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NCPA 2025 ANNUAL CONVENTION



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**Overcoming Common Audit Issues:
A Team-Based Approach**

➤ **NCPA 2025 Annual Convention and Expo**



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Speaker



Trenton Thiede PharmD, MBA

President

PAAS National® LLC



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Pharmacist and Technician Learning Objectives

1. Discuss the most common PBM audit discrepancies
2. Examine audit discrepancies that result in the largest recoupment
3. Outline strategies for engaging pharmacy team members in preventing and responding to audits



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Why So Many Audits?



Escalating Healthcare Costs



Opioid Epidemic



Contractual Requirements



Fraud, Waste & Abuse



Common Billing Errors



Data Analytics/Outliers



PBM Revenue Source = \$\$\$



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Audit Penalties

	Financial Recovery
	Corrective Action Plans
	Network Termination
	Reputation
	License
	OIG Exclusion
	Fines
	Prison



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Allentown-Area Pharmacy and Its Owner Agree to Pay \$825,000 to Resolve Allegations of False Claims Act Liability

Friday, August 8, 2025

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PRESS RELEASE

New York Man Admits Health Care Fraud Scheme for Submitting Falsified Prescriptions to Medicare and Medicaid

Tuesday, July 15, 2025

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GEICO sues Brooklyn pharmacy over \$3.5 million No-Fault fraud claims

GEICO alleges a Brooklyn pharmacy billed millions for unnecessary pain creams under New York's No-Fault system – and wants the court to stop future payments

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NEWS

DOJ and HHS Form Working Group to Intensify Health Care Fraud Enforcement

[Juliet Gallagher](#)

07/02/2025



The US Department of Health and Human Services (HHS) and the US Department of Justice (DOJ) announced the formation of the DOJ-HHS False Claims Act (FCA) Working Group, a joint initiative designed to strengthen enforcement efforts against health care fraud. The False Claims Act has long been one of the most effective legal tools for addressing fraud, and this new working group formalizes a coordinated strategy to pursue high-priority violations.

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Audit Trends 2020-2024*

19% increase in Onsite Audits YTD 2025

	Desk	Rx Validation Requests	Virtual	Onsite	Invoice Audits
2020	62%	23%	7%	6%	2%
2021	67%	20%	11%	0%	2%
2022	67%	21%	5%	5%	2%
2023	51%	37%	1%	9%	2%
2024	49%	38%	1%	9%	3%

Many invoice audits are completed in tandem with desk/onsite audits



*Based on PAAS Audit Statistics

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Top Ten Audit Discrepancies

- Days' Supply – Insulin/GLP-1
- Days' Supply – Topicals
- Days' Supply – Inhalers
- Days' Supply – Eye drops
- DAW Codes
- Controlled Substance Prescriptions
- E-Prescriptions
- Transfer Prescriptions
- Migraine Medications
- Proof of Dispensing/Copay Collection



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1. Days' Supply – Insulin/GLP-1

Insulin

Submit an accurate days' supply, when possible
Mathematically calculable directions

- Max daily dose
- Deliverable dose
 - Generally, 1-unit increments
 - Exceptions:
 - Humalog® Junior KwikPen (0.5 unit)
 - Toujeo® MAX SoloStar® (2 unit)
 - Tresiba® U-200 FlexTouch® (2 unit)
 - Humulin® R U-500 KwikPen (5 unit)



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1. Days' Supply – Insulin/GLP-1

Insulin – Priming Units

- Not all third-party payors will use priming units in their days' supply calculations
- Document if priming units are used
- Not all insulin pens use a 2-unit prime

Insulin	Priming Units
Toujeo® SoloStar® (Insulin glargine)	3 units
Toujeo® Max SoloStar® (Insulin glargine)	4 units
Humulin® R U-500 KwikPen (insulin human injection)	5 units



<https://www.dailymed.nlm.nih.gov/dailymed/>

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1. Days' Supply — Insulin/GLP-1

Insulin Example

- 1500 units per Carton
 - 10 units/day = 150 days' supply
 - Each pen has 28-day Beyond Use Date (BUD) once in use
- Actual days' supply would be 140 days
 - If insurance rejects 140 days:
 - Call the helpdesk for an override
 - Document on the hard copy
 - Do NOT refill the prescription early
 - Recommend actual days' supply add to the end of the patient's instructions (i.e., SIG)

