

Donald Ross, Manager
DMAP Policy and Planning Section

Number: DMAP IM 12-085

Authorized Signature

Issue Date: 9/17/2012

Topic: Medical Benefits

Subject: **Pharmacy announcements:** Recovery of generic olanzapine overpayments begins Oct. 19

Applies to:

- | | |
|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> All DHS employees | <input type="checkbox"/> County Mental Health Directors |
| <input type="checkbox"/> Area Agencies on Aging | <input type="checkbox"/> Seniors and People with Disabilities |
| <input type="checkbox"/> Children, Adults and Families | <input checked="" type="checkbox"/> Other (please specify): DHS and OHA staff and others identified on the SPD, CAF, AMH and DMAP transmittal lists |
| <input type="checkbox"/> County DD Program Managers | |

Message:

On Friday, Sep. 14, DMAP mailed the following letters to let pharmacies know about upcoming payment recovery activity that begins Oct. 19:

- 111 pharmacies and pharmacy chains will have overpayments recovered in full on Oct. 19 (see page 2 for letter).
- 31 pharmacies will have overpayments recovered in 25 percent increments every three weeks starting Oct. 19 and ending Dec. 21 (see page 4 for letter).

Pharmacies have until Friday, Oct. 12 to contact Rich Holsapple of the Oregon Pharmacy Call Center with any concerns about this recovery.

If you have any questions about this information, contact:

Contact(s):	DMAP Pharmacy Program
E-mail:	dmap.rxquestions@state.or.us



Date: September 14, 2012

«AddressBlock»

To: Pharmacy providers

From: DMAP Pharmacy Program

Subject: Payment recovery planned for generic olanzapine overpayments

The weekend of October 19, 2012, the Division of Medical Assistance Programs (DMAP) plans to recover overpayments made from **Nov. 9, 2011**, through **May 11, 2012**, for generic olanzapine prescriptions.

The information listed below is based on claim data available to us as of September 5.

Pharmacy	NPI	Claim Count	Projected Recovery Amount ¹
«Billing_Provider_Name»	«Billing_Provider_NPI»	«ICN_Count»	«Projected_Recovery_Amount»

If DMAP makes no payments to you during the October 19 payment cycle, the recoveries will occur in your next payment cycle.

Why is this happening?

We learned that our system was paying the Wholesale Acquisition Cost, not the Average Actual Acquisition Cost (AAAC), for generic olanzapine. DMAP will reprocess these claims to pay at the correct rate.

What should you do?

No action is needed on your part. After learning of this error, we corrected the rates to prevent this from happening again.

If you have questions or concerns, please contact Rich Holsapple of the Oregon Pharmacy Call Center at 503-383-3389 (Salem) by Friday, October 12. You can also ask for a detailed spreadsheet of the claims we plan to recover.

¹ To calculate each pharmacy's projected recovery amount, we multiplied the AAAC by the units of each claim, added the dispensing fee, then subtracted any third-party liability or copayments to determine the correct payment amount. Then we subtracted that from the original paid amount to determine the recoupment amount for each claim.

What you will see on the paper remittance advice

The Claim Adjustments section will list the affected claims by original Internal Claim Number (ICN).

- Each ICN will have an adjustment ICN (beginning with “52”) to indicate recovery activity.
- The “Detail EOBs” will list Explanation of Benefits (EOB) code *EOB 8167 – DHS initiated adjustment due to processing error.*
- The total amount recovered for the claim will be listed as a “Net Overpayment.”

The Financial Transactions section will list the adjustment ICNs, recovery amounts and any outstanding balance with *EOB 8400 - Accounts receivable has been established - The amount will be deducted from your future payments.*

What you will see on the electronic remittance advice or Provider Web Portal

Your electronic remittance advice (ERA) should list these adjustments as overpayment recoveries. The Provider Web Portal will show the adjustment ICN as a denied claim.

In both the ERA and Provider Web Portal, the reason for the recovery will be Adjustment Reason Code 129 - *Prior processing information appears incorrect.*

Thank you for your support

We apologize for any confusion or inconvenience this may cause. Thank you for your continued support of the Oregon Health Plan and the services you provide to Oregon’s most vulnerable people.

Questions?

- **About this announcement:** Please contact Rich Holsapple of the Oregon Pharmacy Call Center at 503-383-3389 (Salem).
- **About provider recovery of overpayments or appeals:** Please see Oregon Administrative Rules 410-120-1397(7), 410-120-1560 and 410-120-1580 in DMAP’s General Rules, found at www.dhs.state.or.us/policy/healthplan/guides/genrules/main.html.

Help us improve future announcements:

Answer six survey questions about this provider announcement at <https://survey.emp.state.or.us/cgi-bin/qwebcorporate.dll?idx=J2ESKJ>.



Date: September 14, 2012

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To: Pharmacy providers

From: DMAP Pharmacy Program

Subject: Payment recovery planned for generic olanzapine overpayments

Starting October 19, 2012, the Division of Medical Assistance Programs (DMAP), plans to recover overpayments made from **Nov. 9, 2011**, through **May 11, 2012**, for generic olanzapine prescriptions. We will recover the amount in 25 percent increments on October 19, November 9, November 30 and December 21.

The following list shows the pharmacies that will have their claims reprocessed for this recovery activity. The projected recovery amount is based on claim data available to us as of September 5.

Pharmacy	NPI	Claim Count	Projected Recovery Amount ¹
<<BillingProviderName>>	<<BillingProviderNPI>>	<<ICN_Count>>	<<ProjectedRecoveryAmount>>

This new data includes May 2012 claims information that was missing from our August 8 data, so the recovery amount listed here may differ from the amount we reported to you in our August 16 letter.

Why is this happening?

We learned that our system was paying the Wholesale Acquisition Cost, not the Average Actual Acquisition Cost (AAAC), for generic olanzapine. DMAP will reprocess these claims to pay at the correct rate.

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