

## EXHIBIT M

### Pharmacy Data Requirements and Corrective Action

The information in Exhibit M applies to Pharmacy Data Transaction procedures for dates of service in effect on and after the date this Contract was signed. The parties to the Contract acknowledge and agree that the Contractor will transmit data to DMAP using the Health Insurance Portability and Accountability Act (HIPAA) Transaction Standards for Health Care Pharmacy Claims or Equivalent Pharmacy Data as specified by the National Council for Prescription Drug Programs (NCPDP) in 45 CFR 162.1101 and 162.1102.

- a. Contractor shall take all necessary actions required by the Department of Human Services to become a trading partner and to register and conduct data transactions. The parties shall comply with DHS Electronic Data Interchange (EDI) Rules; OAR 410-001-0100 et seq., applicable to the conduct of Pharmacy Transactions with trading partners.
- b. Upon Contractor's compliance with testing and other requirements in the DHS EDI rules, and when DHS determines that Pharmacy Transactions may be placed into the production environment, Contractor shall submit pharmacy data that complies with the data requirements in this Exhibit.

The parties understand and agree that Exhibit M may be further amended for purposes of complying with 45 CFR Parts 160 and 162.

#### I. General Provisions

Contractor must submit retail Pharmacy drug Data for drugs and biologics for each Pharmacy Transaction for Contractor's DMAP Member. This does not include supplies, or other items used in health care services that are commonly submitted on a CMS1500 or the HIPAA 837 professional equivalent format and billed with HCPCS codes.

##### A. Pharmacy Data Definitions

1. "Adjudicate" is Contractor's determination that a DMAP Member's encounter for services is either: accepted as Contractor's liability, not accepted as Contractor's liability, partially accepted as Contractor's liability or needs additional information in order for Contractor to determine Contractor's liability.
2. "Corrective Action Plan" is a DMAP initiated request for Contractor to develop and implement a time specific plan that is acceptable to DMAP for the correction of DMAP identified areas of noncompliance, as described in this Exhibit and Section 7, Sanctions.
3. "Pharmacy Data" are the accumulation of multiple Pharmacy Transactions.

4. “Pharmacy Transaction” or “Transaction” is a pharmacy service(s) approved and accepted by Contractor for drugs and biologics administered or delivered to DMAP Members through a prescription transaction.
5. “Report Errors” are Pharmacy Transactions that process through DMAP’s designated system edits, but are to alert Contractor of possible errors, such as DMAP Member name missing.
6. “Validation Period” is the Contract Year, as described in Contract, Definitions, or as specified in a duly executed amendment.

B. Pharmacy Data Submission and Processing

1. Contractor must submit Pharmacy Data at least once per calendar month. The Data must represent at least 50% of all the Transactions received and Adjudicated by Contractor during that month.
2. Contractor shall submit all approved and accepted Pharmacy Data to DMAP within 180 days of the date of service. Corrective Action may be initiated if more than 10% of the Pharmacy Transactions submitted are over 180 days of the date of service.
3. DMAP shall notify Contractor of the status of all Pharmacy Data processed the previous month each month.
4. Contractor shall submit any corrections to Pharmacy Data within 63 days of the date DMAP sends Contractor a notice. Transactions for correction that are not submitted within 63 days are subject to Corrective Action. *See III.A.7. Timeliness Errors in Resubmitted Pharmacy Transactions.*
5. To prevent Corrective Action, Contractor may submit documentation to DMAP citing specific circumstances, which delay Contractor’s timely submittal of original Pharmacy Data (within 180 days from the date of service). DMAP will review the documentation and make a determination within 30 days on whether the circumstances cited are Acceptable. These “Acceptable” circumstances may include, but are not limited to:
  - a. DMAP Member's failure to give the Provider necessary eligibility information,
  - b. Third-Party Resource liability coordination,
  - c. Delays associated with resolving out-of-area Transactions,
  - d. Third-Party submitter coordination,
  - e. Hardware and/or software modifications,

- f. Staffing, and
- g. DMAP recognized system issues preventing timely submission of corrections.

- 6. Contractor shall submit Transactions even if Contractor did not make any payment for a Transaction, including transactions for services to enrolled DMAP Members provided under subcontract, capitation or special arrangement.
- 7. Contractor is not responsible for submitting a Pharmacy Transaction if no Transaction has been submitted to Contractor.

C. Data Transmission and Format

- 1. Contractor must submit all Pharmacy Data to DMAP electronically.
- 2. Contractor must submit all Pharmacy Data as set forth in the DHS NCPDP 1.1 Companion Guide.

