state or federal agency charged with the duty to identify, investigate, or prosecute suspected FWA cases, in accordance with applicable state laws, to include:

- a. Permit access to the Contractor's place of business during normal business hours;
- b. Provide requested information;
- c. Permit access to personnel, financial and medical records;
- d. Provide internal reports of investigative, corrective, and legal actions taken relative to the suspected case of Fraud and Abuse.

2.1.2 The Contractor shall maintain and execute processes and procedures to identify and flag suspected fraud, waste, and abuse and report fraudulent Claims to the State.

2.1.3 The Contractor shall have a Dedicated call line for the State Medicaid FFS program to assist participating Providers and special requestors with inquiries regarding a variety of issues, such as:

- a. Audit processing questions
- b. Desk audit scheduling and inquiries

- c. Dispute of audit findings
 - d. Other inquiries related to the Contractor's services for the State Medicaid FFS Pharmacy Program
 - e. The Contractor shall ensure that staff are available to provide responses within two (2) Business Days to Provider inquiries regarding their audits.
- 2.1.4 The Contractor must provide telephone support during State business hours via a Dedicated toll-free number at no additional cost to the State.
- 2.1.5 The Contractor shall ensure that all customer representatives are English proficient and shall provide multilingual access via a reputable, industry-recognized telephone translation service, as required by the State.

2.2 DESK AUDITS

2.2.1 Desk Audits Selection

- a. The Contractor shall utilize a random selection process to prevent overlapping reviews within a given timeframe for desk audits based on Claims and not specific to Pharmacies. Random selection criteria must be approved by the State in writing. This does not preclude the Contractor from performing further research on a particular pharmacy once standard Claims reviews indicate a repetitive concern relative to a single Provider.
- b. Once selected for audit, the Contractor will notify all Providers via media agreed upon by the State (e.g., letter, email, fax, phone) including specific directions, a list of selected Claims, a reasonable time to respond (as determined by the Contractor and the State), and conditions for which an extension may be granted if needed.
- c. The Contractor shall ensure the maximum number of Claims allowed for a desk audit comply with all State laws.

2.2.2 Desk Audit Procedures

- a. After completing an audit, the Contractor shall review findings with the State for approval. Upon approval, the Contractor shall send an initial results letter, via electronic, regular, or certified mail, to the Provider as agreed upon by the State and allow the Provider thirty (30) Calendar Days from the date of the letter to respond or correct any deficiency.
- b. The Contractor shall issue a final results letter to the Provider allowing an additional thirty (30) Calendar Days for the Provider to respond or submit a grievance if no response or correction was provided.

- c. All audits must be conducted within the timeframes and requirements that follow federal and state timelines. At the conclusion of each desk audit, the Contractor shall send any discrepant Claims to the State for review and approval. Once approved, the Contractor shall forward the discrepant Claims to the State's PBA vendor for reversal.

2.3 FIELD AUDITS

2.3.1 Field Audit Selection

- a. The Contractor shall establish a method, subject to State review and written approval, to randomly select Providers for field audit which ensures a representative sampling of regions and Providers based on Claim types.

2.3.2 Field Audit Procedures

- a. The Contractor shall provide field audit procedures to the State for review and approval.
- b. The Contractor shall notify Providers in writing at least two (2) weeks in advance of any field audit. The Contractor reserves the right to conduct unannounced site visits as permitted by state and federal rules.
- c. During the on-site visit, the Contractor may allow the Provider's staff to assist with pulling the prescriptions to be reviewed.
- d. Within two (2) weeks after the visit, the Contractor shall review findings with the State for approval. Upon approval, the Contractor shall send the Provider a results letter notifying the Provider that it has thirty (30) Calendar Days to respond to and correct any discrepancies, if applicable.
- e. After the above thirty (30) Calendar Days, the Contractor shall send a final results letter to the Provider giving the Provider an additional thirty (30) Calendar Days to respond by filing a grievance.
- f. The Contractor must conduct all audits within the timeframes and requirements as outlined in applicable state and federal Laws.
- g. At the conclusion of each field audit, the Contractor shall send any discrepant Claims to the State's Program Integrity (PI) unit for review and approval. Once approved, the Contractor shall forward the discrepant Claims to the State's PBA vendor for reversal.