For June Jones (DOB 9/27/62) Date 01/05/2025
 Address 123 Main St, Phartmtn, WI 55221

Rx

Lantus Solostar U-100

15 mL

Take 10 units SubQ at bedtime

Refills: 12

Dr. Dia Betes (NPI: 1234567)
 Address: 12 Sugarcreek Road, Phartmtn, WI 55221
 Phone: 555-867-5309



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1. Days' Supply — Insulin/GLP-1

Insulin Example

- 1500 units per Carton; prescribed 2 cartons = 3000 units
 - 30 units/day = 100 days' supply
- If insurance rejects 100 days:
 - Call the help desk for an override
 - Reduce the number of cartons to 1
 - i.e., bill 15 mL = 50 days' supply

For James Smith (DOB 1/7/60) Date 01/05/2025
 Address 3 S. Fourth St, Phartmtn, WI 55221

Rx

Lantus Solostar U-100

30 mL

Inject 30 units SubQ nightly at bedtime

Refills: 11

Dr. Sue Gar (NPI: 1256891)
 Address: 12 Sugarcreek Road, Phartmtn, WI 55221
 Phone: 555-867-5309



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1. Days' Supply — Insulin/GLP-1

GLP-1s

- Common pitfalls:
 - Quantity
 - Unit of measure
 - Directions
 - Days' Supply



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1. Days' Supply — Insulin/GLP-1

Standard dosing

- Initial fill
 - Billed with a 42 days' supply initially
 - 2 mg per pen
 - $0.25 \text{ mg per dose} \times 4 \text{ doses} = 1 \text{ mg used}$
 - $1 \text{ mg remaining} \div 0.5 \text{ mg dose} = 2 \text{ doses}$
 - $6 \text{ doses} \times 1 \text{ dose/week} = 6 \text{ weeks (42 DS)}$
- First refill
 - Billed as a 28 days' supply
 - Still using a 2 mg/3 mL pen
 - $2 \text{ mg} \div 0.5 \text{ mg dose} = 4 \text{ doses}$
 - $4 \text{ doses} \times 1 \text{ dose/week} = 4 \text{ weeks (28 DS)}$

For Roy Sun (DOB 11/5/70) Date 01/05/2025
 Address 356 N. Fourth St, Pharometown, WI 55221

Rx

Ozempic 2 mg/3 mL

3 mL

Inject 0.25 mg SubQ once weekly x 4 weeks,
 then increase to 0.5 mg weekly thereafter

Refills: 11

Dr. Sue Gar (NPI: 1256891)

Address: 12 Sugarcreek Road, Pharometown, WI 55221

Phone: 555-867-5309



<https://www.dailymed.nlm.nih.gov/dailymed/>

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1. Days' Supply — Insulin/GLP-1

**What about 0.25 mg SQ weekly,
without the increase?**

- Confirm dose with prescriber and document
- Use the 2 mg/3 mL pen which can deliver the 0.25 mg dose
- $2 \text{ mg} \div 0.25 \text{ mg per dose} = 8 \text{ doses}$
- $8 \text{ doses} \times 1 \text{ dose/week} = 8 \text{ weeks or } 56 \text{ days' supply}$
- Several large PBMs require 56 days' supply
 - Don't forget the pen needles!

For Ray Sun (DOB 11/5/70) Date 01/05/2025
Address 356 N. Fourth St, Pharmtown, WI 55221

R_x

Ozempic 2 mg/3 mL

3 mL

Inject 0.25 mg SubQ once weekly

Refills: 11

Dr. Sue Gar (NPI: 1256891)

Address: 12 Sugarcreek Road, Pharmtown, WI 55221

Phone: 555-867-5309



<https://www.dailymed.nlm.nih.gov/dailymed/>

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2. Days' Supply — Topicals

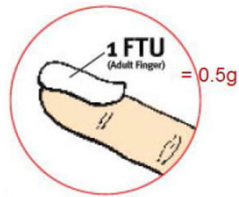
- Submit accurate DS if possible
- Mathematical instructions for use
 - Grams per application (if one area only)
 - Max Daily Dose per MD or expected day supply
 - List of affected areas + Finger Tip Unit (FTU) Method
- Collagenase – use manufacturer dosing calculator



