Surviving a HRSA Audit
A First Hand Account

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“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 3rd 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
  - 1st 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
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- 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

- **December 2017**
  - Notification of HRSA Audit

- **March 2018**
  - On-site Audit

- **August 2018**
  - Dispute Submission

- **January 2019**
  - CAP Submission

- **January 2018 to February 2018**
  - Kick off Call
  - Data Collection
  - Audit Prep

- **July 2018**
  - Final Report

- **November 2018**
  - Revised – Final Report

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 3rd 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
Corrective Action Plan

Corrective Action Plan (CAP)

- Submitted to HRSA 1/2019
- HRSA approved our CAP 4/23/2019
- Notification of CAP items complete by 10/23/2019
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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