2.4 GRIEVANCES

- 2.4.1 The Contractor shall have a grievance process in place for all audits performed under the Contract. Additionally, the Contractor shall comply with all state policies and procedures regarding settlements and write-offs.
- 2.4.2 The Contractor shall submit to the State, for approval, and maintain all written policies regarding how grievances and settlements are addressed, including timelines for response and resolution and all documentation regarding processing state-approved settlements.
- 2.4.3 The Contractor shall submit templates for letters and any other documentation used for grievances and state-approved settlements to the State for approval.
- 2.4.4 The Contractor shall submit all grievances it receives to a separate committee, agreed upon by State, not affiliated with the State audit to review Claims under the grievance.
- 2.4.5 The Contractor shall establish an administrative review process for all discrepancies upheld. Pharmacies shall have the right to request an administrative review followed by an Administrative Law Judge (ALJ) review.
- 2.4.6 The Contractor shall provide supportive professional and administrative services for Appeals, prepare case summaries, and provide testimony regarding the review process during the administrative hearing.

3 CONCURRENT REVIEWS

3.1 CONCURRENT REVIEW SELECTION

- 3.1.1 The Contractor shall provide and maintain a concurrent review program that will allow the State to examine potential errors on pharmacy Claims submitted to the State's PBA vendor within twenty-four (24) to forty-eight (48) hours after a Point of Sale (POS) Claim adjudication submission.
- 3.1.2 The Contractor shall document and submit to the State, for review and written approval, its procedures for conducting concurrent reviews.

3.2 CONCURRENT REVIEW PROCEDURES

- 3.2.1 The Contractor shall analyze all paid Claims that would be subject to and identified for a concurrent review. This timeframe must not exceed forty-eight (48) hours after a paid Claim submission.

- 3.2.2 Once chosen, the Contractor shall notify the identified pharmacy(ies) billing the Claim(s) as quickly as possible, e.g., by facsimile, within twenty-four (24) hours when a discrepant Claim is submitted to ensure the billing discrepancy or potential overpayment may be expeditiously adjusted.
- 3.2.3 The Contractor must ensure that all of the Claims that are selected for review will have the opportunity to be revised and examined by the Providers for potential error corrections.
- 3.2.4 The Contractor shall provide notification to Providers describing the error, the reason the Claim was determined to be in error, and suggestions to prevent the error in the future.
- 3.2.5 The Contractor shall provide recommendations to the State on how to prevent reoccurring Provider payment discrepancies observed in the Contractor's concurrent review.
- 3.2.6 On a monthly basis, the Contractor shall deliver a summary of concurrent review Claims that shall include, but not be limited to, the following information:
 - a. The number of Providers contacted.
 - b. The number of Claims flagged for review.
 - c. Any unresolved discrepant Claims that were not remedied.
 - d. Estimated cost avoidance to the State.

4 REPORTING AND DATA-RELATED REQUIREMENTS

4.1 REPORTING

- 4.1.1 The Contractor shall provide detailed audit reports in a customized format as determined by the State.
- 4.1.2 The Contractor shall have the ability to provide detailed reports at the Provider level.
- 4.1.3 The Contractor shall provide reporting to demonstrate compliance with all performance requirements at the specified frequency outlined in the Contract or as indicated by the State.
- 4.1.4 The Contractor shall produce Ad hoc and other reports not previously identified or requested by the State for review and approval within the timeframes set at the time of request.

4.2 DATA MANAGEMENT

- 4.2.1 The Contractor shall work with the State and all the State-identified third-party vendors to accept its existing file formats either currently or with modifications prior to go live date. In the event any file formats are required to change, the Contractor shall conduct trouble-shooting or problem-solving exercises and make any necessary modifications to its existing file formats to effectuate information exchange at a cost agreed upon with the execution of a Deliverable Expectation Document (refer to Attachment C - Common Scope Requirements and Security Standards, Section 7.2 Deliverable Expectation Document (DED)).
- 4.2.2 Data transmission between the Contractor and other systems shall have the ability to use standard protocols [e.g., Secure File Transfer Protocol (SFTP), secure web services] and physical reports.
- 4.2.3 The Contractor shall receive paid Claims data electronically via a secure transfer method (e.g., SFTP or web service) at the frequency outlined in the Contract, or other frequency as directed by the State.
- 4.2.4 The Contractor shall maintain a data dictionary of all the data elements that will be received in paid Claims and shall create the Extract, Transform, Load (ETL) process for the identified data elements.
- 4.2.5 The Contractor shall document all data elements, processes, methodologies, mechanisms, protocols, and other related information for each data source in an Interface Control Document. The Contractor shall create and maintain a separate Interface Control Document for each data source.
- 4.2.6 The Contractor shall make the necessary changes to data via the ETL process. Current State vendors will not be responsible for adjusting data to meet the needs of the Contractor unless determined by the State and agreed to by the data source vendor.
- 4.2.7 The Contractor shall be able to understand and handle the data structure of sources and know how to handle sources with different natures such as flat files with and without headers/trailers, re-defined areas, relational, hierarchical, XML, HTML, and other file structures.
- 4.2.8 The State will not consider changes to third party vendors as new interfaces or Data Exchanges. The Contractor shall include possible changes to these standard, high priority Data Exchanges as ongoing maintenance.
- 4.2.9 The Contractor shall ensure the data retention requirements are in accordance with all federal and state laws and regulations.

