



Summary of Pharmacy Audit Legislation (HB 349)

HB 349 makes revisions to Kentucky's pharmacy audit law. The changes are designed to further protect Kentucky's pharmacies from abusive audit practices by pharmacy benefit managers that conduct post-payment audits of claims.

Amends KRS 304.17A – 741 to:

- Prohibit an auditing entity from requiring records to be kept for a longer than required by state or federal law.
- Clean up language regarding reimbursement based on amount recovered.
- Prohibit recoupment for typographical errors unless there is evidence of fraud or error results in an actual overpayment; allows pharmacies to file amended claim correcting the error within 30 days.
- Limit recoupment to only the amount actually overpaid.
- Limit the sharing of audit data.

Amends KRS 304.17A – 745 to:

- Remove the exemption for Medicaid Managed Care organizations (MCOs).

Creates a new Section of KRS 205 to:

- Subject the MCOs providing Medicaid services to the audit requirements.