Audit of Medicare Part D Pharmacy Fees: Group Health Cooperative, Inc.

What OIG Found
For CYs 2014 and 2015, GHC did not have adequate support for the point-of-sale fees that its PBM charged to pharmacies. For CYs 2014 and 2015, its PBM reported it received at least $52,076 and $36,346 respectively in point-of-sale fees. GHC refiled its DIR reports twice, and the refiled amounts were not supported by other documentation that its PBM provided. As a result, we could not validate whether the amounts GHC reported to CMS were accurate.

For CY 2016, GHC’s PBM did not charge pharmacy fees, and, for CY 2017, we determined that GHC correctly reported the pharmacy fees collected by its PBM.

What OIG Recommends and Kaiser Permanente Comments
We recommend that Kaiser Permanente, which acquired GHC in 2017: (1) validate the point-of-sale fee amounts that disclosed for CYs 2014 and 2015, and refile the CY 2014 and 2015 DIR reports if appropriate, and (2) develop written policies and procedures to validate the amounts its PBM discloses before submitting the DIR reports to CMS.

Kaiser Permanente concurred with our recommendations to validate the point-of-sale fee amounts disclosed for CYs 2014 and 2015, refile the DIR reports if appropriate, and develop written policies and procedures to validate the amounts its PBM discloses before submitting the DIR reports to CMS. Kaiser Permanente also stated that it had revised and updated its written policies and procedures to include procedures that it will use to validate data its PBMs disclosed before submitting the DIR reports to CMS.