

## Invoice Processing Solutions Provide Compliance Relief

### Overview

CIS was retained by a specialty biotechnology company to process their quarterly Medicaid Drug Rebate Program invoices from the states. The company was interested in leveraging CIS' industry experience to develop appropriate processes and ensure ongoing compliance with State Medicaid invoice validation and payment requirements and best practices.

CIS undertook several initiatives to:

- Update policies and procedures related to these processes
- Improve tracking of Medicaid invoices
- Improve capabilities and effectiveness with respect to claim validation and dispute resolution
- Ensure proper retention of documentation

The Finance Department at the biotechnology company looks to CIS to ensure that the submitted invoice quantities for each product are analyzed and disputed if necessary, and that the invoices are paid on time. Finally, during the first quarter of processing, CIS discovered several outstanding disputes that needed to be resolved. The department asked CIS to resolve these disputes, based on the experience and subject matter expertise of CIS' consultants, and during the resolution, several large credit amounts were found to be due to the states.

### Scope

The company receives the Medicaid invoices quarterly, and submits them to CIS. CIS performs a series of variance tests to verify the submitted drug quantity and invoice amount, creates the necessary documentation to send to the state with payment and the documentation that the company needs to retain. Once the outstanding disputes were discovered, CIS began working with the states to resolve them.

### Proven Expertise

CIS is a consulting firm specializing in compliance strategies for pharmaceutical companies. Our experts can quickly identify your exposure to compliance risks, help you develop a strategic plan and ensure its implementation and ongoing adherence to regulatory requirements.

#### Our Areas of Expertise:

- GP Compliance Assessment
- Class of Trade & Public Health Service Validations
- GP Policy and Procedure Development
- Federal Supply Schedule Submission & Negotiation
- CalcPartner
- ClaimsPartner
- GP Training
- Restatement Support
- GP Calculations Audit Readiness
- Pharma Compliance Exchange (PCX)

In performing this service, CIS evaluated the department processes, submission of required documentation to the states and process documentation to identify any current or potential compliance risks.

## Methodology

In order to effectively evaluate the compliance and audit readiness of the Medicaid Processing Department, CIS performed the following review functions:

1. CIS reviewed corporate guidance documents and standard operating procedures (SOPs) that govern the Medicaid processes.
2. CIS interviewed Finance personnel to determine their roles in the process, and documented their understanding of these roles in the form of interview narratives.
3. CIS reviewed processes, as well as pricing, and invoice records retained by the department.
4. CIS reviewed dispute creation and resolution processes.
5. CIS communicated with the states, as needed, to obtain information to resolve outstanding disputes.
6. CIS assessed the overall audit readiness of the Finance functions listed above.

## Deliverables

CIS provided the Finance Department the following documents as part of the ongoing invoice processing:

1. Medicaid Claims Processing Policy and Standard Operating Procedure
2. Medicaid Claims Processing work instructions
3. Documentation to be sent to the state with payment (ROSI, PQAS, payment summary, dispute information)
4. Documentation to be retained by the client (ROSI, PQAS, payment summary, dispute information, communication with the states)
5. Dispute resolution summaries with confirmation that the state and client agreed on resolution amounts

## Benefits

The Finance Department benefited from having CIS process the quarterly Medicaid invoices in several ways:

1. The department now has policy and standard operating procedures in place to meet government and internal requirements, and industry standards.
2. The department has work instructions in place that both CIS and the client follow to ensure on time and accurate payment of Medicaid invoices.
3. Through resolution of outstanding disputes, and using outstanding credits against the current amount due, the department has been able to save \$584,000 over the course of one year, for an average savings of \$146,000 per quarter.
4. CIS was able to provide ways to better analyze amounts invoiced and improve the dispute creation and resolution process.



### Contact Us:

**484 445 7200 Philadelphia, PA Area**

**919 463 1990 Raleigh, NC Area**

[info@cis-partners.com](mailto:info@cis-partners.com)

[www.cis-partners.com](http://www.cis-partners.com)

[www.pharmacomplianceblog.blogspot.com](http://www.pharmacomplianceblog.blogspot.com)

[www.gp.cis-pcx.com](http://www.gp.cis-pcx.com)