II. Data Set Requirements

- A. The data elements specified in this Section constitute the minimum data elements required for DHS processing. Contractor is required to submit all of the data elements specified in this Section. Non-compliance shall be considered a breach of the terms of the Contract.
- B. Contractor shall submit the following identifying information for all Pharmacy Transactions:
  - 1. Contractor's DMAP Prepaid Health Plan Provider number or the National Provider Identifier (NPI) as required for submissions on or after May 23, 2007,
  - 2. DMAP Member name,
  - 3. DMAP Member number, also known as the DMAP prime number,
  - 4. DMAP billing Provider number, or the NABP/NCPDP number or the NPI as required for submissions on or after May 23, 2007 for the dispensing pharmacy,
  - 5. National Drug Code (NDC),
  - 6. Quantity,
  - 7. Dispense date,
  - 8. Amount billed (See Exhibit K, K2 Report line item #2),
  - 9. DMAP Provider number for prescribing physician, the Universal Physician Identification Number (UPIN) assigned by the Centers for Medicare and Medicaid Services (CMS) or the NPI as required for submissions on or after May 23, 2007 (Optional),
  - 10. Prescription number,
  - 11. Refill number,

12. Days supplied, and
13. Dispense as written (DAW) indicator.

NOTE: Durable medical equipment (DME) supplies provided by a pharmacy must be submitted on the HIPAA 837 professional format as specified in Exhibit D.

- C. The use of DMAP Provider number "999999" is not acceptable for the billing Provider number, except for Providers outside the Contractor's network, or upon written agreement from DMAP. DMAP may initiate Corrective Action if Contractor submits more than 10% per month of their Pharmacy Data with "999999" as a Provider number. DMAP provider number "999999" will not be allowed for submissions on or after the NPI Implementation date of May 23, 2007 for any billing or prescribing provider.
- D. If DMAP discovers errors with previously required and submitted Pharmacy Data defined in this Exhibit for that Contract Year resulting from a federal or state mandate or request that requires the completeness and accuracy of the Pharmacy Data, Contractor shall be required to correct the errors. If CMS requests data that DMAP is unable to provide that was previously defined in this Exhibit for that Contract Year, the cost of gathering that data shall be borne by the Contractor.
- E. DMAP shall not impose Sanctions on Contractor for Pharmacy Data affected by DMAP system limitations.

### III. Error Types and Data Elements

#### A. Error Types

DMAP may look for the following types of errors when validating Pharmacy Data:

1. Accuracy Errors are differences between the information in Contractor's DMAP Member medical records and the Pharmacy Data reported by Contractor to DMAP.
2. Inadequate Submission Errors occur when Contractor fails to submit at least 50% of all Pharmacy Data Contractor receives or Adjudicates in a one-month period to DMAP at least once per calendar month.
3. Missing Medical Record Errors are Pharmacy Transactions, which the Contractor is unable to provide the complete medical record.
4. Omission Errors are Pharmacy Transactions that are not submitted to DMAP.
5. "Resubmission Errors" are Pharmacy Transactions that have been resubmitted for correction and receive another error(s) after resubmission.

6. "Timeliness Errors" are Pharmacy Transactions for which the time period between the date the Pharmacy Data is submitted to DMAP by Contractor and the date of service is greater than 180 days.
7. "Timeliness Errors in Resubmitted Pharmacy Transactions" are Pharmacy Transactions that Contractor has not resubmitted within 63 days of the date DMAP sends Contractor a notice. Timeliness Errors occur each 63-day period thereafter that the Pharmacy Transaction remains in an Error status without successfully being corrected.
8. "Timeliness In Corrective Action Errors" are Pharmacy Transactions for which Contractor has not submitted corrections within 63 days of the date DMAP sends Contractor a notice that Pharmacy Transactions need to be corrected.

B. Data Elements for Validation Methodology

1. For purposes of Corrective Action, DMAP shall consider the mandatory Data Elements listed in Section II, Data Set Requirements, listed above.
2. DMAP may conduct validations, quality checks and analyses of Pharmacy Data previously received from Contractor at DMAP's sole discretion and without notice to Contractor.

IV. Timeliness

A. DMAP will not take Corrective Action for Timeliness Errors, if the error occurred as the result of DMAP's Pharmacy Data system problem and are beyond the control of the Contractor. If the Timeliness Errors are the result of Contractor's Pharmacy Data system breakdown, Contractor may provide documentation to DMAP. DMAP will review Contractor's documentation before determining if Corrective Action is indicated.

