

Recent New York Medicaid Settlement with Pharmacy Shows Importance of Checking Excluded Provider List Prior to Filling Prescriptions

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A New York pharmacy has agreed to pay approximately \$500,000 to the State of New York for improperly billing New York Medicaid for prescriptions written by a physician who had been excluded from the Medicaid program. This settlement serves as an important reminder to all pharmacies operating in New York: Before filling a prescription, pharmacies are required, under New York Medicaid billing rules, to first determine whether the prescriber's services are eligible for reimbursement. If a pharmacy fills and delivers a prescription written by an excluded provider, those prescriptions are not eligible for Medicaid reimbursement, and should not be submitted by the pharmacy.

Although it may seem burdensome to require a pharmacy to check each and every provider it submits a prescription for, the New York Office of the Medicaid Inspector General expects pharmacies to have a system in place through their compliance efforts, which is reasonably designed to prevent the submission of prescriptions from excluded providers. This means that pharmacies must check the excluded provider list for each provider who writes a prescription prior to filling that prescription.

In addition, if a prescription is written by an excluded provider, and is presented through the New York Medicaid online claiming system, it will not be approved. Most pharmacies will input the information, and the pharmacist will get a red or green light. Pharmacies should not fill the prescription if a red light appears, indicating that the prescriber has been excluded.

The recent settlement serves as a warning to all pharmacies operating in New York. Attorney General Eric Schneiderman has made it a priority to continue working to prevent Medicaid fraud and recover unlawfully claimed funds, and one such avenue to accomplish this is through pharmacy billing.

National Law Review, Volume VI, Number 154

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