4.3 DATA GOVERNANCE

- 4.3.1 The Contractor shall participate in the Data Governance process, as defined and administered by the State. The Data Governance process will define processes and adjudicate concerns for items including, but not limited to:
- a. Enterprise data lifecycle management processes (including master Data Management) and alignment to the State's Enterprise Data Management Strategy (EDMS).
 - b. Data synchronization processes.
 - c. Data formats for data exchanged by/between systems in the State's Enterprise.
 - d. Management of reference data (i.e., code list versions).
 - e. Dispute resolution for data management issues.
- 4.3.2 The Contractor shall develop processes consistent with the State's EDMS and with the standards from groups it references such as CMS [including Transformed Medicaid Statistical Information System (T-MSIS) and State Drug Utilization Data (SDUD)], and Health Insurance Portability and Accountability Act (HIPAA).

4.4 DATA MODEL AND DATA DICTIONARY

- 4.4.1 The Contractor shall organize the data in a logical, flexible, scalable, and extensible configuration in which individual elements and tables can be linked to each other across conformed dimensions for multiple business uses.

4.5 EXTRACT, TRANSFORM, AND LOAD (ETL)

- 4.5.1 The Contractor must be able to extract data in different formats from the various source systems, transform the many different formats into a common format consistent with the Data Model and Data Dictionary, utilizing Data Cleansing procedures to ensure extracted data is standardized and aligned with data quality standards and then load the data to the appropriate data tables. The ETL processes must be extensible and scalable for ease of changes and to transform many different data structure formats.
- 4.5.2 The Contractor shall be responsible for the costs of establishing and maintaining secure encrypted connections with State-identified third-party vendors and for any fees charged for establishing and maintaining the connections.

- 4.5.3 The Contractor shall execute the required Trading Partner Agreements with State-identified third-party vendors.

4.6 DATA MINING

- 4.6.1 The Contractor shall provide a Data Mining strategy/plan to meet the requirements of the Contract.
- 4.6.2 The Contractor shall have a Data Mining tool to identify fraud, waste, and abuse for field and desk audits for the following:
- a. Outpatient pharmacy Claims
 - b. Hospital, provider-administered and prescription Claims
 - c. Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Claims
- 4.6.3 The Contractor shall allow for desk audit functions to be specific to the State's Claims and not performed as a batch review across national Claim levels.
- 4.6.4 The Contractor shall develop and maintain various Data Mining algorithms as a tool to identify fraud, waste, and abuse.
- 4.6.5 The Contractor shall implement and report on Data Mining algorithm strategies at intervals defined by the State.

5 PHARMACY LOCK-IN (PLI) PROGRAM

5.1 OVERVIEW

- 5.1.1 In the event the State chooses to implement Member Fraud and Abuse detection services, the Contractor shall review pharmacy and medical utilization of Members to identify areas of concern for both Members and Providers, as identified by the State, and provide recommendations for prohibiting misuse.

5.2 PLI PROGRAM REQUIREMENTS

- 5.2.1 The Contractor shall review Member utilization of pharmacy and medical services in areas of concern as identified by the State. Items to review include, but are not limited to:
- a. Multiple prescribers of controlled drugs.
 - b. Early refills of controlled drugs.
 - c. High dose of controlled drugs.

