

# Surviving a HRSA Audit

A First Hand Account

Hali Brown, PharmD.  
Pharmacy Manager  
340B Director  
Community HealthCare System  
halibrown@chcsks.org

“

I'm not afraid of the storms,  
for I am learning how to sail  
my ship.

”

Louisa May Alcott

## Disclosures

- ▶ CHCS utilizes SUNRx as our 3<sup>rd</sup> party administrator

## Objectives

- ▶ About CHCS
- ▶ The Audit
- ▶ The Results
- ▶ Corrective Action Plan
- ▶ Post Audit Wish List

## A little about me...

- ▶ Pre-Pharmacy at Kansas State University
- ▶ University of Kansas School of Pharmacy
- ▶ Career Aspirations
  - ▶ From Chemical Weapon Specialist (like Stanley Goodspeed) to Pharmacist
- ▶ 1<sup>st</sup> job - Counter Clerk at St. Marys Pharmacy
- ▶ Pharmacy Career
  - ▶ Pharmacy Tech (St. Marys Pharmacy)
  - ▶ Pharmacy Intern (Custom Rx Pharmacy)
  - ▶ Pharmacist (CVS Pharmacy)
  - ▶ Pharmacy Manager/340B Director (Community HealthCare System)

## About CHCS

## About CHCS

- ▶ CHCS includes one 25-bed Critical Access Hospital (CAH) with two locations: Onaga & St. Marys
- ▶ Two nursing homes and one assisted living facility
- ▶ More than 450 associates
- ▶ 22 physicians & practitioners
- ▶ Home health
- ▶ Four fitness centers

## CHCS

### Locations

- 7 family practice clinics

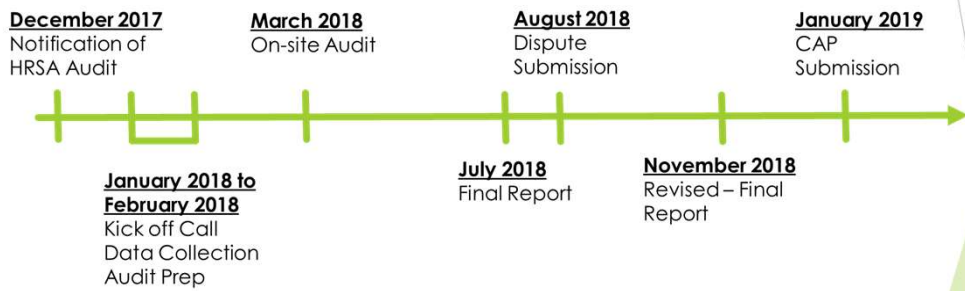


## CHCS: 340B Program

- ▶ 7 Contract Pharmacies (9 counting Walmart Central Fill)
- ▶ Recently went live with our in house program
- ▶ Developing a Smoking Cessation Program
- ▶ Developing a Community Benefit Program
- ▶ HRSA audit March 2018

## The Audit

## Audit Timeline



## Audit Preparation

- ▶ Monthly
  - ▶ 340B Coordinator Performs thorough audit of claims captured
  - ▶ Program review calls with our SUNRx Account Executive
  - ▶ Financial review of wholesaler statements and accounting report
- ▶ Quarterly
  - ▶ CHCS 340B Committee Meeting
    - ▶ Review program goals, Community Benefit, education opportunities
- ▶ Annually
  - ▶ CHCS performs an internal program audit utilizing Apexus' 340B Tools
  - ▶ Policy and Procedure Review
- ▶ Biennial
  - ▶ Independent audit of 340B Program

## Audit Preparation

### CHCS 340B Committee

- ▶ Engage your C-suite!
- ▶ Members include:
  - ▶ CEO
  - ▶ CFO and Controller
  - ▶ COO
  - ▶ Director of Ancillary Services
  - ▶ Chief Practice Management Officer
  - ▶ IT
  - ▶ 340B Coordinator
  - ▶ And me!