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2. Days' Supply – Topicals

- FingerTip Unit (FTU) Method
- 1 FTU = 0.5 gram (adult)
- 1 FTU covers one hand (front/back)



Body Surface	# of FTUs
Hand	1
Foot	1
Arm + Hand	4 (3+1)
Leg + Foot	8 (7+1)
Buttocks	4
Trunk (front or back)	8 each
Face & Neck	2.5

2. Days' Supply – Topicals

Vaginal Creams

- Submit accurate days' supply, when possible
- Directions must include grams/application and frequency
- Clarification required for the following:
 - Pea sized
 - 1 application three times weekly
 - Insert three times weekly as directed

Product	Package Size	Applicator Measurements
Estrace® (estradiol) 0.01% vaginal cream	42.5 grams	1 to 4 grams (1 gram increments)
Premarin® (conjugated estrogens) vaginal cream	30 grams	0.5 to 2 grams (0.5 gram increments)

2. Days' Supply – Topicals

- As is, prescription did not have sufficient directions to mathematically calculate the days' supply
- Clarify + clinical note + update label
 - Sample script: 30 grams
 - $\frac{1}{2}$ applicatorful of Premarin® = 1 gram
 - $30 \text{ grams} \div 2 \text{ grams/week} = 15 \text{ weeks}$
 - $15 \text{ weeks} \times 7 \text{ days/week} = 105 \text{ days}$
 - Plan limit? Watch refill interval!

For Sue Zee (DOB 3/7/33)	Date 07/05/2024
Address 523 James Way, Phartown, WI 55221	
R_x	
<i>Premarin Vaginal cream</i>	
30 grams	
AAA twice weekly	
7/5/24 - Jay RN states insert half applicatorful vaginally twice weekly. SH	
Refills: 4	
Dr. Jean Jones (NPI: 1556363)	
Address: 74 Park Place, Phartown, WI 55221	
Phone: 555-863-5439	

3. Days' Supply - Inhalers

- Submit accurate DS if possible
- Do not refill early
- Strategies
 - Call for DS override
 - Add note to sig field (e.g., 60 Days' Supply)
 - Train staff to watch for refill intervals
- Be mindful of undocumented Albuterol HFA substitutions

4. Days' Supply – Eye Drops

- Submit accurate DS if possible
- In general:
 - 20 drops/mL for solution
 - 15 drops/mL for suspension
- PBMs have their own “estimates”
 - CVS/Caremark® 15 drops/mL
 - Express Scripts® 16 drops/mL
 - OptumRx® 15-20 drops/mL
- Manufacturer guidance – Miebo®, Vevye® and Vyzulta®



Source: Respective PBM Provider Manuals (Caremark, Express Scripts, OptumRx)

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5. DAW Codes

- NCPDP Field 408-D8
- Values 0-9
- Documentation must support use

Code	Description
0	No Product Selection Indicated
1	Substitution Not Allowed by Prescriber
2	Substitution Allowed – Patient Requested Product Dispensed
8	Substitution Allowed – Generic Drug Not Available in Marketplace
9	Substitution Allowed By Prescriber but Plan Requests Brand



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5. DAW Codes

Use DAW 1 appropriately

- Not for single source brands, biologics without an interchangeable biosimilar or OTC items
- Generics without rationale
- Careful with state/Medicaid requirements

Do not bill DAW 9 without explicit Plan direction or knowledge of PBM formulary preferences



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6. Controlled Substances

- Federal Law
 - 3 elements as per 21 CFR 1306.05(a)
 - Patient Address
 - MD Address
 - DEA Number
- State Law(s)
 - Where applicable



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7. Electronic Prescriptions

- Quantity
 - “1” smallest package size
 - Unit of Measure “unspecified”
- Erroneous DAW
- Default Days’ Supply
- Invalid eRxs



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8. Transfer Requirements

General Requirements

“Copy” or “Transfer”

Transferring pharmacy info –
RPh, pharmacy, address, phone, DEA #

Rx info

Rx history – Rx #, first/last fill,
original/remaining refills

Your info – date of transfer, RPh

TRANSFER PRESCRIPTION	
NAME _____	TRANSFER DATE _____
ADDRESS _____	
ORIGINAL RX # _____	R_x
DATE OF ISSUE _____	
DATE FIRST FILLED _____	
ORIGINAL REFILLS _____	
REFILLS REMAINING _____	
DATE LAST REFILL _____	
PHARMACY _____	
ADDRESS _____	
DEA # _____	
PHARMACIST OF RECORD:	
TRANSFERRING _____	
RECEIVING _____	
MAY SUBSTITUTE _____	DISPENSE AS WRITTEN _____
ADDRESS _____	
DEA NO. _____	
Recorder Item #6107	Total Pharmacy Supply, Inc. 1-800-879-2822