B. Timeliness Errors

1. Schedule

For the purposes of validating Pharmacy Data for Timeliness Errors, DMAP may collect and tabulate information in the DMAP Pharmacy Data system once every three months during the Contract Year, at DMAP's sole discretion, and without notice to Contractor.

2. Method

a. The unit of analysis is the date of service on the Pharmacy Transaction.

b. Definition of Method

- (1) The number of Pharmacy Transactions submitted to the DMAP Pharmacy Data system with a date of service greater than 180 days from date of service until submission to DMAP is tabulated monthly.
- (2) If the number of Pharmacy Transactions submitted over 180 days from the date of service exceeds 10% of the Pharmacy Data submitted, Corrective Action may be initiated.

#### C. Resubmission Errors

##### 1. Schedule

For the purposes of validating Pharmacy Data for Resubmission Errors, DMAP may collect and tabulate information in the DMAP Pharmacy Data system no less than once every month during the Contract Year, at DMAP's sole discretion, and without notice to Contractor.

##### 2. Method

- a. The unit of analysis is the number of Pharmacy Transactions that have been resubmitted.
- b. Definition of Method
  - (1) The number of Pharmacy Transactions resubmitted to the DMAP Pharmacy Data system that error again, is calculated monthly.
  - (2) If the number of resubmitted Pharmacy Transactions that error again exceeds 10% of resubmitted Pharmacy Transactions, Corrective Action may be initiated.

#### D. Timeliness Errors in Resubmitted Pharmacy Data

##### 1. Schedule

For the purposes of validating Pharmacy Data for Timeliness in Resubmitted Pharmacy Transactions, DMAP may collect and tabulate information in the DMAP Pharmacy Data system no less than once every three months during the Contract Year, at DMAP's sole discretion, and without notice to Contractor.

##### 2. Method

- a. The initial unit of analysis is the original Report Error notification date and the date of resubmitted Pharmacy Transactions as

determined by the Internal Control Number (ICN), or lack of resubmission of Pharmacy Transactions by the notification date. Subsequent units of analysis are set at 63 days interval after the initial deadline date (63 days from original notification).

b. Definition of Method

- (1) The number of Pharmacy Transactions in the DMAP Pharmacy data system with a date greater than 63 days before resubmission to DMAP, or Pharmacy Transactions that are not resubmitted to DMAP, is calculated monthly. Thereafter, the numbers of Pharmacy Transactions that remain in the DMAP Pharmacy Data system in 63-day increments are calculated until the Pharmacy Transactions adjudicate within DMAP's system error free.
- (2) If more than 10% of uncorrected resubmitted Pharmacy Transactions remain uncorrected for more than 63 days after original notification and initial resubmission, Corrective Action may be initiated.

V. Validation Methodology

DMAP may draw samples from Enrollment information and Pharmacy Data for the purpose of performing validation audits, to be consistent with the protocol for Validating Pharmacy Data, set forth by the Department of Health and Human Services, Centers for Medicare and Medicaid Services, available at:

<http://cms.hhs.gov/medicaid/managedcare/mceqrhmp.asp>.

A. Omission Errors

For the purpose of determining Omission Errors, the DMAP sample shall be considered final for all Pharmacy Data with dates of service 180 days or more prior to the date the sample was selected. DMAP may allow exceptions for Pharmacy Data submitted more than 180 days from the date of service as noted in (I)(B)(5)(a through g) of this Exhibit.

1. Schedule

Omission Errors are not tabulated continuously as part of the Pharmacy Data system; therefore, an annual sampling of Contractor's DMAP Member medical records as provided by Contractor's Participating Provider is required in order to assess these errors. For the purposes of validating Pharmacy Data for Omission Errors, DMAP, or its designee, may collect information from Contractor's DMAP Member medical records no less than once for each Contract Year. DMAP, or its designee, shall give Contractor no less than 30 days written notice prior to reviewing or collecting information from Contractor's DMAP Member medical records. Contractor shall request and submit medical records to DMAP, or make the records available at

Contractor's office, within 30 days of receiving the written request for the medical records.

2. Method

a. The DMAP Member's medical record is the basis of comparison.

b. Definition of Method

(1) For a Validation Period, the number of Pharmacy Transactions observed in the medical record sampling above, but not reported by Contractor to DMAP as Pharmacy Data, is determined and computed as a percentage. This percentage is then the Contractor's Rate of Omission.

