



CACCP

Connecticut Association of Community Pharmacies

**Testimony of Carrie Rand-Anastasiades
Human Services Committee
In Support of
HB 6550 AAC Medicaid Provider Audits**

Good Evening Senator Moore, Representative Abercrombie and members of the Human Services Committee. My name is Carrie Rand-Anastasiades and I am the Executive Director of the Connecticut Association of Community Pharmacies. We represent chain pharmacies around the State such as Walgreens, Rite-Aid, Stop & Shop, and PriceChopper to name a few. I am here today to testify in support of HB 6550 An Act Concerning Medicaid Provider Audits.

Medicaid provider audits were originally used as mechanisms to prevent fraud and abuse, which is reasonable and just. Unfortunately pharmacy audits have become a way for DSS to further limit their costs. They are no longer focussed on fraud and abuse, but on technical miscues or unintentional clerical errors. DSS constantly makes changes to audit practices and procedures making it more difficult, to almost impossible to comply with. They then use leverage, in the form of extrapolation, in an unreasonable manner that results in huge dollar amounts paid to the State. If you reference the Program Review Report, compiled by DSS, out of the 135 audits conducted, 26 were done on pharmacies (roughly 20%). Out of those audits, the State collected \$7,552,795 dollars from these providers. That is about HALF the amount collected by the State from all the other audits combined. (\$16,669,987 - total amount collected by DSS) After final negotiation with the State, some of the amounts paid by these local pharmacy providers total hundreds of thousands of dollars per store. The majority of the violations were clerical in nature and then extrapolated. This amount of money should be going back into patient care and keeping drug costs low, but it is not.

As pharmacy providers, we are used to being audited by PBM's and Insurance Companies to prevent fraud and abuse. The majority of these companies no longer use extrapolation as a method of recouping dollars. Numerous States across the country have expressly prohibited it, including Connecticut. That does beg the question, if it is egregious for the private sector to employ such practices, why is it acceptable for the State to use them?

We feel that State audit practices should mirror those in the private sector. The bill CT enacted is very specific and sets fair and transparent parameters everyone can operate in. It specifies who can do the audit, how many days they have to notify pharmacies of

an audit, the sample size, when initial findings are due and how an appeal takes place, and most importantly they limit clerical errors. We urge you to include all of these specifics in a bill moving forward so that everyone involved in the audit knows what the rules are. People are human and will always make technical mistakes, that is inevitable, but that does not mean that patients did not get the best of care and the product that was legitimately prescribed for them. Abuses have gone on for far too long and specifics are needed.

We thank you for raising this bill and look forward to working with you to fine tune it as it moves through the process.