



IMPROVE OVERSIGHT— GAIN INSIGHT THROUGH A COMPREHENSIVE PBM AUDIT



PBM audits are an integral part of a plan's overall risk assessment strategy and are also essential in ensuring that financial and contractual terms are being administered as intended. BluePeak can perform comprehensive or targeted PBM audits for all lines of business.



FINANCIAL AUDIT

- **Aggregate Financial Guarantees:** Review and validate PBM's financial guarantee against actual performance.
- **Average Wholesale Price (AWP) Accuracy:** Verify proper AWP unit pricing was applied on the date of service for the NDC dispensed.
- **AWP Discounts:** Validate the accuracy of brand and generic claim level discounts for the applicable distribution channels and/or networks outlined in the Agreement.
- **Dispensing Fees:** Validate claims reflect contracted dispensing fees for all distribution channels and networks outlined in the Agreement.
- **Lower of Pricing Logic:** Verify the accuracy of lower of pricing logic.
- **Plan Payment Formula Accuracy:** Verify the accuracy of the formula used for plan payment billing accounts for all discounts, fees, taxes and reported member cost.
- **Pass Through Pricing:** Verify the accuracy of pass-through pricing.
- **Rebate Guarantees:** Review and validate PBM's rebate reconciliation of contracted per claim/minimum guarantees in accordance with the terms of Agreement.
- **Specialty Drug Pricing:** Validate discounts and dispensing fees for specialty products.



FORMULARY ADMINISTRATION AUDIT

- **Age/Gender Restrictions:** Verify claims processed accurately according to age and/or gender restrictions.
- **Excluded Products:** Validate claims did not adjudicate for excluded drugs and/or drug classes and if applicable, verify covered Enhanced/OTC products processed appropriately.
- **Formulary Tier:** Validate claims processed with the correct formulary tier according to the Formulary.
- **Prior Authorization:** Verify that claims for drugs subject to prior authorization requirements adjudicated with a prior authorization.
- **Quantity Limitations:** Validate that claims for drugs subject to quantity limits processed within the allowed limitations.
- **Step Therapy:** Verify that claims for targeted drugs subject to step therapy criteria adjudicated according to the step therapy criteria and prerequisite requirements.



BluePeak can help. Contact us today.

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BENEFIT DESIGN AUDIT

- **Benefit Accumulators:** Verify benefit accumulators are accurately coded according to benefit design documentation. For plans with integrated medical/pharmacy accumulators, these may be incorporated to assess the following:
 - Deductibles
 - Maximum Benefits
 - Maximum Out of Pocket
 - Medicare Part D Benefit Accumulators (as applicable)
- **Copay/co-insurance Administration:** Verify the accuracy of member copays and/or coinsurance according to benefit design documentation and CMS benefit guidance and accounting for:
 - Brand/Generic/Tiers
 - Day Supply Multiplier
 - Distribution Channel (Retail/EDS/Mail/Specialty)
 - Exception Copay Programs (Diabetic Supplies/OTC/ACA)
 - Minimum/Maximum Copay and Coinsurance



REBATE ADMINISTRATION AUDIT

(5 Manufacturers or a minimum of 50% of rebates)

- **Allocation Accuracy:** Verify rebates were allocated according to rebate sharing terms of the PBM Agreement.
- **Collection Accuracy:** Verify PBM's collection efforts of invoiced rebates for the sampled manufacturers and quarters
- **Direct and Indirect Renumeration (DIR) Accuracy:** Verify that the PBM reported rebate related DIR accurately in the annual DIR report.
- **Invoicing Accuracy:** Validate all eligible claims and quantities were invoiced for rebates for the sampled manufacturers and quarters.
- **Rebate Inclusion:** Verify that all drugs eligible for rebates were included in the invoicing to the sampled manufacturers.
- **Rebate Rates:** Verify the PBM invoiced the appropriate rebate rates for a sample of formularies and benefit plan/copay structures according to the rates outlined in the manufacturer agreements.
- **Wholesale Acquisition Cost (WAC) Validation:** Verify the Wholesale Acquisition Cost (WAC) utilized for rebate invoicing was accurate according to Medi-Span WAC pricing updates.



MEDICARE AUDIT REVIEW

- **Transitional Fills:** Verify that members eligible for transition fills appropriately received their prescriptions according to CMS guidance.
- **PDE Accuracy and Timeliness:** Validate PDE records accurately reflect financials reported in the claims data and were submitted in a timely manner according to CMS guidance.
- **Part B vs. D:** Verify claims processed appropriately for drugs covered by Medicare Part B and Part D.
- **Retro-LICS Adjustment Accuracy & Timeliness:** Verify that beneficiary adjustments were processed accurately and timely according to CMS guidance.
- **Rejected Claims Analysis:** Review rejected claims against the approved CMS formulary to ensure beneficiaries did not experience access to care issues and claims rejected appropriately according to the utilization management edits specified in the HPMS formulary file.