- d. Excessive use of controlled drugs.
 - e. Chronic use of controlled drugs with no diagnosis.
 - f. Duplication of therapy.
- 5.2.2 The Contractor shall use all available Claims, enrollment, and eligibility data in the Medicaid Management Information System (MMIS) (and/or any other system identified by the State), to identify Members for the Pharmacy Lock-In (PLI) program. The criteria for identifying candidates for the PLI program must, at a minimum, include:
- a. Number of physicians.
 - b. Number of pharmacies.
 - c. Number of prescriptions.
 - d. Controlled drugs.
 - e. Diagnoses.
 - f. Total cost.
- 5.2.3 The Contractor shall review member lock-in criteria, at minimum, on a quarterly basis for any necessary updates. The minimum number of Member reviews conducted, including those of lock-in members, per month will be determined and agreed upon by the State in accordance with state and federal laws.
- 5.2.4 If the Member chooses a lock-in Provider, the Contractor shall prepare and send a letter to the chosen Provider, electronically, or as agreed upon by the State, requesting the Provider to become the Primary Care Provider (PCP) for the Member. The Contractor shall contact the Provider by telephone as a follow-up to the letter.
- 5.2.5 For Members identified for the PLI program, the Contractor shall set up a case and send a lock-in letter to the Member asking them to select a lock-in Provider. The Member shall choose a lock-in Provider (PCP as well as Pharmacy). If the Member does not choose a lock-in Provider, the Contractor shall identify a Provider who is willing to serve as the PCP.
- 5.2.6 The Contractor shall recruit Providers (PCPs and Pharmacies) who are willing to serve as lock-in Providers in all geographical areas of the state. If no Providers in a specific area are willing to serve, the Contractor shall notify the State in writing of the problem area.
- 5.2.7 On approval of the Provider, the Contractor shall prepare and send a letter to the Member notifying the Member of the lock-in Provider and report to the State. The Member shall have thirty (30) days' notice prior to the

Effective Date of the lock-in. The lock-in shall take place on the first of the month.

- 5.2.8 At least once annually, or at an agreed upon timeframe, the Contractor shall review each lock-in Member's utilization to determine if the problems have been corrected. If inappropriate utilization still exists during the fourth (4th) consecutive quarter, the Contractor shall recommend a course of action and the restriction will be extended for one (1) additional year. If the problems have been corrected during the fourth (4th) consecutive quarter, the Member's lock-in restrictions will be terminated. The Contractor shall prepare and send State-approved notification letters to the Member(s), prescriber(s), and pharmacy(ies) as approved by the State and report to the State.
- 5.2.9 After a Member has been released from the PLI program restriction, the Contractor shall review the Member's utilization after two (2) quarters to determine whether the PLI restriction should be reapplied and notify the State, in writing, of the results of the review. If the Member is to rejoin the PLI program, the Contractor shall prepare and send lock-in letters to the Member, prescriber(s), and pharmacy(ies), as approved by the State, and report to the State.
- 5.2.10 The Contractor shall reassign a Member to a lock-in Provider if a selected lock-in Provider requests the reassignment or can no longer serve as the lock-in Provider.
- 5.2.11 The Contractor shall log all PLI program activity, including the type of activity, and the date the activity occurred.
- 5.2.12 The Contractor shall provide State staff with a monthly list of Members under review.
- 5.2.13 The Contractor shall inform the State of all activities requested for use in Appeals and fair hearings, including preparation of case summaries and providing testimony regarding the review process during the administrative hearing.
- 5.2.14 The Contractor shall meet with the State as needed, or otherwise agreed upon schedule, to review restricted Members, problems, and changes in the review process.
- 5.2.15 The Contractor shall assist the State with communication development for healthcare quality concerns to Providers and Members.
- 5.2.16 The Contractor shall provide monthly reports within five (5) Business Days of the end of each month to, at a minimum, include the number of Members



reviewed, placed, and released in the PLI program, and prescribers and pharmacies with inappropriate utilization of controlled substances.

6 FRAUD, WASTE AND ABUSE (FWA) AUDIT SERVICES COMMON REQUIREMENTS

6.1 OVERVIEW

- 6.1.1 This section contains additional requirements related to those provided in Attachment C – Common Scope Requirements and Security Standards for which the Contractor is responsible.

6.2 COMMUNICATION MANAGEMENT

- 6.2.1 The Contractor shall prepare all communication documents, including Provider information letters for notification of data submission requirements for audit, notification of field audits, and outcomes and resolution of audits performed. All communication documents must be approved in writing by the State prior to release or distribution.