- **Use a dedicated transfer Rx pad with all required elements**
 - **Data Entry – original date vs. transfer date**
 - **State specific laws/variations thereof**



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9. Migraine Medications

PRN Migraine Medications

- Specific directions for use and dosage form
- Estimated # of headaches per/week or month (particularly when > one package)
- FDA approved dosage range



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9. Migraine Medications

Drug	FDA approved indications/usage	Recommend dose	Can patient repeat the dose?	Maximum daily dose	Billing Unit per package
Migranal Nasal Spray	Acute treatment	One spray in each nostril (must prime with 4 pumps prior to each use and discard 8 hours after it is primed)	Yes, 15 minutes later	No more than 4 sprays (2 mg) per 24 hours. No safety studies for doses > 3 mg/24 hours and 4 mg/7 days.	8 mL
Nurtec ODT tablets	Acute treatment	75 mg daily	No	No more than 18 doses in a 30-day period	8 each
	Preventative treatment	75 mg every other day			
Ubrelevy tablets	Acute treatment	50 mg or 100 mg	Yes, at least 2 hours after initial dose	200 mg/24 hours and no more than 8 migraines in 30-day period	10 or 16 each

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10. Proof of Dispensing and Copay Collection

Proof of Dispensing (in-person)

- Elements:
 1. Rx #
 2. Date of Service (or refill indicator)
 3. Date of Receipt
 4. Signature of Patient/Representative
- "Curbside" or "Drive Thru" notations by staff are not sufficient

10. Proof of Dispensing and Copay Collection

Proof of Dispensing (delivery)

- Elements:
 1. Patient name/address
 2. Rx #
 3. Date of Service (or refill indicator)
 4. Date of Delivery (handwritten or time-stamped)
 5. Signature of Patient/Representative
- Driver signature and geotag pictures are insufficient

10. Proof of Dispensing and Copay Collection

Copay Collection

- Contracts require collection WITH PROOF (limited exceptions)
- In-house charge accounts
- Manufacturer Coupons
 - Medicaid/Medicare
 - Caremark: non-FDA approved

QUESTION 1:

Which of the following is one of the most common audit discrepancies pharmacies face?

- a. Incorrect NPI
- b. Dispensing outside return to stock timeframes
- c. Incorrect days' supply
- d. Missing prescriptions

ANSWER 1:

Which of the following is one of the most common audit discrepancies pharmacies face?

- a. Incorrect NPI
- b. Dispensing outside return to stock timeframes
- c. Incorrect days' supply**
- d. Missing prescriptions



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Audit Issues Leading to Largest Recoupments

Drug Procurement

Prior Authorization Integrity

Dispense in the Original Container

Telemedicine

Template Forms

Refill too Soon



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1. Drug Procurement



NABP Accredited Drug Distributor



Licensed as a Wholesaler



Authorized Distributor of the Manufacturer
(diabetic testing supplies)



Pharmacy to Pharmacy Marketplace Transactions



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2. Prior Authorization Integrity

Most PBMs have language prohibiting the pharmacy from completing a prior authorization on behalf of a prescriber

- OptumRx – will allow pharmacies to assist with prior authorizations if the pharmacy acquires an “appointment of representation”
- Express Scripts – if the prescriber has authorized the Network Provider to assist in completing the PA on its behalf (must be in writing)



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2. Prior Authorization Integrity



3. Dispense in Original Container

- Per the manufacturer's [FDA approved] labeling and package insert
- Approved language is not always clear
 - Store in the original container
 - Store and dispense in the original container
- Targeted Drugs include:
 - Linzess (linaclotide)
 - Pancreatic Enzymes
 - Antiretroviral medications

4. Telemedicine

- Valid patient/prescriber relationship
- Prescriber licensed in state patient is located in
- Prescriber's scope of practice
- Proximity between patient, prescriber and pharmacy



5. Template Forms

- PBM concern about pharmacy soliciting prescriptions and influencing prescriber
 - Small list of high AWP items, pain/sedative compounds
 - Not individualized medicine – identical quantities, sig and refills
- Cascading or overly broad substitution language
- 2025 OptumRx Provider Manual, Version 2.1:
 - Dispensing or distributing Prescription Drugs/Drug Products which are not based on valid prescriptions for individually identified Members or are otherwise on pre-populated or templated prescriptions is prohibited.

