

Report in Brief

Date: March 2023

Report No. A-04-21-07098

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



Why OIG Did This Audit

For a covered outpatient drug to be eligible for Federal reimbursement under the Medicaid program's drug rebate requirements, manufacturers must pay rebates to the States for the drugs. However, prior OIG audits found that States did not always invoice and collect all rebates due for drugs administered by physicians.

Our objective was to determine whether Florida complied with requirements for invoicing manufacturers for rebates for physician-administered drugs dispensed to Medicaid managed-care organization (MCO) enrollees.

How OIG Did This Audit

We reviewed claims for physician-administered drugs paid between January 1, 2019, and December 31, 2019.

We used the Centers for Medicare & Medicaid Services's (CMS's) Medicare Part B crosswalk and CMS Medicaid Drug File to identify single-source and multiple-source drugs. In addition, we determined whether the Healthcare Common Procedure Coding System codes were published in CMS's top-20 multiple-source drug listing.

Florida Did Not Invoice Manufacturers for Some Rebates for Physician-Administered Drugs Dispensed to Enrollees of Medicaid Managed-Care Organizations

What OIG Found

Florida generally complied with Federal Medicaid requirements for invoicing manufacturers for rebates for physician-administered drugs dispensed to MCO enrollees. However, the State agency did not invoice for, and collect from manufacturers, an estimated \$57,700 (\$35,126 Federal share) in rebates for single-source physician-administered drugs. Furthermore, we were unable to determine whether, in some cases, Florida was required to invoice for rebates for other multiple-source physician-administered drug claims. Florida did not invoice manufacturers for rebates totaling \$40,635 (\$24,772 Federal share) for these multiple-source drugs.

What OIG Recommends and Florida Comments

We recommend that Florida invoice for, and collect from manufacturers, an estimated \$57,700 (\$35,126 Federal share) in rebates for single-source physician-administered drugs and refund the Federal share of rebates collected. We also recommend that Florida work with CMS to determine whether the other claims for multiple-source physician-administered drugs, totaling \$40,635 (\$24,772 Federal share), were eligible for rebates and, if so, determine the rebates due and refund the Federal share of the rebates collected. In addition, we recommend that Florida ensure that all physician-administered drugs eligible for rebates.

In written comments on our draft report, Florida concurred with our findings and recommendations and described actions that it had taken to address them.