## Audit Preparation

- ▶ We were lucky! Had 2.5 months to ensure we were prepared.
- ▶ Data Collection
  - ▶ Notified SUNRx Account Executive
  - ▶ Neat files as requested by the Bizzell Group for contracts and 340B Universe
- ▶ Policies and Procedures
  - ▶ 340B University and Apexus sample P&P's were very helpful resources
  - ▶ Had revamped all of our P&Ps in 2017 in anticipation of audit

## Audit Preparation

- ▶ On-site Prep
  - ▶ Coordination of the who, what, when, where, and how
  - ▶ Warm touches: nice room, snacks/food, car reserved for Contract Pharmacy visit, Welcome Presentation

## Day of the Audit

- ▶ Bizzell group asked to block 1.5 days for the audit
  - ▶ The audit was completed around 3 pm on Day 1
- ▶ Auditor was a pharmacist
  - ▶ Well prepared and well versed with 340B
  - ▶ Cordial



## Day of the Audit

### Timeline:

- ▶ 8:30 to 9:00 - Welcome and Introductions
- ▶ 9:00 to 9:30 - Provide Contract Pharmacy with script numbers needed for sampling
- ▶ 9:30 to 10:00 - Onsite tour
- ▶ 10:00 to 11:00 - Contract Pharmacy Inspection
- ▶ 11 to 11:30 - Provider Credentialing
- ▶ 11:30 to 2:30 - Walked through script sampling (Working lunch)
- ▶ 2:30 to 3:00 - Wrap up/Closing Remarks

## Script Sampling

- ▶ Coordinate with Contract Pharmacies for quick retrieval of hard copy scripts
  - ▶ Chain Pharmacies will take the longest (done through a 3<sup>rd</sup> party)
- ▶ Approximately 30 to 50 scripts were needed
- ▶ Have to walk them all back to their origination in the electronic health record (EHR) and then show when the specific med was replenished utilizing the Virtual Inventory System (VIS)
- ▶ Can be **VERY** time consuming if you don't know what you are looking for

## Script Sampling

### Key for Success

- ▶ **MUST** have someone present who performs the monthly audits
  - ▶ They will have the most knowledge on where to find prescription and visit data within the EHR
- ▶ **MUST** have someone present who is very familiar with the VIS
  - ▶ They will have the most knowledge on where to find invoice information for replenishment dates
- ▶ Practice makes perfect!
- ▶ Thorough monthly audits will help prepare you.