(2) If the Omission Error rate exceeds 10% of reported Pharmacy Data, Corrective Action may be initiated.

B. Missing Medical Records

1. Schedule

a. Missing Medical Record Errors are tabulated from the samples drawn for Omission and Accuracy Errors. DMAP, or its designee, may collect information from Contractor's DMAP Member medical records as provided by Contractor's Participating Provider no less than once for each Contract Year. DMAP, or its designee, shall give Contractor no less than 30 days written notice prior to reviewing or collecting information from Contractor's DMAP Member medical records. Contractor shall request and submit medical records to DMAP, or make the records available at Contractor's office, within 30 days of receiving the written request for the medical records.

b. Upon review of the submitted medical records, DMAP staff shall notify the Contractor of missing medical records. Contractor will have the opportunity to submit these missing medical records within 30 days written notice from DMAP.

2. Method

a. The DMAP Member's medical record is the basis of analysis.

b. Definition of Method

(1) The number of medical records not submitted to DMAP within the 30-day period after receiving the second written notice shall be the number of Missing Medical Record Errors.

- (2) If medical records are missing for more than 1% of the sample drawn, Corrective Action may be initiated as per Contract, Section 7, subsection A (4).

### C. Accuracy Errors

For the purpose of determining Accuracy Errors, DMAP will consider subsequent adjustments to Pharmacy Data, if the adjustments are made prior to the sample selection. After that time, Pharmacy Data will be considered final for the purpose of determining Accuracy Errors.

#### 1. Schedule

Accuracy Errors are not tabulated continuously as part of the Pharmacy Data system; therefore, an annual sampling of Contractor's submitted Pharmacy Data is required in order to assess these errors. DMAP, or its designee, may collect information from Contractor's DMAP Member medical records as provided by Contractor's Participating Provider to validate specific Pharmacy Data elements no less than once for each Contract Year. DMAP, or its designee, shall give Contractor no less than 30 days written notice prior to reviewing or collecting information from Contractor's DMAP Member medical records. Contractor shall request and submit medical records to DMAP or make the records available at Contractor's office within 30 days of receiving the written request for the medical records.

#### 2. Method

a. Contractor's Accuracy Errors in the Pharmacy Data are computed as follows:

- (1) The DMAP Pharmacy Data medical review team shall determine the number of errors in the test samples of Pharmacy Transactions that were reported to DMAP with one or more Accuracy Errors in the data elements. This determination shall be based on a comparison of information available in the medical record and the information reported to the DMAP Pharmacy Data system.
- (2) A calculated percentage of Accuracy Errors determined from the test sample shall be applied to the population of the Pharmacy Data. This number shall be reduced by a 5% error tolerance adjustment.
- (3) The result is the estimated number of Accuracy Error Pharmacy Transactions. If the Accuracy Errors exceed the 5% tolerance adjustment, Corrective Action may be initiated.

### D. Inadequate Submission Errors

1. Schedule

For the purposes of validating Pharmacy Data for Inadequate Submission Errors, DMAP may collect and tabulate information in the DMAP Pharmacy Data system during the Contract Year, at DMAP's sole discretion, and without notice to Contractor.

2. Method

The rate of comparison is the number of original Pharmacy Transactions received in DMAP's Pharmacy Data system as a proportion of the total Transactions.

- a. DMAP staff will develop submission rates for Contractor's expected rate of Pharmacy Data submission.
- b. Projections will consider factors including, but not limited to, Enrollment information, expected utilization of services and lag time for Contractor to receive Pharmacy Data information from Providers.
- c. Each month DMAP will review the number of Pharmacy Transactions received from Contractor for comparison to the expected number of Pharmacy Transactions submissions from Contractor.
- d. If the number of submissions of Pharmacy Transactions received by DMAP from Contractor is less than 50% of the expected number of Pharmacy Transactions submission, Corrective Action may be initiated.

VI. Corrective Action

- A. Previous Contract requirements will be subject to Corrective Action according to the terms of that Contract Year. Termination of the Contract does not relieve Contractor of Contractor's obligation to submit all required Pharmacy Data for dates of service within the Contract Year, nor does it relieve Contractor of the obligation to complete Corrective Action plans or pay recovery costs.
- B. When DMAP intends to implement Corrective Action the procedures stated in Section 7, Sanctions, of this Contract shall apply.
- C. Contractor shall not incur additional penalties caused by errors directly related to an active Action Plan if the matter is resolved within a mutually agreed upon time frame. DMAP will initiate a revised Action Plan if new errors not directly related to the current Action Plan occur.