

Report in Brief

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U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Review

Medicare Part D is an optional program to help Medicare beneficiaries pay for prescription drugs. For drugs dispensed to Part D beneficiaries, Part D prescription drug plan sponsors may receive direct and indirect remuneration (DIR), which consists of rebates, subsidies, or other price concessions that decrease the costs that a sponsor incurs for a Part D drug. Part D sponsors or their pharmacy benefit managers (PBMs) may negotiate with pharmacies to charge various fees, and these fees are included as DIR. Part D sponsors are required to report their DIR to the Centers for Medicare & Medicaid Services each year.

Our objective was to determine whether Horizon Blue Cross Blue Shield, Inc., complied with Federal requirements for reporting pharmacy fees in its Summary DIR Reports.

How OIG Did This Review

We reviewed Horizon's Summary DIR reports for contract years (CYs) 2013 through 2016 to determine whether Horizon complied with Federal requirements for reporting pharmacy fees. We reviewed Horizon's contracts with its PBMs as well as contracts Horizon and its PBMs had with pharmacies.

Audit of Medicare Part D Pharmacy Fees: Horizon Blue Cross Blue Shield, Inc.

What OIG Found

For CYs 2013 through 2016, Horizon complied with Federal requirements for reporting pharmacy fees in its DIR reports. For CYs 2013, 2015, and 2016, Horizon appropriately reported pharmacy fees that its PBMs charged to pharmacies. During CY 2014, Horizon's PBM did not charge pharmacy fees for Horizon claims because Horizon was not part of its preferred network.

What OIG Recommends

We found that Horizon reported pharmacy fees appropriately. Accordingly, this report contains no recommendations.