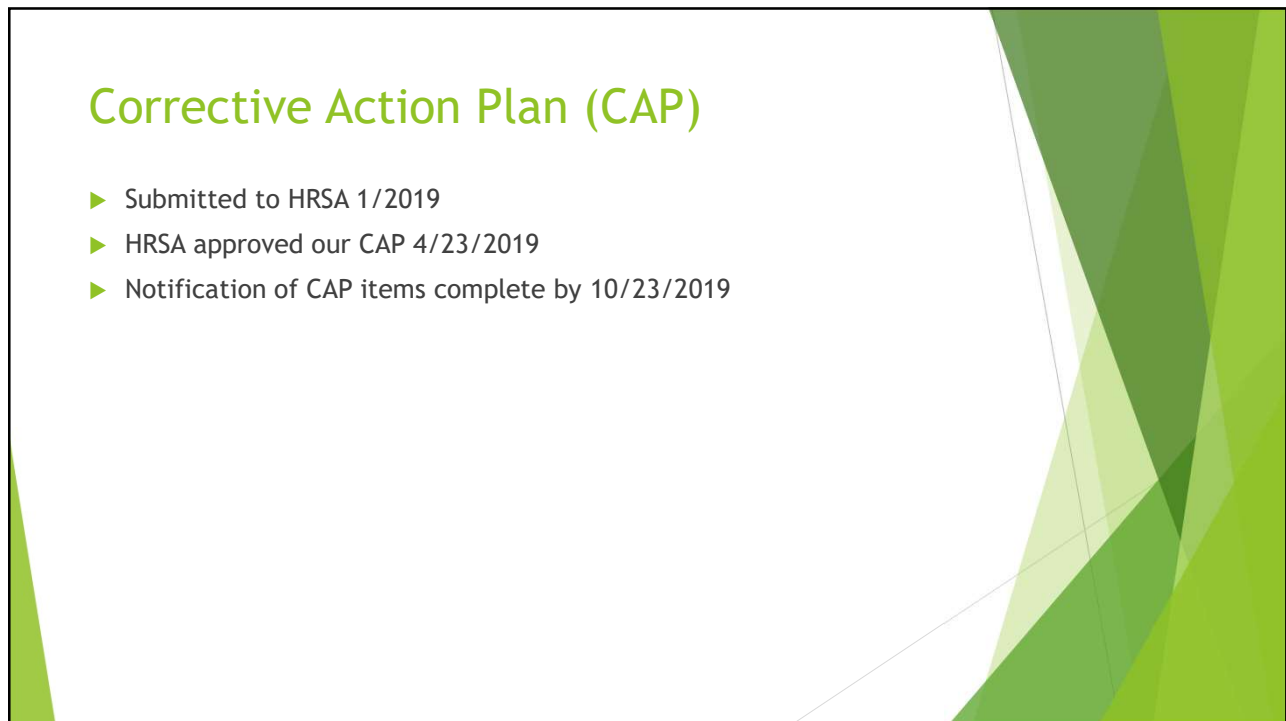
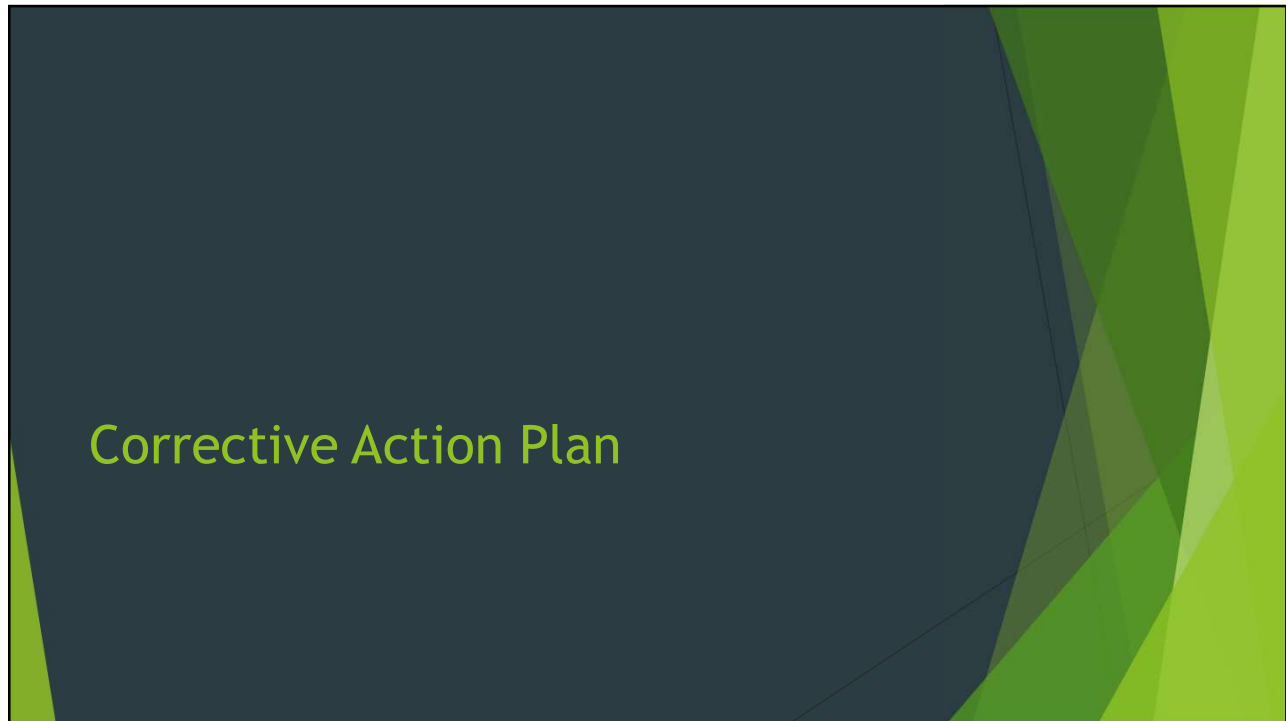
## The Results

## Audit Results

- ▶ Overall had a very successful audit
- ▶ Dispute regarding validity of 2 of our Walmart Contracts
  - ▶ Dispute was successful, able to prove validity and make their suggested improvements
- ▶ Only 2 “findings” on our Final Report both requiring manufacturer payback
  - ▶ Associated with phoned in refills for medications that didn’t have appropriate EHR documentation

## The Bottom Line

- ▶ Each audit has a **different** auditor
- ▶ Each Covered Entity is **different**
- ▶ They **WILL** find something...take it as a learning opportunity
- ▶ The **ULTIMATE** party responsible for a successful audit is the **COVERED ENTITY**



## Post Audit Wishlist

### Post Audit Wish List

- ▶ Very pleased with our audit results
- ▶ More timely resolution
- ▶ Contact with other 340B eligible clients who had already completed the audit process
- ▶ 340B Health Member
  - ▶ Plan to join
  - ▶ Would have felt more secure during the dispute and CAP if we could have consulted with their lawyers and benefited from their additional expertise.

## Takeaways

- ▶ Preparation is key
- ▶ Monthly compliance instead of just in time
- ▶ Engage your C-suite
- ▶ Reach out to others who have been where you are
- ▶ Don't be afraid of the storm!



Questions?

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