

BILL SUMMARY

MEASURE: **HB 2490**

AUTHOR: Representative Hilliard

SUBJECT: Pharmacies

PROVISIONS: **Section 1.** New Law. Creates the “Pharmacy Audit Integrity Act.”

Section 2. New Law. Defining terms. Providing purpose of the Act is to establish minimum and uniform standards for auditing of pharmacy records by certain entities.

Section 3. New Law. Outlining the requirements and standards for the performance of audits and requiring the entity that conducts the audit to provide the pharmacy with a written report and allow time for a response by the pharmacy.

Section 4. New Law. Requiring the establishment of an appeals process under which a pharmacy may appeal an unfavorable preliminary audit report.

Section 5. New Law. Defining “extrapolation audit” and prohibiting its use in calculating recoupments or penalties.

Section 6. New Law. Limiting application of the provisions of the Act to audits of claims for services provided and submitted for payment after the effective date of the Act. Providing that the provisions of the Act do not apply to investigative audits conducted by, or on behalf of, a state agency which involves fraud, willful misrepresentation or abuse.

Section 7. Effective Date: November 1, 2008

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