



## Boesen & Snow's PharmaFortify™: Safeguard Your Pharmacy's Future

### Stay Ahead of PBM Audits with Preemptive Strategies

Pharmacy Benefit Manager (PBM) audits can pose a serious threat to independent pharmacies, leading to significant financial and operational disruptions. If not properly managed, these audits can result in hundreds of thousands of dollars in chargebacks, which can devastate a pharmacy's financial health. Additionally, unresolved audit findings may result in the termination of PBM contracts or referrals to regulatory agencies. At Boesen & Snow, we believe in a proactive approach to audit preparedness.

Our comprehensive **PharmaFortify™** identifies and addresses potential vulnerabilities before PBMs conduct their audits, preparing your pharmacy for the audit that is coming. This proactive strategy mitigates the risk of substantial financial losses and ensures operational continuity.

### PharmaFortify™ Snapshot



#### Identify and Mitigate Risks

Our Audit Gap Analysis thoroughly examines your current practices, pinpointing areas of vulnerability and implementing corrective measures to mitigate risks



#### Enhance PBM Contract Compliance

We ensure your documentation and operating procedures align with industry standards and best practices, reducing the likelihood of audit findings



#### Tailored Standard Operating Procedures

Develop and implement SOPs specifically designed to address the unique needs of your pharmacy



#### Support and Training

Training and support to keep your staff prepared, compliant, and ready to respond to an audit

Tailored Engagement Levels for PharmaFortify™:  
Your Pharmacy. Your Choice.

SERVICE OFFERING	Bronze	Silver	Gold	Platinum
Two One Hour Meetings with our Director of Pharmacy Services	●	●	●	●
Risk Management	● <i>Advice Only</i>	●	●	●
Audit Response Training		●	●	●
Documentation Review		●	●	●
Detailed Findings Report and Discrepancy List		●	●	●
Tailored Action Items List		●	●	●
Purchase Invoice Reconciliation			●	●
Staff Training and Education				●
Mock On-Site Audit				●
6 to 12-Month Follow Up & Mini Gap Audit				●

Why Work with Boesen & Snow Law for PharmaFortify™

Boesen & Snow offers unparalleled expertise in pharmacy law and PBM audit defense. Our team comprises experienced attorneys and pharmacists, providing unique insights and strategic advantages for your pharmacy. Our founding partners, Mark Boesen and Allyson Snow, along with Mark Ziegler, Director of Pharmacy Services and former PBM auditor, bring a wealth of knowledge and firsthand experience to every case.

Mark Boesen, PharmD, JD, with decades of experience in pharmacy operations and CEO of a mail-order pharmacy and Mark Ziegler, PharmD, MBA, with seven years leading audit teams for CVS Caremark, understand the challenges from both regulatory and business perspectives. Their combined expertise ensures your pharmacy receives top-tier representation and advocacy.

This expert team, deeply rooted in industry insight, makes Boesen & Snow the premier choice for a proactive and comprehensive **PharmaFortify™**, protecting your pharmacy from significant financial and operational disruptions.

Take Control of Your Pharmacy's Future

By partnering with Boesen & Snow, you gain a trusted ally in navigating the complexities of PBM and payer audits. Our proactive approach ensures your pharmacy remains compliant, operationally efficient, and financially secure. Safeguard your business today with Boesen & Snow's **PharmaFortify™**.

Contact us to learn more about how we can help you achieve peace of mind and long-term success.

The Benefits of Our Proactive Approach



Reduce Financial Exposure

By addressing issues before an audit occurs, we help minimize potential fines and recoupments



Strengthen Operational Resilience

A well-prepared pharmacy can withstand audits without significant disruptions, maintaining smooth operations and service delivery



Stay Compliant with PBM Requirements

Ensure your pharmacy meets your contractual obligations



Minimize Risk of Contract Termination

Ensure your pharmacy is not terminated from a PBM or health plan



Prepare Your Team for Audits with Confidence

Gain experience and knowledge to best respond to PBM audits



Build Long-Term Partnerships for Ongoing Pharmacy Support

Meet our experienced team of pharmacists and lawyers – Boesen & Snow Law can help you in every sphere of your business



# Missed Opportunities: The Financial Impact of Delaying PharmaFortify™

Explore Several Case Studies Where Proactive  
Audit Preparation Could Have Averted  
Significant Financial Losses

CASE STUDY 1

# Maximizing Audit Savings: A Pharmacy's Triumph Over Initial Findings

A northeastern pharmacy that has been locally owned for 25 years with three locations serving the urban area upstate New York

► Overview

A northeastern pharmacy that has been locally owned for 25 years with two locations serving the urban area of upstate New York faced significant audit challenges. The Pharmacy Benefit Manager (PBM) initially claimed that the pharmacy owed \$376,333.15, plus a 20% audit fee, totaling \$451,599.78. Through comprehensive support and strategic navigation of audit issues, the final amount owed was reduced to \$29,369.56, plus a 20% audit fee, resulting in a total of \$35,243.47. Legal expenses for this assistance were approximately \$37,000, making the total audit cost to the pharmacy around \$73,000.