6. Refill Too Soon for Unbreakable Packages

- PBMs often force the pharmacy to submit a value less than the actual day's supply
 - For example, calculated DS is 80 days, but plan limit is 30 days
- Audit risk for refilling the prescription before the plan defined utilization threshold has been reached for the actual days' supply
- PBMs know the first days' supply adjudicated (80) is likely the accurate DS (even though the plan limit required is different), so when looking for claims to audit, PBMs will take the 80 days and multiply it by the utilization threshold to identify claims that are potentially 'refill too soon'
 - This can lead to refills being fully recouped
- Targeted drugs include: Insulin/GLP-1, Topicals, Inhalers and Eye Drops



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QUESTION 2:

A prescription for insulin calculates to an 80-day supply, but the plan only allows 30 days. The pharmacy refills it on day 31, and the PBM flags it as “refill too soon.” Why?

- a. The pharmacy billed the wrong days' supply.
- b. PBMs audit based on the *calculated* days' supply (80 days), not the plan-limited amount.
- c. The refill was billed under the wrong NDC.
- d. The prescription directions were incorrect.



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ANSWER 2:

A prescription for insulin calculates to an 80-day supply, but the plan only allows 30 days. The pharmacy refills it on day 31, and the PBM flags it as “refill too soon.” Why?

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- c. The refill was billed under the wrong NDC.
- d. The prescription directions were incorrect.



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Engaging Your Team for Success



1. RX DROP OFF



2. DATA ENTRY



3. FILLING



4. VERIFICATION

5. CASHIER /
CLERK6. OTHER SUPPORT
STAFF/MANAGERS

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Prescription Drop Off



Verify apparent alterations



Clarify “use as directed” for insulin or topicals with prescriber



Implement Rx scanning if possible



Suggested *Clinical Note* Format:

1. Who you spoke with
2. When you spoke
3. What was discussed
4. Who made the note

Data Entry

Quantity

1. Verify correct NCPDP billing unit (EA, GM, ML)
2. Quantity unit of measure is present/appropriate for eRx
3. Some products must be dispensed in original container

Day's Supply

1. **Must be calculable based on quantity and SIG**
2. Call PBM help desk for override if the smallest option is an unbreakable packages

DAW Codes

1. Only submit if supported by documentation

Filling



**Match 11-digit
NDC on stock
bottle against
billing label**



Confirm quantity
prepared matches
billing label



If time allows spot
check DAW, Day
Supply, Origin
Code

Verification

Match	Match the 11-digit NDC on the stock bottle against the billing label using barcode technology, if possible
Check	Double-check the days' supply estimate as per documented calculations • Pay close attention to insulin, GLP-1s, and vaginal creams
Verify	Verify additional Data Entry elements such as DAW, SIG, and Origin Code • Suggest adding elements to the "backtag" if doing paper verification

Cashier/Clerk



Conduct
Return to
Stock on a
regular basis



Obtain
patient
signature for
Proof of
Delivery



For mail,
make sure Rx
is "tied to"
carrier
tracking ID #



Collect
copays at
dispensing,
maintain
proof



In-house
charge
accounts
must have
good
accounting
practices

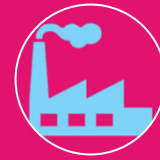
Purchasing Manager



NABP
Accredited Drug
Distributor



Licensed as a
wholesaler



Authorized
Distributor of the
Manufacturer
(diabetic testing
supplies)

Other Support Staff/Managers



Create reports to audit high risk claims (e.g., DAW 1, days' supply for targeted products)



Review adherence to Return to Stock procedures



Ensure Proof of Delivery and Copay Collection are available and retrievable, in accordance with PBM requirements



Incorporate audit training and prevention strategies for all staff

OPEN RESPONSE:
What's one workflow change your pharmacy team could implement tomorrow to reduce audit risk?

Contact Information

Trenton Thiede PharmD, MBA

President, PAAS National®

trent@paasnational.com

