

Medicaid and Medicare Fraud, Waste, and Abuse Program
Effective: January 1, 2009

PAAS - Complete Fraud, Waste, and Abuse Program Module

Montana Pharmacy Association endorsed PAAS (Pharmacy Audit Assistance Service) provides a training module complete with written policies, procedures, training and education for the fraud, waste, and abuse program effective on January 1, 2009.

Please visit www.paasnational.com for more information on PAAS services or call toll-free at 888-870-7227 (8:00 am - 5:00 pm Central Standard Time) or e-mail info@paasnational.com for more information on all of PAAS services.

A PAAS membership places experience, comprehensive tools and member services at your fingertips. An annual membership to PAAS comes at a fraction of the costs you would pay an independent consultant or attorney. Membership services include:

- **Expert Contract Review.** PAAS has reviewed hundreds of national contracts for pharmacies. You can save time and avoid bad deals with this valuable service.
- **Audit Assistance.** From the first notification of an audit to the final audit review, PAAS is there every step of the way for its members. They help pharmacies prepare for audits, advise them of their rights during audits, and guide them towards a fair resolution.
- **PAAS Resources.** From their comprehensive member manual, to their member favorite *Third-Party Newslines* newsletter, or their wire-bound, 400-page Signature Logbooks and their wide array of Contract and Amendment Reviews, PAAS is always just a phone call away.

Why Require a Fraud, Waste, and Abuse Program?

Due to the increasing total expense of Medicare and the fraud, abuse, and waste experiences discovered by investigators, the Centers for Medicare and Medicaid Services (CMS) issued a rule that makes fraud, abuse, and waste training required for all pharmacists, among others participating in Medicare Part D. This ruling becomes effective on January 1, 2009. **Pharmacies have nine months from January 1, 2009, to perform the training.** CMS will monitor training from training logs and completion documentation.

When more than 40 million seniors became eligible for a drug benefit under Medicare Part D in 2006 by paying a monthly fee (in most cases) and massive amounts of money started changing hands, most people could have predicted this would be a prime area for criminals to go hunting for potential scams or other schemes to enrich themselves at the expense of Medicare and American seniors.

Indeed, that expectation became reality. The National Center for Policy Analysis estimates that Medicare and Medicaid fraud and abuse cost about \$44 billion each year. They further reported that the General Accounting Office estimated in 1992 that perhaps 10% of Medicare spending (pre-Part D) was lost to fraud and abuse. Of course, this was not good news for the administrators of Medicare, one of the fastest growing federal government expenditure sources. Spending for Medicare grew to \$380 billion by 2003 with a daily cost of over \$1 billion.

Medicare Part D plan sponsors are required to have a comprehensive plan to detect, correct, and prevent fraud, waste, and abuse. The eight components that each plan must include are:

1. Written Policies, Procedures, and Standards of Conduct
2. A Compliance Officer and Compliance Committee
3. Training and Education
4. Effective Lines of Communication
5. Enforcement of Standards through well publicized disciplinary guidelines
6. Monitoring and Auditing
7. Corrective Action Procedures
8. Comprehensive Fraud and Abuse Plans - procedures to voluntarily self-report potential fraud or misconduct.

Centers for Medicare and Medicaid Services
Prescription Drug Benefit Manual
(Chapter 9 - Part D Program to Control Fraud, Waste, and Abuse)

You may find the specifics about the program in Part 50.2 ([click here](#)).

Additional guidance can be found on the National Alliance of State Pharmacy Associations websites: www.naspa.us/healthpolicy/fraud.html and www.naspa.learnsomething.com.

Or, simply call PAAS toll-free at **888-870-7227** (8:00 am - 5:00 pm Central Standard Time or e-mail info@paasnational.com for information on their complete Fraud, Waste, and Abuse Program.

- **Pharmacist Letter: Vol 2008, Course No 104; #080104**
- **Toll-Free Number for Reporting Adverse Events on Labeling for Human Drug Products (Department of Health and Human Services, Food and Drug Administration, 21 CFR parts 201, 208, and 209 [Docket No. 2003N-0324], RIN 0910-AC35, Federal Register/Vol. 69, No. 78/Thursday, April 22, 2004/Proposed Rule)**
[CMS website](#)
[PAAS website](#)