► Audit Issues

The primary audit issues faced by the pharmacy included:

- ✗ Failing to provide evidence of delivery tracking and confirmation for prescriptions sent to patients across the country
- ✗ Failing to provide complete evidence of wholesaler purchase invoices and intracompany inventory transfers
- ✗ Failing to provide complete evidence of the application of manufacturer coupons to patient copay amounts



## GAP Analysis – What If?

If the pharmacy had been adequately prepared, they could have avoided most of the \$73,000 total audit cost by:



Utilizing its current third-party shipping software to efficiently retrieve the required delivery tracking and confirmation documentation to respond to the initial audit request, minimizing most of the \$376,333.15 initial audit finding



Effectively communicating the audit request to wholesalers for complete purchase invoices and preparing the required federal documentation to support intracompany inventory transfer



Retrieving all documentation from its pharmacy software system to effectively respond to the initial audit request for copay documentation

“ Proper preparation and a thorough understanding of audit requirements can significantly reduce financial liabilities and streamline the audit process. Being proactive in gathering and maintaining the necessary documentation is essential for minimizing potential risks and costs. –Pharmacy Owner

CASE STUDY 2

# Contract Termination Risks: The Cost of Purchasing Outside Authorized Distribution Networks

A midwestern pharmacy that has multiple locations serving both rural and urban communities

► Overview

A midwestern pharmacy with multiple locations serving both rural and urban communities faced an initial audit cost presented by the PBM of \$114,840.42, including a 20% audit fee. After our assistance, the final amount owed was reduced to \$75,276.71, also including the 20% audit fee. Legal expenses incurred for our services were approximately \$11,000, resulting in a total audit cost to the pharmacy of around \$86,000.



► Audit Issue

The audit issues the pharmacy faced included purchasing diabetic testing supplies from a non-authorized wholesaler, failing to provide complete evidence of wholesaler purchase invoices, submitting claims for a payable NDC but dispensing a different generic product during a shortage, and not providing full evidence of the application of manufacturer coupons to patient copays.



## GAP Analysis – What If?

Had the pharmacy been adequately prepared, they could have avoided the majority of the \$86,000 total audit cost by:



Ceasing purchases from non-authorized wholesalers



Retaining documentation for product substitutions



Communicating, effectively, the audit request to wholesalers for complete purchase invoices



Retrieving all documentation from the pharmacy software system to effectively respond to the initial audit request for copay documentation

“Thorough preparation and proactive management of audit documentation are crucial in minimizing financial liabilities and ensuring compliance. A well-prepared pharmacy can significantly reduce audit costs and prevent potential penalties or contract termination with a proactive approach. –General Manager



# Turning the Tables: Slashing Audit Costs and Realizing Cost Avoidance

A southwestern corporate-owned pharmacy servicing patients across multiple states region

## ► Initial Findings

The initial audit uncovered significant discrepancies amounting to \$1,125,275.06 in drug invoice shortages, with an additional 20% audit fee of \$225,055.01, totaling \$1,350,330.07. However, after rigorous scrutiny and negotiation from our team, the final audit adjustment revealed a considerably lower figure of \$22,089.26, plus a 20% audit fee of \$4,417.85, bringing the total to \$26,507.11. The legal expenses incurred were approximately \$36,000, resulting in a total audit cost to the pharmacy of about \$63,000.



## ► Audit Issue

Several issues were identified during the audit, including drug invoice shortages due to inappropriate billing practices. Specifically, a single National Drug Code (NDC) was billed for custom dosing, necessitating different vial sizes of the same medication. Additionally, the pharmacy's intracompany transfer documentation and purchase invoices were scrutinized, revealing insufficient product purchases to justify the transfers. The pharmacy also failed to provide complete evidence of patient copay collections.



## GAP Analysis – What If?

If the pharmacy had recognized the improper billing procedures earlier, they could have quickly developed and implemented a corrective action plan, presenting it proactively during the audit. Moreover, maintaining and providing all relevant documentation regarding patient copays and financial hardships in a timely manner would have streamlined the audit process, significantly mitigating the issues faced and reducing financial liabilities.



Effective audit preparation and strategic negotiation can turn a potential financial setback into a remarkable success story. –**Vice President of Pharmacy**

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