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## **PCMA: Anti-Fraud Group Spotlights Policies that Promote Health Care Fraud and Abuse**

*Merritt: Independent Pharmacy Agenda Raises Questions*

(Washington, DC)—As the U.S. House of Representatives Ways and Means and House Energy and Commerce Committees and the U.S. Senate Finance Committee all hold hearings today on combating health care fraud, waste, and abuse, an analysis that examines the [“Seven Guiding Principles for Policymakers”](http://www.nhcaa.org/eweb/docs/nhcaa/PDFs/Member%20Services/WhitePaper_Oct10.pdf) ([http://www.nhcaa.org/eweb/docs/nhcaa/PDFs/Member%20Services/WhitePaper\\_Oct10.pdf](http://www.nhcaa.org/eweb/docs/nhcaa/PDFs/Member%20Services/WhitePaper_Oct10.pdf)) to fighting health care fraud invites new questions about legislative efforts to reduce accountability and oversight of independent drugstores, the **Pharmaceutical Care Management Association (PCMA)** said today.

“Unfortunately, some policies meant to help independent drugstores merely reduce accountability and promote fraud, abuse, and wasteful spending. It’s bad policy to make private payers partner with independent drugstores that are suspected of fraud, can’t be effectively audited, or have been banned from federal programs,” said **PCMA President and CEO Mark Merritt**.

The white paper was published by the [National Health Care Anti-Fraud Association \(NHCAA\)](http://www.nhcaa.org/eweb/docs/nhcaa/PDFs/Member%20Services/WhitePaper_Oct10.pdf), ([http://www.nhcaa.org/eweb/docs/nhcaa/PDFs/Member%20Services/WhitePaper\\_Oct10.pdf](http://www.nhcaa.org/eweb/docs/nhcaa/PDFs/Member%20Services/WhitePaper_Oct10.pdf)) the leading national organization focused exclusively on combating health care fraud. The *“Seven Guiding Principles for Policymakers”* seek to address the estimated \$70 to \$234 billion in annual financial losses resulting from fraud throughout the health care system and warns policymakers to avoid policies that could undermine fraud fighting efforts.

Specific questions should be raised about the following legislative proposals promoted by the independent pharmacy lobby:

**Policies that undermine authority across Medicare to suspend payments when there is suspicion of fraud.** The ability to stop fraud before paying a claim is more effective and more efficient than relying on paying first and then chasing after claims that are later found to be fraudulent. Congress should extend to Medicare Part D and independent drugstores the recently enacted statutory authority Congress provided in Medicare Parts A and B to suspend payment to health care providers upon a credible allegation of fraud, waste, or abuse.

**Policies that reduce payers’ time to verify pharmacy claims before payment (“Prompt Pay” policies).** NHCAA states: “if claims are not rushed through the payment process, auditors and investigators will have more opportunities to detect attempts at fraud before they come to fruition.” So-called “prompt pay” laws in Medicare Part D that mandate rapid payment to independent pharmacies reduce the time available to detect pharmacy fraud, waste, and abuse.

**Policies that make payers partner with pharmacies that are banned from federal programs (“Any Willing Pharmacy” policies).** Legislation that would force plans to include in their networks pharmacies that have been banned from federal programs “runs counter” to preventing fraud, according to NHCAA. This low bar would allow admission for pharmacists “even if they have records of harmful prescription errors or a high number of consumer complaints.”

**Policies that undermine payers' ability to audit independent pharmacies suspected of fraud ("Audit Reform" policies).** NHCAA supports measures that would “protect the integrity of health care audits by giving auditors more discretion and flexibility to perform their duties.” Unfortunately, legislation championed by the independent drugstore lobby would instead grant pharmacies (even those with wasteful or abusive practices) an advance notice “heads up” before performing audits.

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