

Model EO/Regulatory/Legislative Language: Audit Prohibition

This order pertains to all third-party administrators, including pharmacy benefit managers, health insurance companies, and other entities licensed pursuant to the laws of this state relating to insurance (collectively, Administrators). The provisions in this order are effective March 1, 2020 until there is no longer a declared public health emergency.

Governor XXXX declared a state of emergency in STATE to protect the well-being of RESIDENTS OF STATE from the dangerous effects of COVID-19, and directed state agencies to develop and implement procedures consistent with recommendations from the HEALTH DEPARTMENT designed to prevent or alleviate the public health threat.

As not to undermine current public health efforts to combat the spread of the coronavirus:

1. Administrators shall immediately allow and encourage all network pharmacies to utilize delivery methods that minimize face-to-face contact, including home, curbside, and mail delivery.
2. Administrators shall not conduct a pharmacy audit.
3. Future audits that cover the time period during the emergency must recognize any alterations or waivers of certain requirements on pharmacies by Administrators or federal, state, or local governments or agencies. Administrators are prohibited from recouping on any alterations or waivers of those certain requirements.
4. Administrators are prohibited from audit recoupments for clerical and scrivener errors on claims made during the emergency.

Provisions (1) and (2) are effective until there is no longer a declared state of emergency in response to COVID-19. Provisions (3) and (4) do not expire.

This order also applies to all plans under the STATE'S purview, including but not limited to Medicaid and the STATE Employee Health Benefits program.