

**State of North Carolina
State Health Plans for Teachers
and State Employees
Pharmacy Benefit Audit**



Thursday, October 26, 2023

Today's Agenda



Myers and Stauffer – Company Overview

Background and Prescription Benefit Audit Related Work

Audit Team

Pharmacy Benefit Manager Audit Services Required and Methodologies

Questions



Company Overview



About Us

We are a public accounting firm providing diverse services to state and federal agencies managing government sponsored health care programs.



Our Mission

We are dedicated to delivering benefit audit expertise with exception service.



Website

www.myersandstauffer.com

Myers And Stauffer PBM related focused work

PBM Audits – State government agencies and Employer/Retiree benefits

Spread Pricing & Clawback Analysis

CMS PBM Audits; 1/3rds, MOEG, MEDIC

Medicaid Medical Loss Ratio Support

State Agency and Federal Government Consulting

Audit Team Background and Experience

Joe Schauer, M.S., R.Ph.

36 years pharmacy experience encompassing prescription benefits management (PBM) administration, retail pharmacy practice, mail order pharmacy, specialty pharmacy, third party administration, auditing and consulting

ROLE

Develop and lead PBM audits and provide operational pharmacy benefit support to government clients

Christianna Moore, B.S., CPhT

10 years pharmacy and accounting experience encompassing PBM audit, retail pharmacy operations, Medicare Part D compliance, and program integrity

ROLE

Manage PBM audits, audit deliverables, and audit staff, and liaison with PBMs and other healthcare agencies

North Carolina Core Audit Services

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Plan Design Accuracy Audit

2

AWP Accuracy Audit

3

**Pricing Guarantee
Accuracy Audit**

4

MAC List Audit

5

Rebate Audit

6

Invoice Reconciliation

Plan Design Accuracy Audit



Conducted annually



Validate correct adjudication of claims in accordance with plan design, benefit provisions, and systems edits



Analysis conducted

Myers utilizes 100% paid claims analysis through programmatic review and provides a sample of discrepant claims to PBM

AWP Accuracy Audit



Conducted quarterly with an annual reconciliation



Validate correct application of AWP to paid claims ingredient costs utilizing national drug data source



100% paid claims analysis conducted

Myers matches 100% of paid claims to their AWP reference price on the date of dispensing to identify any misapplied price levels.

Pricing Guarantee Accuracy Audit



Conducted quarterly and annually



Validate brand and generic aggregated discounts, and dispensing fee have been met, identify shortfalls, convey true up to PBM for Plan refund



Compare paid claims to Plan invoices to identify where discount not applied or eligible rebate claims not credited

Myers utilizes 100% paid claims analysis and PBM supplied aggregate files, and recalculates aggregate discounts to identify variances in discount categories and rebate minimums.

MAC List Audit



Conducted quarterly with annual reconciliation



Review top 50 MAC drugs by claim volume. Determine whether price utilized is optimal against comparison to NC State MAC and CMS MAC, AAC, and AWP



Independent to Chain pharmacy experience comparison

Analysis conducted



MAC'd claims extracted from paid claims to identify top 50 by claims count. Programmatic comparisons to MAC lists and AWP to identify differences. Chain/Independent study to determine consistency of MAC list applied.

Rebate Audit



Conducted annually



Validate correct application of rebates to top 8 mfg contracts by \$ volume



Rebate file to paid claims comparison and rebate contracts review conducted

Myers utilizes 100% paid claims and compares to PBM Rebate file. Onsite rebate contract review conducted to determine whether all terms honored.

Invoice Reconciliation



Conducted quarterly with annual reconciliation



Validate Plan invoice amounts correspond to paid claims for each period



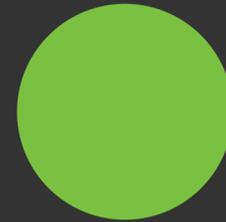
Analysis conducted

Myers utilizes 100% paid claims file and makes programmatic comparison to invoiced amounts to identify discrepancies.

Q&A



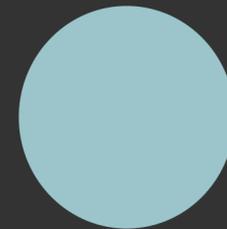
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