

Post this information on your Pharmacy Bulletin Board



Highlights of Maximum Allowable Cost Bill (Act 1194)

Act 1194 of the 89th General Assembly addresses issues surrounding Maximum Allowable Cost (MAC) payments. Bill enforcement is by the Attorney General under the Deceptive Trade Practices Act. The bill requires:

1. Access to applicable MAC list(s).
 2. Timely updates – within seven days of any change on which the MAC is based.
 3. Prompt notification of MAC updates.
 4. A reasonable process for an administrative appeal procedure to allow pharmacies to challenge MACs in the following situations:
 - If the requirements of the section are not met.
 - The cost to the pharmacy is greater than the MAC for the drug in question.
 - The pharmacy must appeal within three business days of the date of service.
 - The PBM shall respond within seven business days.
1. If the appeal is upheld:
 - a) Make the change in the MAC.
 - b) Permit the challenging pharmacy to reverse and rebill.
 - c) Change the MAC on the list effective for other pharmacies.
 2. If the appeal is denied:
 - a) Provide the challenging pharmacy with the NDC number used as the basis for determining the MAC is reasonable.
 - b) Permit the challenging pharmacy to reverse the claim and submit a new claim.

For questions, please contact APA at 501-372-5250.

Post this information on your Pharmacy Bulletin Board



Provisions of the PBM Audit Bill (Act 517)

In Arkansas the 88th General Assembly in 2011 passed Act 517, the Pharmacy Audit Bill of Rights. This bill provided the following audit protections:

1. PBM must give one week's notice before the initial audit.
2. Audits involving clinical or professional judgment must be conducted by or in consultation with a pharmacist.
3. Clerical or record-keeping errors shall not, in and of themselves, constitute fraud.
4. Pharmacies must be allowed to obtain records from a hospital, physician, or other authorized healthcare professionals by any means to validate a prescription.
5. Recoupment shall be based on actual overpayment – not a projection.
6. Claims for audit (desk or in-house) that are in question because of a specific problem must be identified with the prescription number.
7. Random audits are limited to 25 prescriptions that are randomly selected.
8. Additional audit review, if necessary, shall be conducted on-site at the pharmacy.
9. No more than 2 audits per year can be initiated unless there is a specific problem identified (see #6 above).
10. The creation or maintenance of document requirements cannot exceed requirements of the Arkansas State Board of Pharmacy.
 - a. Does not apply to FDA regulations or manufacturer safety programs.
11. Recoupment can only occur after correction and resubmission of a claim and shall be limited to amounts paid in excess of the corrected claim.
12. Except for Medicare claims, approval of drug, prescriber, or patient eligibility shall be final at adjudication of the claim.
13. The pharmacy must be allowed 30 days to address any discrepancies in the audit.
14. Audit cannot go back more than 24 months.
15. Unless agreed to by pharmacy, an audit cannot be performed in first seven days of the month.
16. Preliminary audit report must be provided to the pharmacy within 120 days of the audit.
17. Final audit report must be provided within six months of the date of the audit.
18. No extrapolation method can be used.
19. Full amount of audit must be refunded to the responsible party (payer – i.e. employer).
20. Payer can pay a reasonable amount for the audit to be conducted.
21. Auditing firms not contracted directly with the payer cannot be paid based on percentages or recoupment amount.
22. This act does not apply to audits involving fraud on the part of the pharmacy.

For questions, please contact APA at 501-372-5250.
